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For Immediate Release

**UNIVERSAL DISPLAY CORPORATION ANNOUNCES
SECOND QUARTER 2010 FINANCIAL RESULTS**

Ewing, New Jersey — August 9, 2010 — Universal Display Corporation (NASDAQ: PANL), enabling energy-efficient displays and lighting with its UniversalPHOLED™ technology and materials, today announced its results for the quarter ended June 30, 2010.

For the second quarter of 2010, the Company reported a net loss of \$4,436,095, or \$(0.12) per basic and diluted share, compared to a net loss of \$6,415,178, or \$(0.18) per basic and diluted share, for the second quarter of 2009. Net loss and loss per share for the second quarter of 2010 included a \$2,582,428 non-cash loss on stock warrant liability. Operating loss for the second quarter of 2010 was reduced to \$1,909,144 from \$6,310,763 for the second quarter of 2009. The improvement in the operating loss was attributable to a significant increase in revenues, partially offset by higher operating expenses.

Revenues for the second quarter of 2010 were \$8,446,829, compared to revenues of \$2,956,354 for the second quarter of 2009. Commercial revenue, which includes commercial chemical revenue, license and royalty revenues, and commercialization assistance revenue, was \$1,951,892 for the quarter, compared to \$1,239,056 for the second quarter of 2009.

Developmental revenue, which includes development chemical revenue, contract research

revenue, and technology development revenue, was \$6,494,937 for the quarter, compared to \$1,717,298 for the second quarter of 2009. For the second quarter of 2010, developmental revenue included the recognition of \$2,100,000 of non-refundable payments previously received from a customer for technical assistance that was provided under an agreement that expired in 2006. These payments had previously been classified as deferred revenue.

Operating expenses for the second quarter of 2010 were \$10,355,973, compared to \$9,267,117 for the second quarter of 2009.

“We are pleased to report a significant improvement in our second quarter 2010 financial performance,” said Sidney D. Rosenblatt, Executive Vice President and Chief Financial Officer of Universal Display. “Revenues rose significantly and our operating loss was reduced by two-thirds compared to the second quarter of last year. As a result of the ever-widening utilization of our UniversalPHOLED™ technology and materials, both our commercial and developmental revenues increased and operating results improved. With display quality and power efficiency performance becoming an increasingly important selling feature for handheld devices, our strategy is to strengthen our technological leadership and continue our legacy of innovation to more firmly establish the UniversalPHOLED™ technology and materials franchise.”

Mr. Rosenblatt continued, “Demand for AMOLED displays is reportedly outstripping supply. Manufacturers are in the process of significantly expanding their capacity for small-area OLED display applications and migration to larger format displays is expected. In addition, the development of white OLED lighting should create another exciting market opportunity for our technology and materials. This quarter we announced a series of new technological innovations to help sustain our industry leadership, add to our competitive advantages, and create value for our shareholders.”

For the six months ended June 30, 2010, the Company reported a net loss of \$7,414,426, or \$(0.20) per basic and diluted share, compared to a net loss of \$11,984,777, or \$(0.33) per basic and diluted share, for the same period in 2009. Operating loss for the six months ended June 30,

2010 was \$6,133,476, which was less than half the \$12,304,361 operating loss for the same period in 2009.

For the first half of 2010, the Company reported revenues of \$12,693,479, compared to revenues of \$5,790,212 for the same period in 2009. Commercial revenues for the first six months of 2010 were \$3,782,039, compared to \$2,608,193 for the same period in 2009. Developmental revenue for the first six months of 2010 was \$8,911,440, compared to \$3,182,019 for the same period in 2009.

Cash used in operating activities for the six months ended June 30, 2010 was \$2,757,981, compared to \$8,798,154 for the six months ended June 30, 2009. The improvement in cash used in operating activities was mainly attributable to the growth in revenues, partially offset by an increase in operating costs. The Company's balance sheet remained strong at quarter end, with cash, cash equivalents and short-term investments of \$66,092,924 as of June 30, 2010, up over \$2 million compared to cash, cash equivalents and short-term investments of \$63,874,081 as of December 31, 2009.

Mr. Rosenblatt concluded, "Looking ahead, the momentum behind adoption of AMOLED display technology in handheld devices appears to be accelerating. Longer term, we believe there is opportunity for additional demand for our UniversalPHOLED technology and materials in the emerging market for white OLEDs, as well as expansion into larger displays. We intend to follow the disciplined strategy that has established Universal Display as the industry leader to capitalize on the rising demand for more power efficient and cost-effective displays and lighting solutions in a world that is increasingly visual, environmentally-sensitive and energy efficient."

