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## **USA Technologies Announces Approximately 100% Increase in Fiscal Year 2005 Fourth Quarter Versus Fourth Quarter Year Ago; Company Enters Fiscal 2006 with Record Backlog of Orders**

MALVERN, PA, July 13, 2005 -- USA Technologies (OTC Bulletin Board: USTT) today announced preliminary results for its fourth quarter ended June 30, 2005. The Company announced unaudited sales of approximately \$1.4 million, an increase of approximately 100% versus the same period in fiscal 2004. The Company generated approximately \$700,000 in revenue in the month of June, exceeding the entire fourth quarter of fiscal 2004. Fiscal fourth quarter 2005 revenue also increased approximately 20% from the 2005 fiscal third quarter. The strong growth was a result of an increase in sales across its core product lines versus the same period last fiscal year. As of the end of the fourth quarter, the Company had its biggest backlog of orders in its history.

Some of the highlights of the fourth quarter included:

- EnergyMiser sales up approximately 54 percent from the prior corresponding quarter. The EnergyMiser product line reduces energy consumption in vending machines, coolers and snack machines by as much as half.
- E-Suds sales up approximately 73 percent from the prior corresponding quarter. eSuds is the company's online, unattended laundry service already installed in some of the nation's largest and most prestigious universities and colleges, with more scheduled to come online this Summer
- Business Express sales up approximately 122 percent from the prior corresponding quarter. Business Express is USA Technologies' unattended 24x7 office equipment service popular with leading American hotel chains, and now expanding into high rise apartment complexes
- In addition, credit card transactional dollar volume handled by the Company's network during the 2005 fourth quarter increased 75 percent from the prior corresponding quarter, showing a growing number of customers utilizing the Company's network for their cashless transaction business.

"We expect the growing strength in our product line to fuel unprecedented growth in the first quarter and fiscal year 2006, said George R. Jensen Jr., Chairman and CEO, USA Technologies, Inc. "Our enthusiasm is supported by registering more than \$1 million in backlog orders, our biggest ever, giving us a great start to fiscal year 2006 unlike any we have enjoyed before."

### **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 within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements relate to future events or our future financial performance and involve known and many involve unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by forward-looking statement including, but not limited to prospects for future market growth. In some cases, you can identify forward-looking statement by terminology such as "may," "will," "should," "expects," "anticipates," "believes," "estimates," "potential," "continue," or the negative terms or other comparable terminology. Although we believe that the expectations in the forward-looking statements contained in this release are reasonable, we cannot guarantee future results, levels of activity, and performance achievements including the success of our anticipated product demonstration, ability to obtain orders for or install products described in this release, our ability to obtain new customers and our ability to commercialize products (including the eZ80Acclaim! Flash MCU for e-Port solution and the e-Port on a chip). These forward-looking statements are based on our current expectations, and we disclaim any obligation to update these forward-looking statements for subsequent events or to explain why actual results differ unless otherwise required by law. You should not place undue reliance on these forward-looking statements.