



September 28, 2006

USA Technologies Announces Fiscal 2006 Results and Record Revenue with a Revenue Increase of 37% and a Gross Profit Increase of 68%

Revenues Fueled by Growing Sales of Energy Management Solutions and Launch of Contactless Vending Technology with MasterCard International Position Company for Strong Growth in 2007

MALVERN, Pa., September 28, 2006 -- USA Technologies (OTC Bulletin Board: USAT) announced today results for its fiscal year ended June 30, 2006. The Company had record revenue of \$6,414,803, an increase of 37% compared to fiscal 2005 when the Company had revenue of \$4,677,989. This increase was primarily attributed to increases in sales of the Company's EnergyMiser? energy management solutions, along with higher sales of e-Port@ cashless transaction solution, and e-Suds? online laundry system.

Gross profit for the fiscal year ended June 30, 2006 was \$2,010,346, compared to \$1,199,316 for the fiscal year ended June 30, 2005. The increase of 68% or \$811,030 was due to sales of higher margin energy management products.

"We believe all of the pieces are in place to achieve continued revenue growth," said George R. Jensen, Jr. the Company's chairman and chief executive officer. "Over the past fiscal year, we have developed key relationships with leading Fortune 500 companies, such as MasterCard International, Pepsi and Coca-Cola. We have made improvements to our manufacturing and developed tight cost controls. Over the past year we have begun to demonstrate that our technology will play a key role in the new paradigm for unattended commerce, and expect that over the next 12 months this will result in continued revenue increases."

Some of the highlights of fiscal 2006 included:

- New product innovation. USAT launched the e-Port Generation Six, the world's first cashless transaction solution for vending machines that integrates new radio frequency contactless card capability with the traditional swipe card process. The G6 responds to requests from major card companies for cashless and RFID technologies to give card holders multiple purchasing choices at vending machines.
- Rollout of Contactless technology in vending machines. We announced MasterCard International teamed with USA Technologies to enable vending machines to begin accepting MasterCard® PayPass?, as well as other forms of credit and debit payments. Units were installed in Atlanta, St. Louis, New York City. The deployment of 1000 units in Coca-Cola machines throughout the Philadelphia area began in early FY 2007.
- Nationwide EnergyMiser launch with Pepsi. Pepsi bottlers have installed VM2IQ? devices nationwide on behalf of one of their largest customers.
- Growing sales of EnergyMiser technology. Two new global customers, a Fortune 50 company and a Fortune 100 company, purchased the Company's EnergyMiser technology to help lower the rising cost of electricity and support their energy conservation programs. The two new customers are global brand names in the pharmaceutical industry and in aerospace and technology services. Both Companies are in discussions with USA Technologies to deploy more EnergyMisers to their many other sites, both in the US and internationally.
- Expanded distribution for e-Suds?. Blackboard Inc., the nation's leading provider of software and services to the education industry, has become a reseller of USA Technologies' online laundry service.
- New PC Express® Exceeds Sales Expectation: USA Technologies launched the new PC express, designed to be used as a desktop PC or wall mounted, to provide unattended 24x7 business center services in the hospitality industry. Many hotels are installing the PC Express in lobbies and reception centers, often to replace payphones.

To learn more, download a PDF of the full [Company Overview](#).

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.