In conjunction with this release, Universal Display will host a conference call, followed by a question and answer session, on Monday, August 9, 2010 at 5:00 p.m. Eastern Time. Interested parties may participate by calling 888-215-6982 at 4:55 p.m. Eastern Time and referencing conference ID 1148660. A taped replay of the conference call will be available within two hours of the conclusion of the call and will remain available through Monday, August 23, 2010. The number to call for the taped replay is 888-203-1112 and the conference PIN is 1148660.

The conference call will be simultaneously broadcast live over the Internet through a webcast on the Universal Display website. To access the call, please visit the events portion of the website at www.universaldisplay.com. An online archive of the webcast will be available within two hours of the conclusion of the call.

About Universal Display Corporation

Universal Display Corporation (Nasdaq: PANL) is a leader in developing and delivering state-of-the-art, organic light emitting device (OLED) technologies, materials and services to the display and lighting industries. Founded in 1994, the company currently owns or has exclusive, co-exclusive or sole license rights with respect to more than 1,000 issued and pending patents worldwide. Universal Display licenses its proprietary technologies, including its breakthrough high-efficiency UniversalPHOLED™ phosphorescent OLED technology, that can enable the development of low power and eco-friendly displays and white lighting. The company also develops and offers high-quality, state-of-the-art UniversalPHOLED materials that are recognized as key ingredients in the fabrication of OLEDs with peak performance. In addition, Universal Display delivers innovative and customized solutions to its clients and partners through technology transfer, collaborative technology development and on-site training.

Based in Ewing, New Jersey, Universal Display works and partners with a network of world-class organizations, including Princeton University, the University of Southern California, the University of Michigan, and PPG Industries, Inc. The company has also established relationships with companies such as AU Optronics Corporation, Chi Mei EL Corporation, DuPont Displays, Inc., Konica Minolta Technology Center, Inc., LG Display Co., Ltd., Samsung Mobile Display Co, Ltd., Seiko Epson Corporation, Sony Corporation, Showa Denko K.K., and Tohoku Pioneer Corporation. To learn more about Universal Display, please visit 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, 2009. Universal Display Corporation disclaims any obligation to update any forward-looking statement contained in this document.

UNIVERSAL DISPLAY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(unaudited)

	June 30, 2010	December 31, 2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 11,754,285	\$ 22,701,126
Short-term investments	54,338,639	41,172,955
Accounts receivable	3,885,380	3,344,255
Other current assets	456,068	411,240
	70,434,372	67,629,576
PROPERTY AND EQUIPMENT, net	10,248,341	11,048,763
ACQUIRED TECHNOLOGY, net	386,736	1,234,272
OTHER ASSETS	270,932	227,276
	\$ 81,340,381	\$ 80,139,887
TOTAL ASSETS	\$ 81,340,381	\$ 80,139,887

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts payable	\$ 1,747,143	\$ 1,275,695
Accrued expenses	4,378,779	5,238,870
Deferred license fees	4,028,487	6,047,467
Deferred revenue	864,881	1,403,927
	11,019,290	13,965,959
DEFERRED LICENSE FEES	3,105,933	2,826,237
STOCK WARRANT LIABILITY	5,589,350	3,720,165
RETIREMENT PLAN BENEFIT LIABILITY	5,807,038	-
	25,521,611	20,512,361
Total liabilities	25,521,611	20,512,361
SHAREHOLDERS' EQUITY:		
Preferred Stock, par value \$0.01 per share, 5,000,000 shares authorized, 200,000 shares of Series A Nonconvertible Preferred Stock issued and outstanding (liquidation value of \$7.50 per share or \$1,500,000)	2,000	2,000
Common Stock, par value \$0.01 per share, 100,000,000 and 50,000,000 shares authorized, 38,197,078 and 36,818,440 shares issued and outstanding at June 30, 2010 and December 31, 2009, respectively	381,971	368,184
Additional paid-in capital	265,437,511	256,340,530
Accumulated deficit	(204,523,131)	(197,108,705)
Accumulated other comprehensive (loss) income	(5,479,581)	25,517
	55,818,770	59,627,526
Total shareholders' equity	55,818,770	59,627,526
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 81,340,381	\$ 80,139,887

