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USA Technologies Reports Record Increase in New e-Suds? Customers

MALVERN, PA, July 26, 2005 -- USA Technologies (OTC Bulletin Board: USTT) announced today that eight more colleges, universities and apartment buildings will provide their residents with e-Suds online laundry services starting the fall 2005 semester.

The Company reported that by the fall semester, a record 120,000 U.S. college students will be able to use their student ID/one card system to pay for their wash; go online to see if there are washers or dryers available in the laundry room; and be notified via instant messaging or email to their computer, PDA or cell phone when the cycles are complete.

Earlier this summer USA Technologies reported that its e-Suds system was being installed at Case Western Reserve and Temple Universities. Since that time, the Company has received orders for e-Suds products that will be provided to significant customers including Rutgers University, American University, Elizabethtown University, University of Cincinnati, Villa Julie College and Goucher College to the list of colleges and university who will offer the e-Suds service to their resident students.

"Following the success of e-Suds installations at universities such as Carnegie Mellon, Bluffton College, Cedarville and others, the efficiency, productivity and convenience that the e-Suds system offers is growing in demand," said Stephen P. Herbert, President and COO of USA Technologies. "We are overwhelmed and delighted by how the technology has been embraced by our innovative distributing partners who are successfully using it as a point of differentiation. e-Suds has been an integral component in securing several new contracts for our partners, with some contracts extending for up to 10 years."

USA Technologies' distribution partners, Caldwell and Gregory, Inc. and American Sales, Inc., are managing sales and the installations of the e-Suds services.

"Colleges and universities are requesting e-Suds because it allows students the convenience of using their college identification cards, both to activate and pay for the laundry service, and because the service is online, it offers students more productive use of their time," said John P. Gregory, President of Caldwell and Gregory. "Students enjoy using the technology, and it's appropriate for the networked world students live in. We consider e-Suds to be a competitive advantage to our service offering and are actively marketing the technology to our new and existing accounts. By fall 2005, seven of our key college accounts will be using the e-Suds service, and already we are planning for significant future growth."

"This has been a highly successful contract season for our distributor partners with major wins that are generating considerable interest in the college laundry industry. With the growing expectation from students and administrators for online monitoring service for laundry, we anticipate the network of e-Suds customers and users will grow rapidly," said Mr. Herbert.

Last week, USA Technologies announced that sales of all four of its key product lines in the past quarter were up sharply over the quarter this time last year, and that it was entering its fiscal first quarter, for the period ending September 30, 2005, with a backlog of orders in excess of \$1 million.