



Press Release

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FOR IMMEDIATE RELEASE**UNIVERSAL DISPLAY CORPORATION AWARDED 2008 U.S. ARMY
SBIR ACHIEVEMENT AWARD**

Company honored for its environmentally-benign, single-layer barrier encapsulation technology for use in the manufacture of durable flexible OLEDs

Ewing, NJ – December 18, 2008 – Universal Display Corporation (NASDAQ: PANL), an innovator behind today's and tomorrow's displays and lighting through its state-of-the-art OLED technologies, today announced that the company has been awarded a 2008 U.S. Army Small Business Innovation Research (SBIR) Achievement Award. The award recognizes the Company for its work in developing a novel, environmentally-friendly, single-layer barrier encapsulation technology, especially important for flexible OLEDs.

Universal Display's new single-layer barrier technology relies on the use of non-toxic materials for formation of the protective barrier film. The technology, originally conceived by researchers at Princeton University, was successfully transferred to Universal Display to enable the encapsulation of full-color, flexible OLED display prototypes for delivery to the U.S. Army. This work also complements flexible display development ongoing at the U.S. Army's Flexible Display Center at Arizona State University, of which Universal Display is a founding member.

This single-layer approach has the potential to impart greater flexibility, longer lifetime and lower costs compared to other approaches under development. Encapsulation is considered to be a critical component for light weight, low power, flexible OLED displays. It may also offer similar benefits for OLED lighting, photovoltaics and thin-film batteries, among other applications.

“It’s an honor for everyone at Universal Display to be recognized with this competitive award from the U.S. Army,” stated Steven V. Abramson, President and Chief Executive Officer of Universal Display Corporation. “I am proud of the strong team effort demonstrated by our researchers at Universal Display and our colleagues at Princeton University, as well as the support that the U.S. Army has provided in this area. This innovation has the potential to significantly improve the performance and cost of flexible OLED displays for military and consumer applications as well other thin-film technologies including OLED lighting, solar cells and thin-film batteries.”

The award will be presented to Universal Display’s team during an awards ceremony at the Pentagon in Washington D.C. on Friday, December 19th. The U.S. Army SBIR Achievement Award process is extremely competitive. This year, 755 Phase II projects were eligible, 41 nominations were forwarded to the Achievement Awards Selection Committee, and Universal Display was one of 10 awardees. Award winners are selected based on originality and innovation of research; relevance of the research to the Army mission; immediate commercialization potential of the research, reflecting the primary goal of bringing technology and products to the marketplace; and overall quality performance of the project.

Universal Display is currently developing flexible OLED technology with the U.S. Department of Defense and commercial partners. Flexible displays are important for enabling novel, compact and light weight information and communications systems for soldiers’ use in the field. Flexible OLED displays may also create a variety of new products for industrial, consumer and medical applications such as automotive uses, cell phones and personal electronic devices.

Display Bank, a leading Korean display analyst firm, has projected that the worldwide market for flexible displays is going to grow from \$280 million in 2010 to \$12.2 billion in 2017. The

OLED lighting market is also projected to reach almost \$4.5 billion by 2013 according to NanoMarkets. Also, the markets for thin-film batteries are anticipated to reach \$11 billion by 2012 according to Wintergreen Research, Inc.

To see how Universal Display Corporation is changing the face of the display please visit the Company at www.universaldisplay.com.

About Universal Display Corporation

Universal Display Corporation is a world leader in developing and commercializing innovative OLED technologies and materials for use in flat panel displays, solid-state lighting products, electronic communications and other opto-electronic devices. 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, Inc. Universal Display has also established numerous commercial relationships with companies such as Chi Mei EL Corporation, DuPont Displays, Inc., Konica Minolta Technology Center, Inc., LG Display Co., Ltd., Samsung SDI Co., Seiko Epson Corporation, Sony Corporation, Tohoku Pioneer Corporation and Toyota Industries Corporation. Universal Display currently owns or has exclusive, co-exclusive or sole license rights with respect to more than 850 issued and pending patents worldwide.

Universal Display is located in the Princeton Crossroads Corporate Center in Ewing, New Jersey. 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 OLED products that meet their needs. Visit Universal Display on the Web at www.universaldisplay.com.

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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, 2007. Universal Display Corporation disclaims any obligation to update any forward-looking statement contained in this document.