



February 14, 2006

## **USA Technologies Reports Record Second Quarter Revenue**

### **December Represents First \$1 Million Sales Month in Company's History**

MALVERN, Pa, February 14, 2006 --USA Technologies (OTCBB: USTT) announced today record revenue for its second quarter ended December 31, 2005. The Company reported revenue of approximately \$1.96 million, a 72.4% increase compared to \$1.14 million for the same period a year ago. For the six months ended December 31, 2005, USA Technologies reported revenue of \$3.32 million, a 53.2% increase compared to \$2.17 million for the first six months of fiscal 2005.

The strong revenue growth came from all four of the Company's key business units, including Miser? products for energy management solutions, e-Port® for cashless transaction solutions, unattended Business Express® services, and online e-Suds? laundry services.

"Our record second quarter results and key accomplishments have positioned the Company for a strong second half of its fiscal year," said George R. Jensen, Chairman and CEO, USA Technologies. "We rapidly grew revenue and enhanced key relationships with Pepsi, a Fortune 50 Retailer and MasterCard. In addition, we have improved our capital structure through the recently announced 1 for 100 reverse stock split which shall become effective on February 17, 2006. As a result of the reverse split, the Company intends to submit a listing application for its common stock on a National Exchange."

Some of the highlights contributing to the Second Fiscal Quarter include:

- Record Revenue month. The Company achieved \$1 million in gross revenue for December, the highest in its history.
- Nationwide Miser launch with Pepsi. 100 Pepsi bottlers, to date, have installed VM2IQ? devices nationwide.
- Penetration of the University market. More than 2000 washers and dryers, to date, have been connected to the e-Suds network at universities and college campuses.
- Developed offshore production. The Company lowered its production costs through offshore manufacturing. The move is expected to improve operating margins to 50 percent on the Company's highest revenue producing product line, the Miser line.
- Completed \$4 million private placement. The Company completed a private placement of its common stock with a leading institutional investor.

### **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.