



November 19, 2007

USA Technologies Issues Letter to Shareholders

MALVERN, Pa.--(BUSINESS WIRE)--USA Technologies (NASDAQ:USAT - News) issued the following Letter to Shareholders today: ADVERTISEMENT Dear Shareholder,

I would like to wish you a Happy Thanksgiving, and share with you more exciting news about our Company.

We have entered into a new contract with MasterCard Worldwide for 4,000 e-Port® G6 cashless transaction terminals. This is the fourth e-Port agreement with MasterCard in 18 months, and brings the total to 17,500 e-Ports covered by our agreements with the global card company.

MasterCard recognized mid-last year that the \$44 billion vending industry was an extraordinary cashless opportunity, and chose our e-Port for its PayPass "Tap & Go" contactless card payment technology. The first e-Port contract was for 1,000 terminals in Coca-Cola vending machines in Philadelphia. That was followed by a contract for 5,000 terminals installed in Cadbury Schweppes vending machines, and machines operated by some of the biggest vending machine companies in the US. The third contract was for another 7,500 e-Port terminals in vending machines operated by Coca-Cola Enterprises.

We anticipate deploying the latest MasterCard order of 4,000 e-Ports by the end of December. Just last month, we installed 5,000 of the e-Ports that were covered by our contract with MasterCard covering vending machines operated by Coca-Cola Enterprises. This represents, by far, the largest number of e-Ports installed in one month.

The trend by consumers using credit cards when purchasing from vending machines is growing. Our research shows that the average vending purchase is about 32% higher when consumers can use their credit cards. We know that cashless vending leads to increased sales, and MasterCard is using our e-Port cashless product line to penetrate and capture the vending opportunity. Working together, we are giving vending machine operators the ability to operate their machines more efficiently, while delivering more convenience for consumers when making vended purchases.

Since I last wrote to you in September, we have also enjoyed significant success in other parts of the business. Highlights include:

- Record revenue of \$3,355,656 for the fiscal first quarter ended September 30, 2007, an increase of 67% over the corresponding quarter in fiscal 2007.
- e-Port® revenue (equipment sales, activation fees, license and transaction processing fees) of \$2.3 million for fiscal 2008 first quarter, an increase of 156% over the same period in fiscal 2007.
- 1.8 million transactions processed in the quarter ended September 30, 2007, totaling \$7.3 million, compared with 650,000 transactions totaling \$4.3 million during the same quarter in fiscal 2007.
- Completion of a \$15 Million Private Placement in October 2007.
- Issuance of a VM2iQ® patent, the 12th patent relating to the Company's expanding portfolio of EnergyMiser™ energy management technology, and bringing to 69 the total number of patents issued to USA Technologies.
- Signing the 30th energy utility to join the USA Technologies' EnergyMiser energy management product line Turnkey and Rebate Program.
- Launching the e-Port Quick Start program, which lowers the cost and expense of installing the e-Port product line to operators and bottlers.
- The City of Houston, Texas, installing VendingMisers in beverage vending machines in city buildings.
- Fantasy Entertainment installing 1,000 e-Ports in self-service photo booths nationwide.

We have an expanding product line that is responding to mega-trends. We are in markets that are opening up. We have a business model with multiple revenue streams. We generate revenue from the sale of hardware, as well as monthly service fees, credit card processing and activation fees. We have very talented and motivated people who are executing our strategies, and driving business growth. And that's why we expect this quarter once again to be a record quarter for installations and for revenue.

Thank you for all your support.

Sincerely,



George R. Jensen Jr.
Chairman and Chief Executive Officer

About USA Technologies:

USA Technologies is a leader in the networking of wireless non-cash transactions, associated financial/network services and energy management. USA Technologies provides networked credit card and other non-cash systems in the vending, commercial laundry, hospitality and digital imaging industries. The Company has marketing agreements with AT&T, Honeywell, Blackboard, MasterCard and others. For further information on USA Technologies, please visit 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 due to the developing and unpredictable markets for its products, the ability to achieve a positive cash flow, the ability to obtain orders for its energy management products, the ability to obtain new customers and the ability to commercialize its products, which could cause actual results or revenues to differ materially from those contemplated by these statements.

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