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## **Federal Reserve Decision Expected to Accelerate Adoption of Cashless Technology in Vending and Other Small Ticket Cashless POS Markets**

### **USA Technologies Welcomes Receipt Elimination as Removal of Obstacle, and Boosting e-Port® Business**

MALVERN, PA, July 2, 2007- USA Technologies (NASDAQ: USAT) welcomes the Federal Reserve Board's decision to eliminate the requirement to provide receipts for debit card transactions under \$15 as a major business incentive.

The Company believes the decision removes a major barrier for the large-scale adoption of cashless acceptance in the multi-billion dollar-vending, kiosk, laundry and other small ticket self-serve markets.

USA Technologies adds that the Federal Reserve's decision to cap the receipt requirement of Regulation E at \$15 will benefit consumers in the US by giving them the ability to enjoy the convenience of paying with debit at millions of new unattended point-of-sale (POS) locations.

"The decision to eliminate the need for merchants to provide consumers with receipts has significant implications for our business. Of the \$2.4 trillion spent with credit and debit cards in 2006, 36.2% or \$868.8 billion was spent using debit cards. Debit purchases have steadily increased from approximately 9% in 1997, indicating a rapidly growing preference for debit," said George Jensen, Chairman and CEO, USA Technologies Inc. "Cashless has become the preferred method of payment in the US, and we believe the decision will lead to an acceleration in adoption of cashless technology, driving greater convenience for consumers and opening up new business opportunities for vending and the self-serve market."

"It is a powerful incentive that we believe will be instrumental in encouraging global players to enter the cashless vending and self-serve market," said Mr. Jensen. "USA Technologies is negotiating with major brands in the card, vending and POS industries, and the decision to eliminate the need for receipts for transactions under \$15 removes a significant business obstacle."

USA Technologies worked closely with the National Automatic Merchandising Association (NAMA) and the Card Companies to lobby the Federal Reserve to eliminate the need for a receipt for transactions under \$15.

The cost of installing and servicing printing equipment capable of providing receipts at vending machines, for mass transit, parking, road tolls and other POS terminals had been considered a major impediment to offering cashless payment options in these locations.

Summit Research estimates North American consumers spent more than \$475 billion at self-checkout lanes, ticketing kiosks and other self-service POS locations in 2006. Expenditures at these types of self-service kiosks are expected to rise 33 percent in 2007. According to Market Industry Wire, the parking industry transacts \$17 billion annually, and EDS estimates mass transit exceeds \$50 billion in transactions a year.

### **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 defendable; 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.