SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of report (Date of earliest, event reported): January 7, 2004

USA TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania (State or other jurisdiction (Commission File Number) of incorporation or organization)

33-70992

23-2679963 (I.R.S. Employer Identification No.)

100 Deerfield Lane, Suite 140 Malvern, Pennsylvania 19355 (Address of principal executive offices and zip code)

Registrant's telephone number, including area code: 610-989-0340

Item 12. Results of Operations and Financial Condition.

On January 7, 2004, USA Technologies, Inc. issued a press release announcing its revenues for the month of December 2003 and the quarter ended December 31, 2003. The full text of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Current Report on Form 8-K and the exhibit attached shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, as amended, except as expressly set forth by specific reference in such a filing.

SIGNATURES

Pursuant to the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

USA TECHNOLOGIES, INC.

By: /s/ George R. Jensen, Jr.

George R. Jensen, Jr.

Chief Executive Officer

Dated: January 7, 2004

EXHIBIT INDEX

Exhibit No. Description

Press release dated January 7, 2004 99.1

NEWS RELEASE

For Immediate Release

USA Technologies Contact:

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Investor Relations Contact:

George R. Jensen, Jr., Chairman & CEO Stephen P. Herbert, President & COO Ken Sgro CEOcast, Inc.

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USA TECHNOLOGIES REPORTS RECORD REVENUES FOR DECEMBER

COMPANY GENERATES OVER \$1 MILLION IN DECEMBER; SECOND QUARTER REVENUES HIGHEST EVER

MALVERN, PA, JANUARY 7, 2004 -- USA Technologies (OTC Bulletin Board: USTT) announced today that revenues for the month of December 2003, were in excess of \$1 million, the Company's highest monthly sales revenues since its inception and a 400% increase versus December 2002. The December 2003 revenues contributed to a record second quarter ended December 31, 2003, for which the Company expects to report unaudited revenues in excess of \$1.8 million.

"These results reflect growing demand for many of our technologies," said George R. Jensen Jr., Chairman and CEO, USA Technologies. "With a 230% increase in quarterly revenues versus the previous year, we believe the Company is approaching the revenues that we need to generate positive cash flow. The Company is squarely focused on continued revenue growth."

The record second quarter follows a record \$1.7 million in revenues for the quarter ended September 30, 2003. Both represent USA Technologies' biggest quarterly increases in revenue.

A significant portion of the revenue growth for the quarter ended December 31, 2003 occurred in three key business areas -- sales of the Company's energy management solutions, VendingMiser(R) and CoolerMiser(TM), Business Express(R) Business Center offerings, and e-Port(TM) cashless solutions. USA Technologies estimates it sold nearly 6,000 units of its VendingMiser(R), CoolerMiser(TM), Business Express(R), and e-Port(TM) products during the month of December. This is in addition to associated network services contracts, which accompany many of the sales.

"As of September 30, 2003, USA Technologies had its strongest balance sheet in history, with positive shareholder equity of \$17.5 million and 50 issued patents. We are anticipating continuing increases in sales in the months and quarters ahead," said Mr. Jensen.

About USA Technologies:

USA Technologies is a leader in the networking of distributed assets, wireless non-cash and m-commerce transactions, associated financial/network services and interactive media technology and energy management. USA Technologies provides networked credit card and other non-cash/mobile commerce systems in the vending, commercial laundry, hospitality and digital imaging industries. USA Technologies is an IBM Business Partner and an inaugural member of the Sprint Enabling Application Service Provider Program for e-commerce. The Company has marketing agreements with the Sprint, Motient, MEI and the ZiLOG Corporation. http://www.usatech.com

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 the ability of the Company to increase revenues in the future, the ability to achieve a positive cash flow, the ability to obtain orders for its products, the ability to obtain new customers or cash flow, which could cause actual results or revenues to differ materially from those contemplated by these statements.