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Fantasy Entertainment Installs USA Technologies' Cashless Payment Technology in 1,000 Photo Kiosks Nationwide

Global Photo Kiosk Company Innovates with USA Technologies' e-Port® Solution to Improve Operational Efficiency and Consumer Convenience

MALVERN, PA, September 27, 2007 - USA Technologies (NASDAQ: USAT) announced today that Fantasy Entertainment, a leading supplier of photo and imaging kiosks, has equipped 1,000 of its self-service photo booths nationwide with e-Port cashless payment technology.

"The results of giving our customers the ability to use credit and debit cards are so impressive that we hope to expand the e-Port deployment to 2,000 photo booths within the next 18 months," said Dale Valvo, President, Fantasy Entertainment."

Photo booths equipped with USA Technologies' e-Port cashless solution allow consumers to use credit and debit cards when making payments, whether with traditional magnetic swipe or "tap and go" contactless cards.

"USA Technologies is excited to be working with Fantasy Entertainment and be among the first to bring cashless payment technology to the multi-billion dollar global kiosk market," said George R. Jensen, Chairman and CEO, USA Technologies. "The kiosk market in North America is expected to grow 44 percent in 2009 to more than 1,150,000 self-service machines."

Photo booths already account for more than 20 percent of all currently installed kiosks. Summit Research estimates there will be nearly 1.7 million kiosks worldwide by 2009.

Fantasy Entertainment chose the e-Port cashless solution for its ease of use, speed and convenience, giving consumers using the photo booths a more satisfying purchasing experience.

"As long as consumers can use 'plastic', they don't need to bother with carrying cash. We have already noticed that many customers are making multiple purchases with their credit and debit cards, sometimes as many as five purchases," said Mr. Valvo.

USA Technologies' e-Port also gives Fantasy Entertainment the ability to monitor remotely photo booth performance and data 24x7.

"The e-Port ultimately will carry what we call our health and welfare data. Today, we stay in touch with our booths on 24x7 basis via a two way pager and proprietary software," said Mr. Valvo. "If there is a problem, the booth automatically notifies our customer service center and technicians of both type and extent of the problem. In the future we will be utilizing the e-Port's communication network to transmit that data to improve our operational efficiency, reduce our monthly operating costs, and enhance kiosk security."

Fantasy Entertainment is among the first to utilize USA Technologies' recently announced e-Port Connect® service, which supports the company's e-Port cashless transaction product line, and web-based terminal reporting system, USALive®.

The e-Port Connect service enables merchants to remotely manage and mobilize on-line and by wireless their unattended cashless points-of-sale locations, providing merchant services, networking and communication services, technical support and consumer help desk, and electronic transfer of funds.

Fantasy Entertainment's 3,000 self-service kiosks are located in shopping and entertainment centers, malls, theme parks, zoos, aquariums, hotels and resorts nationwide. They include high-tech interactive photo systems where consumers can reproduce their image in multi categories, create artist quality sketches of portraits and photo strips on easily separated perforated sheets.

"USA Technologies' relationship with Fantasy Entertainment is further evidence of our product line's responsiveness to emerging cashless trends, and in driving new business, productivity and efficiency in the marketplace," said Mr. Jensen.

e-Port is already activating and operating a growing self-service market from vending machines and kiosks to a variety of point-of-sale terminals, dispensing everything from traditional beverages and snacks, to electronics, stationary, phone cards, CDs, videos, food items, t-shirts and document shredding services.

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.