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USA Technologies Maintains Credit Card and Visa Branded Debit Card Rate Structure for Small-Ticket, Self-Service Markets

MALVERN, Pa.--(BUSINESS WIRE)-- USA Technologies, Inc. (NASDAQ:[USAT](#)), a leader of wireless, cashless payment and M2M telemetry solutions for self-serve small-ticket retail industries, today announced that there will be no increase in its credit and debit processing rates to its customers. The Company will continue to accept Visa- branded debit and pre-paid cards in addition to all major credit cards, including Visa, MasterCard, Discover and American Express at its current processing rates.

"As a leading provider of cashless payments systems to the small-ticket, unattended markets like vending, USAT moved swiftly and successfully, working with its card processing partners, to develop a solution to overcome the potential negative impact to our industry arising from recent increased debit card interchange fees," said Michael Lawlor, Sr. Vice President of Sales at USA Technologies. "With this latest announcement, consumers will continue to enjoy the convenience of using their Visa-branded debit and pre-paid cards, as well as their Visa, MasterCard, Discover and American Express credit cards at the over 100,000 unattended point-of-sale locations we service. Our customers, as well as others in our industry, can now take comfort that there is a solution available to help them avoid an increase in their processing fees."

On October 1, 2011, MasterCard and Visa increased regulated debit card interchange fees to the U.S. Federal Reserve regulated cap of .05% plus \$0.22 per transaction as precipitated by the Durbin Amendment, a step that disproportionately impacts merchants who sell products or services for less than approximately eleven dollars per transaction.

USA Technologies believes that this development has caused confusion in the marketplace, and the Company will be hosting a series of webinars for members of the National Automatic Merchandising Association (NAMA), as well as others in vending and other small-ticket, unattended markets, in an effort to help clarify the background of these rate increases, the potential impact on small-ticket markets like vending, and the stabilization of USAT's own debit and credit card processing fees. [Click here](#) for more information about these webinars, to view the schedule and to register to attend. In the interim, should we be able to assist you in any way, please contact us at 800-633-0340.

"USA Technologies has experienced significant increases in acceptance points and in dollar volume of credit and debit cards the Company handles during our 2010 and 2011 fiscal years—which we believe is a testament to the fact that consumers increasingly prefer to use their credit and debit cards to make every-day, small-ticket purchases at self-service point-of-sale terminals like vending machines and kiosks," continued Lawlor. "Visa credit and debit cards, combined with all major credit cards, represent approximately 85% of all cashless transactions on our network. It is important to us that our customers and the consumer be able to continue to use whatever is 'top of wallet' for them—in this case, their Visa debit card or any major credit card. By continuing to accept Visa debit and pre-paid cards and all major credit cards, with no increase in processing rates to our customers, we believe we have shown our commitment to providing our customers with what we believe is the best, highest value, most scalable solution with the lowest total cost of ownership on the market today."

USA Technologies recently announced that it had improved its ranking among the world's leading shippers of point-of-sale (POS) terminals, according to The Nilson Report, a leading source of research on consumer payment systems worldwide. USA Technologies ranked 5th among the leading POS shippers in the United States and 19th in the world in 2010.

The Company also announced that during its fiscal first quarter ended September 30, 2011, the Company handled 25 million transactions representing \$42 million in small-ticket transactions, increases of 79% and 75% respectively, when compared to approximately 14 million transactions representing \$24 million during the first fiscal quarter of the preceding year. In addition, the Company increased the number of customers on its ePort Connect service during the quarter ended September 30, 2011 by approximately 300, to over 2,225 and increased connections to its Service by approximately 10,000 to a total of approximately 129,000 at September 30, 2011—an increase of 85% in customers and 47% in connections when compared to the same period a year ago.

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 been granted 79 patents and has agreements with Verizon, Visa, Compass, Crane and others. Visit our website at www.usatech.com.

Forward-looking Statements:

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: All statements other than statements of historical fact included in this release, including without limitation the financial position, anticipated connections to our network, business strategy and the plans and objectives of the Company's management for future operations, are forward-looking statements. When used in this release, words such as "anticipate", "believe", "estimate", "expect", "intend", and similar expressions, as they relate to the Company or its management, identify forward-looking statements. Such forward-looking statements are based on the beliefs of the Company's management, as well as assumptions made by and information currently available to the Company's management. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors, including but not limited to, business, financial market and economic conditions, including but not limited to, the ability of the Company to retain key customers from whom a significant portion of its revenues is derived; whether the Company's customers continue to operate or commence operating ePorts received under the JumpStart program or otherwise at levels currently anticipated by the Company; the ability of the Company to compete with its competitors to obtain market share; the ability of the Company to obtain widespread commercial acceptance of its products; whether the recent significant increase in the interchange fees to be charged by Visa and MasterCard for small-ticket debit card transactions would adversely affect our business, including our revenues, gross profits, and anticipated future connections to our network; whether not accepting any debit cards with interchange fees that are higher than the rates provided under the Visa Agreement would adversely affect our business, including our revenues, gross profits, and anticipated future connections to our network; and whether the Company's existing or anticipated customers purchase ePort devices in the future at levels currently anticipated by the Company. Readers are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statement made by us in this release speaks only as of the date of this release. Unless required by law, the Company does not undertake to release publicly any revisions to these forward-looking statements to reflect future events or circumstances or to reflect the occurrence of unanticipated events.

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