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USA Technologies Announces Record Revenues for Fiscal Second Quarter

Company Reports Sharp Increase in e-Port Sales

MALVERN, PA, February 13, 2007 -- USA Technologies (OTCBB: USAT) announced today record revenues for the fiscal second quarter ended December 31, 2006. Revenue for the three months totaled \$2,011,722 compared with \$1,957,753 for the corresponding three-months in fiscal year 2006. Revenue for the six months ended December 31, 2006 was \$4,020,619 compared with \$3,321,639 for the same six month period ended December 31, 2005. Gross profit for the three months ended December 31, 2006 was \$284,189 compared with \$787,882 for the three months ended December 31, 2005. The company also reported gross profit of \$899,725 for the six months ended December 31, 2006 compared with \$1,102,809 for the corresponding period, 2005.

During the quarter, revenues from the Company's e-Port® were \$1,188,109, an increase of 105% vs. the corresponding quarter FY 2006. For the six months ended December 31, 2006, e-Port revenues were \$2,097,542, an increase of 125% vs. the corresponding six months ended December 31, 2005. This increase was due to an increase in sales of the Company's new e-Port G-6, as well as accelerating growth in license and transaction fees as the company adds more connections to its USA Live network. These increases were partially offset by a decrease in sales of its energy products.

USA Technologies reported cash and cash equivalents of \$8.5 million at December 31, 2006, compared with cash and cash equivalents of \$2.9 million on June 30, 2006. Shareholder's equity at December 31, 2006 was \$20.1 million, compared with \$11.2 million at June 30, 2006. In December 2006, the Company prepaid 10% and 12% Convertible Senior Notes with a face value of \$4,341,121. The early redemption is expected to save the Company approximately \$500,000 in interest expense in calendar year 2007.

"In the second quarter we achieved key milestones that position the Company for continued accelerating revenue growth through fiscal year 2007," said George R. Jensen, Jr., Chairman and Chief Executive Officer, USA Technologies. "This is our second consecutive quarter of revenue exceeding \$2 million. Our growing relationship with MasterCard Worldwide is helping us rapidly deploy e-Ports in cities across the nation, and penetrate exciting new and emerging markets. This represents an important source of recurring revenue in coming years. Our leading-edge product line, improved manufacturing capabilities and the strongest balance sheet to date position the Company to take advantage of the explosive growth expected in the micropayments industry."

Second quarter business highlights include:

Completion of the largest e-Port contract in the Company's history. The Company completed a contract with MasterCard for rapid deployment of an additional 5,000 G6 e-Ports in vending machines, point-of-sale terminals and kiosks in another 12 cities across the United States. Click to view the [G6 e-Port using the new contactless credit card](#).

The launch by Cadbury Schweppes Americas Beverages (CSAB) to install the e-Port G6 in vending machines in several U.S. markets. CSAB's brands include Dr Pepper, 7UP, Snapple, A&W Root Beer, Hawaiian Punch, Canada Dry, and Mott's. CSAB is working with MasterCard and USA Technologies to enable cashless payments, particularly MasterCard PayPass, in as many as 1,000 Dr Pepper and Snapple vending machines in Dallas, New York and Chicago.

Completion of \$8.4 million private placement. USA Technologies raised gross proceeds of \$8.4 million from institutional investors as a result of a private placement of common stock and warrants. William Blair & Company, LLC acted as the exclusive placement agent.

The Company is in advanced negotiations with several large potential customers any one of which, if successfully concluded, could have a significant impact on sales during FY 2007.

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.