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USA Technologies Begins Calendar 2009 With Next Generation ePort Products and Services and Reduced Operating Expenses

MALVERN, Pa., Jan 12, 2009 (BUSINESS WIRE) --

USA Technologies (NASDAQ:USAT), a leading supplier of networked devices and wireless non-cash transactions, associated financial/network services and energy management, announced today it is beginning Calendar 2009 with its next generation ePort(R) products and services. The Company also announced that it has taken certain actions and intends to implement other actions in the near future which would result in an approximate 40% reduction in cash operating costs beginning in its fiscal fourth quarter ending June 30.

George Jensen, Chairman and Chief Executive Officer of USA Technologies said, "We have been diligently working on the final development of ePort G8 and ePort Edge(TM), our two new lower-cost products. The development of these products was based on feedback from our customers and intensive market research that demonstrated the demand for our products in unattended point-of-sale industries beyond vending, giving us access to a broader customer base. In today's economic environment, we expect these products will be even more readily accepted and financially beneficial to our existing and prospective customers."

He continued, "As a result of the completion of these products, we anticipate discontinuing the costs associated with this development by the end of the current fiscal quarter. In addition, on January 5, 2009, we reduced the number of our employees by 22 individuals, and implemented other cost saving measures. As a result of these actions, we anticipate that we will be able to reduce our operating expenses by approximately forty percent beginning in April 2009, the start of USA Technologies' fiscal fourth quarter."

These actions are expected to have the effect of reducing USAT's monthly cash operating expenses to approximately \$800,000 commencing in the fourth quarter of fiscal year 2009. This would represent a reduction of approximately \$554,000 from the average monthly cash operating expenses of USAT during the first nine months of calendar year 2008 of approximately \$1,354,000.

Assuming that USAT's new monthly cash operating expenses would be \$800,000, and that its average monthly gross profit of \$306,000 earned during the first nine months of calendar year 2008 would continue, USAT believes its existing cash and cash equivalents would provide sufficient funds to meet its cash requirements, including capital expenditures and repayment of long-term debt, through at least June 30, 2010.

USA Technologies also begins 2009 with a strengthened cash position, due to the sale of its Auction Rate Securities, at par, on January 2, 2009, for which it received \$4,850,000 in cash. In its Form 10-Q for the quarterly period ended September 30, 2008, these securities were recorded in its Consolidated Balance Sheet as Long-term available for sale securities. As of January 2, 2009, the Company had approximately \$11 million in cash.

George Jensen, Chairman and Chief Executive Officer of USA Technologies concluded, "With the anticipated reduction in monthly operating expenses, we believe USA Technologies should be moving closer towards profitability. With the planned elimination of development costs and other anticipated operating expenses, we will enter our 2010 fiscal year with a dramatically reduced cost structure and an improved line of sight towards profitability."

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 agreements with AT&T, Honeywell, Blackboard, MasterCard and others. For further information on USA Technologies, please visit www.usatech.com. To view a Company overview presentation, visit http://www.usatech.com/company_info/dl/USAT_company_overview.pdf

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, ability to reduce operating costs in the future as anticipated, ability to maintain the gross margins in the future as anticipated, product acceptance, the ability to continually obtain increased orders of its products, the ability to meet installation goals, economic, competitive, governmental impacts, whether pending patents will be granted or defensible, validity of intellectual property and patents, the ability to license patents, the ability to commercialize developmental products, as well as technological and/or other factors.

SOURCE: USA Technologies

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