



Press Release

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For Immediate Release**UNIVERSAL DISPLAY CORPORATION AWARDED PHASE I SBIR GRANT FROM
U.S. AIR FORCE TO DESIGN FLEXIBLE OLED DISPLAY PROTOTYPE**

Program aims to develop technology for low power, “rollable” displays for future military and commercial applications

Ewing, New Jersey — May 13, 2008— Universal Display Corporation (NASDAQ: PANL), an innovator behind today and tomorrow’s displays and lighting products through its Universal PHOLED™ phosphorescent OLED technology, announced today that the Company has been awarded a Small Business Innovation Research (SBIR) Phase I grant for \$99,978 from the U.S. Air Force Research Laboratory to develop its flexible OLED display technology for “rollable” applications. The ultimate goal of this U.S. Air Force program is to develop lightweight, rugged, low power displays that can replace printed paper maps on pilots’ knees and be rolled up for stowage when not in use. Rollability is also important for a variety of novel commercial applications, including the Company’s concept Universal Communication Device.

Under the terms of this nine-month Phase I grant, Universal Display and its partner, L-3 Display Systems, will provide the U.S. Air Force with an initial design and mock-up of a low-power consumption, full-color, video-rate OLED display that can be rolled around a cylinder for stowage. If successful, Universal Display would then propose a follow-on Phase II program to deliver six-inch diagonal, 480 x 480 full-color, active matrix PHOLED display prototypes that would be built on metallic foil to be flexible enough to wrap around a 2.5 inch diameter cylinder containing the power supplies and wireless communication electronics.

“We are excited to continue the research and development of flexible and rollable OLED technology – an idea that is moving quickly from being a vision to becoming a reality,” said Steven V. Abramson, President and Chief Executive Officer of Universal Display. “The U.S. Air Force as well as other branches of the U.S. Department of Defense have been strong supporters of our flexible OLED technology. Also offering thinness, light weight and ruggedness, rollable displays may revolutionize the way soldiers view information on the battlefield and in the cockpit. This program should also support our efforts to commercialize FOLED technology for a variety of novel consumer applications.”

Beyond current military concepts, flexible OLED displays are considered the next potential disruptive technology for several industrial, consumer and medical applications, such as in automobiles, cell phones and personal electronic devices. DisplaySearch, the worldwide leader in display market research and consulting, has projected that the worldwide market for flexible displays has the potential to grow to \$4 billion in 2015. Companies like Universal Display are introducing key advances in OLED technology that will bring flexible displays closer to commercialization.

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

About L-3 Display Systems

L-3 Display Systems, located in Alpharetta, Georgia, specializes in the design, development and manufacture of ruggedized display systems for the world's most advanced applications. L-3 Display Systems offers a wide variety of displays and processors available to meet a host of system architectures for airborne, shipboard and ground-based applications. To learn more about L-3 Display Systems, please visit the company's web site at www.L-3Com.com/Displays.

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 825 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 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.