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## **New Cashless Vending Research by USA Technologies Confirms Rapidly Changing Consumer-Purchasing Habits**

MALVERN, Pa., Sep 11, 2008 (BUSINESS WIRE) -- USA Technologies Inc. (NASDAQ:USAT), today released details of the most comprehensive vending research it has conducted, showing that vending machines equipped to accept debit and credit cards have dramatically changed consumer-purchasing habits.

The research examined 3,000 vending machines located on college and university campuses and military bases over a six month period. The results demonstrated that adding a credit/debit purchasing alternative significantly increases business.

The research found that vending machines at colleges and universities that added credit and debit to capture the new business opportunity are experiencing up to 50 percent credit and debit sales, while vending machines on military bases had up to 63 percent credit and debit sales.

"The research that we have done in the college and university market shows that students have a preference for using credit and debit in vending. We have seen similar results with military, healthcare, travel and entertainment accounts," said Mike Lawlor, Vice President of Sales and Business Development, USA Technologies. "We are now working with major card companies, bottlers and vending machine companies to give the market what it wants, and this research increasingly confirms that they want credit and debit alternatives."

The research of college and university campuses further found that:

- Students typically adopt the cashless option as soon as it is made available;
- Greater success occurs with the complete replacement of aging stored value card systems, resulting in lifting cashless sales from less than 10 percent of total sales to an average of 38 percent with credit/debit cards;
- Credit/debit is also popular with non-resident students, staff, faculty and visitors;
- Credit/debit supports higher priced vends and purchases above \$1.00.

Similar results are found in the survey of military accounts where credit/debit is preferred over cash. Military personnel often can not or will not carry change, and in some instances Military wages are funded into debit accounts, making access to cashless payment systems ideal in this environment.

"Consumers are using their credit cards in increasing numbers when purchasing from vending machines, and more innovative vending operators are discovering the multiple benefits of adopting cashless vending to improve their business performance," said Mr. Lawlor.

The research found that consumers often make multiple purchases, and buy items that are on average 33% more expensive when they use their credit/debit cards.

"This is a major driver for improving the profitability of the \$46 billion US vending industry as operators universally move to selling more expensive items in vending machines, and increase the prices of existing products," said Mr. Lawlor. "The goal of every vending machine operator is to drive up ticket prices for greater revenue and profit."

Credit and debit card transactions grew an estimated one trillion dollars over the past five years, and are projected to grow to more than two trillion over the next five years.

The Nilson Report has estimated that the ePort represents 90 percent of the credit card vending industry. Nilson also has forecasted that half of the estimated eight million vending machines in the US will be retrofitted to accept credit cards over the next several years.

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](http://www.usatech.com). To view a Company overview presentation, visit [http://www.usatech.com/company\\_info/dl/USAT\\_company\\_overview.pdf](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, 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.

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