UNIVERSAL DISPLAY CORPORATION

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# Universal Display Corporation and Nippon Steel Chemical Company Announce Collaboration on Vacuum-Deposited OLED Materials

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Universal Display's Red PHOLED Emitters in Combination with NSCC's Host Material Offer Excellent Performance for OLED Displays

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Nippon Steel Chemical Co., Ltd. (NSCC), the Company that's a leading manufacturer of OLED materials and owns the equipment and the technology for manufacturing super-purified products with consistent quality in commercial scale in advance of any other manufacturers in the world, and Universal Display Corporation (NASDAQ:PANL), the Company that's lighting the way in developing and commercializing OLED technology for flat panel displays, lighting and other opto-electronics with its proprietary PHOLED(TM) phosphorescent OLED technology, today announced a collaboration to develop new markets for red phosphorescent OLED materials. As the background of this collaboration, there is the fact that a commercially-available red host material from NSCC is compatible with commercially-available red phosphorescent OLED emitters from Universal Display.

By using red phosphorescence, overall power consumption of the display can be reduced by more than 40% as compared to using fluorescent red OLEDs. The combination of Universal Display's red PHOLED materials and NSCC's host material, called NS11, offers very efficient, highly desirable red colors with long operational lifetime. These products are currently available for evaluation and commercial use from the two companies.

"We are very pleased that we are able to advance the performance of vacuum-deposited OLED materials technology through this collaboration with one of the world's leading chemical companies," stated Steven V. Abramson, President and Chief Operating Officer of Universal Display. "Working with companies like Nippon Steel Chemical through mutually beneficial collaborations should accelerate the commercialization of high-performance OLED displays."

"Since the time when fluorescent materials were introduced into the OLED market, we started to supply the OLED materials as commercial base. Since then, we have been involved in providing our materials to most of the OLED manufacturers, which have already started to mass-produce OLED devices. However, we recognize that it should be very difficult for the fluorescent OLED system to compete against the LCD system because of the small distinction in power consumption between the both systems. In order to pursue the further enlargement of the OLED market, we consider that it must become a key factor to introduce phosphorescent materials into the OLED market. Based on this point of view, we have mainly focused our efforts on the development of phosphorescent materials. Under such OLED business background, we are very pleased to make this collaboration with UDC, who is a pioneer as well as a basic patents' holder and holds a very high level of the capability that is related to phosphorescent OLED technology. Furthermore, we expect that this collaboration will make a strong promotion of phosphorescent materials, technologies and devices to be

accelerated in the OLED market," stated Yasuhiro Shimoura, Executive Officer and General Manager at Organic Display Materials Division of Nippon Steel Chemical.

Last year, NSCC and Universal Display, along with Pioneer Corporation and Tohoku Pioneer Corporation, were awarded the grand prize of the 10th annual Advanced Display of the Year Award, in the Display Materials and Components category at the annual Flat Panel Display R&D and Manufacturing Technology Expo & Conference (commonly known as FINETECH JAPAN). The award recognized the development of new materials and a device structure that led to the world's first commercialized OLED display panels that use phosphorescent materials.

Universal Display's proprietary PHOLED technology offers up to four times higher efficiency than conventional OLED technology - a feature that is very important for today's battery-operated cell phones and other portable devices, as well as for tomorrow's large-area TVs and solid-state lighting products. Over the past few years, the Company has announced a series of record-breaking performance milestones for its red, green and blue PHOLED systems. Universal Display's vacuum-deposited PHOLED materials, manufactured by PPG Industries exclusively for Universal Display, are currently being evaluated and used in commercial production by a number of electronics manufacturers.

Fully utilizing technology accumulated in the manufacture of heterocyclic aromatic compound derivatives and medical intermediates, Nippon Steel Chemical was quick to commercialize OLED materials that are now moving into the limelight as a next-generation display material. As a result, the number of successful applications steadily continues to rise both in Japan and abroad. Nippon Steel Chemical is a highly rated leader in the industry for having developed many advanced technologies (including proprietary methods for sublimation, purification and impurity control) that enabled it to become the first firm in the world to reliably manufacture products of ultra-high purity. The number of successful applications steadily continues to rise both in Japan and abroad by the achievement of the world's first commercialized phosphorescent OLED material.

For more information about Universal Display's PHOLED materials, please contact Janice K. Mahon at jkmahon@universaldisplay.com.

For more about NSCC's host materials, please contact Masamichi Fujii at fujiima@nscc.co.jp.

About Nippon Steel Chemical Company

Nippon Steel Chemical Co., Ltd., located in Sotokanda, Chiyoda-ku, Tokyo, Japan, is one of leading chemical manufacturers, a subsidiary company of Nippon Steel Corporation, one of the largest Steel companies in the world. Nippon Steel Chemical has its variety of chemical business based on not only Coal Chemicals and Petrochemicals, such as Coke, Coal Tar, Industrial Gases and so on, but also diversified high performance materials, such as electronic materials and fine chemicals.

In the area of electronic materials, Nippon Steel Chemical has been providing circuit board materials, which are called "ESPANEX", semiconductor packaging materials, which are called "ESALEX", flat-panel display materials such as black matrix, RGB ink, which are called "ESFINE", and plastic substrates, which are called "SILPLUS", and organic EL materials (OLED materials). Especially, the ESPANEX series of copper-clad laminated sheets (two-layer CCLs) for flexible printed circuit boards were developed by means of Nippon Steel Chemical's proprietary technology, and now command a principal share of the world two-layer CCL market. Visit Nippon Steel Chemical on the Web at www.nscc.co.jp.

About Universal Display Corporation

Universal Display Corporation is a world leader in developing and commercializing innovative OLED technologies and materials for use in the electronic flat panel display, lighting and other opto-electronic markets. Universal Display is working with a network of world-class organizations including Princeton University, the University of Southern California, the University of Michigan and PPG Industries. The Company has established more than 20 development programs and

other similar relationships with companies such as Tohoku Pioneer Corporation; Samsung SDI Co.; AU Optronics Corporation; DuPont Displays, Inc.; Seiko Epson Corporation; Sony Corporation; and Toyota Industries Corporation. The Company has also licensed its OVPD technology to AIXTRON AG for the development of next-generation OLED manufacturing equipment. Universal Display currently owns or has exclusive or sole license rights in approximately 725 issued and pending patents worldwide.

Universal Display is located in the Princeton Crossroads Corporate Center in Ewing, New Jersey, minutes away from its research partner at Princeton University. Universal Display's state-of-the-art facility is designed to further technology and materials development, technology transfer to manufacturing partners and work with customers to develop products to meet their needs for OLED products. Visit Universal Display on the Web at www.universaldisplay.com.

All statements in this document that are not historical, such as those relating to Universal Display Corporation's technologies and potential applications of those technologies, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on any forward-looking statements in this document, as they reflect Universal Display Corporation's current views with respect to future events and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated. These risks and uncertainties are discussed in greater detail in Universal Display Corporation's periodic reports on Form 10-K and Form 10-Q filed with the Securities and Exchange Commission, including, in particular, the section entitled 'Risk Factors' in Universal Display Corporation's annual report on Form 10-K for the year ended December 31, 2005. Universal Display Corporation expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this document.

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