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USA Technologies Reports Strong Start for Miser Sales for 2006

Company Expects Installed Base of Miser Products to Save Customers Millions of Dollars in Annual Energy Bills

MALVERN, Pa, February 27, 2006 -- USA Technologies (OTCBB: USAT) announced today a substantial start to 2006 with brisk sales of its Miser energy products to various companies and institutions. Examples of sales to the public and private sector include: Munro Energy of New England, SBW Consulting of Washington State, Optimum Energy of Alberta Canada, Idaho State University and PepsiCo.

The Company reported it had shipped thousands of units of its energy management products to the governmental sector including: the City of Charlotte; Eastern Iowa Community College; Washoe County School District, Nevada; Romeo School District, Michigan and others.

Among the Company's largest commercial customers for the year thus far is PepsiCo, as the Company continues to ship large quantities of VM2IQ units pursuant to a previously announced contract under which Pepsi is installing VM2IQ in vending machines operated by one of the world's largest retail chain stores.

"We have an aggressive sales and marketing campaign underway -- and the Company is in advanced negotiations with several large potential customers, including five Fortune 100 companies. These opportunities are driven in part by the global energy crisis and the continuing hike in energy costs in the US," said Mr. Herbert.

"Our objective is to ship approximately 70,000 units, generating approximately \$7,000,000 in revenue, of our products in calendar 2006 - a dramatic increase over the last calendar year. This is expected to save our customers millions of dollars in annual energy costs," said Stephen P. Herbert, President and COO, USA Technologies. "We already have 165,000 energy management products in the market, saving customers millions of dollars in electric utility costs per year," he said.

A key to success is the Company's rebate program offered by 24 energy utilities, a campaign to promote greater awareness of special sales incentives and the product line's cost saving capabilities. The electricity cost required to operate a vending machine or cooler is estimated between \$150-\$300 annually. Miser energy conservation solutions cut the cost of operating refrigerated vending machines, coolers and snack machines by up to half.

Twenty-four of the nation's leading energy utilities offer rebates between \$30-\$150 per unit to customers who purchase the Company's energy management products. Some programs even provide free installation.

In addition, the Company is launching a drive to promote its energy management technology at major industry conservation conferences, and sales teams are actively pursuing leads with potential customers in more than 10 countries.

"The Government is calling on the nation to conserve energy and utilize energy conservation technology. USA Technologies is committed to providing affordable technology that immediately reduces energy consumption," said Mr. Herbert.

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.