UNIVERSAL DISPLAY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

	Three Months Ended June 30,	
	2010	2009
REVENUE:		
Commercial revenue	\$ 1,951,892	\$ 1,239,056
Developmental revenue	6,494,937	1,717,298
Total revenue	8,446,829	2,956,354
OPERATING EXPENSES:		
Cost of chemicals sold	1,017,416	318,191
Research and development	4,701,508	5,324,695
Selling, general and administrative	3,624,582	2,715,071
Patent costs	843,907	823,729
Royalty and license expense	168,560	85,431
Total operating expenses	10,355,973	9,267,117
Operating loss	(1,909,144)	(6,310,763)
INTEREST INCOME	61,125	188,593
INTEREST EXPENSE	(5,648)	(298)
LOSS ON STOCK WARRANT LIABILITY	(2,582,428)	(292,710)
NET LOSS	\$ (4,436,095)	\$ (6,415,178)
BASIC AND DILUTED NET LOSS PER COMMON SHARE	\$ (0.12)	\$ (0.18)
WEIGHTED AVERAGE SHARES USED IN COMPUTING BASIC AND DILUTED NET LOSS PER COMMON SHARE	37,362,176	36,383,255

UNIVERSAL DISPLAY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

	Six Months Ended June 30,	
	2010	2009
REVENUE:		
Commercial revenue	\$ 3,782,039	\$ 2,608,193
Developmental revenue	8,911,440	3,182,019
Total revenue	12,693,479	5,790,212
OPERATING EXPENSES:		
Cost of chemicals sold	1,478,202	489,178
Research and development	9,168,139	10,543,757
Selling, general and administrative	6,266,828	5,338,016
Patent costs	1,625,166	1,555,260
Royalty and license expense	288,620	168,362
Total operating expenses	18,826,955	18,094,573
Operating loss	(6,133,476)	(12,304,361)
INTEREST INCOME	136,780	441,993
INTEREST EXPENSE	(12,707)	(2,941)
LOSS ON STOCK WARRANT LIABILITY	(1,869,185)	(119,468)
LOSS BEFORE INCOME TAX BENEFIT	(7,878,588)	(11,984,777)
INCOME TAX BENEFIT	464,162	-
NET LOSS	\$ (7,414,426)	\$ (11,984,777)
BASIC AND DILUTED NET LOSS PER COMMON SHARE	\$ (0.20)	\$ (0.33)
WEIGHTED AVERAGE SHARES USED IN COMPUTING BASIC AND DILUTED NET LOSS PER COMMON SHARE	37,196,741	36,341,840

UNIVERSAL DISPLAY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Six Months Ended Ended June 30,	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (7,414,426)	\$ (11,984,777)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of deferred license fees and deferred revenue	(3,653,330)	(1,219,806)
Depreciation	944,798	1,036,126
Amortization of intangibles	847,536	847,536
Amortization of premium and discount on investments, net	(80,168)	(266,946)
Stock-based employee compensation	1,191,701	989,611
Stock-based non-employee compensation	43,308	6,518
Non-cash expense under a materials agreement	557,223	582,301
Stock-based compensation to Board of Directors and Scientific Advisory Board	384,665	176,511
Loss on stock warrant liability	1,869,185	119,468
(Increase) decrease in assets:		
Accounts receivable	(541,125)	689,681
Other current assets	(44,828)	(96,677)
Other assets	(43,656)	(167,136)
Increase in liabilities:		
Accounts payable and accrued expenses	1,464,055	422,769
Deferred license fees	800,000	-
Deferred revenue	575,000	66,667
Retirement plan benefit liability	342,081	-
Net cash used in operating activities	<u>(2,757,981)</u>	<u>(8,798,154)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(144,376)	(126,253)
Purchases of short-term investments	(51,910,640)	(52,014,248)
Proceeds from sale of short-term investments	38,784,983	43,144,000
Net cash used in investing activities	<u>(13,270,033)</u>	<u>(8,996,501)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the issuance of common stock	129,650	-
Proceeds from the exercise of common stock options and warrants	6,083,944	198,970
Payment of withholding taxes related to stock-based employee compensation	(1,132,421)	(844,474)
Net cash provided by (used in) financing activities	<u>5,081,173</u>	<u>(645,504)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(10,946,841)	(18,440,159)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	22,701,126	28,321,581
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 11,754,285</u>	<u>\$ 9,881,422</u>