



May 16, 2007

USA Technologies Announces Record Revenue for Fiscal Third Quarter

e-Port® Revenue Up 511% for three months ended March 31, 2007 versus three months ended March 31, 2006

MALVERN, PA - May 16, 2007 -- USA Technologies (NASDAQ: USAT) announced today record revenue for the fiscal third quarter ended March 31, 2007. Revenue for the three months totaled \$2,690,414 compared with \$1,618,776 for the corresponding three-months in fiscal year 2006, an increase of 66%. Revenue for the nine months ended March 31, 2007 was \$6,711,033 compared with \$4,940,414 for the same nine month period ended March 31, 2006. Gross profit for the three months ended March 31, 2007 was \$317,940 compared with \$687,749 for the three months ended March 31, 2006. Gross profit declined as a result of the MasterCard initiative pursuant to which the Company is seeding the market for cashless vending. The Company reported gross profit of \$1,217,665 for the nine months ended March 31, 2007 compared with \$1,790,558 for the corresponding period in fiscal 2006.

During the fiscal 2007 third quarter, revenue from the Company's e-Port® revenue (includes equipment sales, activation fees, license and transaction processing fees) was approximately \$1,800,000, the highest in the Company's history and an increase of 511% versus the year-earlier period. The Company had e-Port® revenue of approximately \$1,190,000 during the second quarter of fiscal year 2007. For the nine months ended March 31, 2007, e-Port® revenue was approximately \$3,900,000, an increase of 218% versus the corresponding nine months ended March 31, 2006. This increase was due to higher sales of the Company's e-Port G-6 as part of the initiative with MasterCard Worldwide, as well as accelerating growth in license and transaction fees as the Company adds more connections to its USALive® network.

"We continue to see growing adoption of the e-Port by leading companies across the country," said George R. Jensen, Jr., Chairman and Chief Executive Officer, USA Technologies. "As a result of our relationship with MasterCard Worldwide, we have aggressively begun to deploy the e-Port in new markets, helping the Company expand its base of recurring revenue from servicing fees. Coca-Cola United's recent decision to begin equipping its vending machines with USA Technologies' e-Port® G6 to accept MasterCard® PayPass® contactless payments as well as traditional magnetic stripe credit card payments is further validation from a leading company of the way cashless vending and our technology can enable commerce. With a strong balance sheet, growing revenue and relationships with some of the most respected companies in the country, USA Technologies has never been better positioned for growth."

Some of the highlights of the third quarter include:

- Expansion of MasterCard relationship. MasterCard Worldwide and the Company began to equip Great Plains Coca-Cola Bottling Company's vending machines with USA Technologies' e-Port® G6 cashless transaction solution to accept MasterCard® PayPass® contactless payments. Great Plains Coca-Cola Bottling Company, which vends beverages and snacks throughout central and northeast Oklahoma and northwest Arkansas, is the third major US bottling company to convert to cashless and contactless vending in recent months.
- Nasdaq Listing. On March 19, 2007, the Company's common stock began trading on the Nasdaq Capital Market.
- Completion of \$10 Million Private Placement. The Company completed a \$10 million private placement of common stock and warrants with S.A.C. Capital Associates, LLC.

Statement under the Private Securities Litigation Reform Act:

With the exception of the historical information contained in this release, the matters described herein contain forward-looking statements that involve risk and uncertainties that may individually or mutually impact the matters herein described, including but not limited to product acceptance, the ability to continually obtain increased orders of its products, the ability to meet installation goals, economic, competitive, governmental impacts, whether its pending patents will be granted or defensible; validity of intellectual property and patents of USA, the ability of USA to license its patents, the ability of USA to commercialize its developmental products, technological and/or other factors, which could cause actual results or revenues to differ materially from those contemplated by these statements.