



August 5, 2010

## **USA Technologies Sees Cashless Vending Adoption Rates Accelerating**

### **Increasing consumer preference, positive customer results and feedback cited as main drivers**

MALVERN, Pa., Aug 05, 2010 (BUSINESS WIRE) -- USA Technologies, Inc. (NASDAQ: USAT) announced today customer feedback and latest performance data indicate that the adoption of cashless payment technology is accelerating.

The Company recently announced that it had increased the number of devices connected to its network by approximately 9,000 during the quarter ended June 30, 2010, bringing the total number of devices connected at June 30, 2010 to over 82,000, compared to approximately 52,000 as of June 30, 2009. In addition, USA Technologies added approximately 150 new customers to its ePort Connect Service during the three months ended June 30, 2010, bringing the total number of customers using the Company's cashless technology to approximately 1,050.

The Company believes the acceleration is based in part on the fact that vending operators using the USAT cashless solution are recognizing the positive impact that cashless vending is having on sales, margins and net operating profit. Also, their customers are often requesting cashless payment systems during contract negotiations in order to bring another level of convenience to their consumers.

"Cashless vending technology is the main enabler that will drive profit back into our business, and the vending industry," said Southern Refreshment Services President, Dan Hart.

Southern Refreshment Services was an early adopter of the Company's ePort cashless system.

Since 2005, when Southern Refreshments first installed cashless technology, annual cashless sales per machine have more than doubled to \$1,816, while top-performing machines are now averaging \$2,249.

Results from 41,000 traditional vending machines (beverage, food and snack) connected to the USALive Network over the latest 18-month period, showed that vending machines were averaging \$1,508 in annual credit/debit card purchases, and that the top 10,000 vending machines were averaging \$2,973 in cashless sales annually.

"USA Technologies' performance data for the 41,000 machines indicates that cashless has risen to 21 percent of all sales for the latest 18-month period, and to 26 percent for the top 10,000 machines. This represents a six percent increase over the prior 18-month period for the same 41,000 machines," said Jim Turner, VP, ePort Deployment, USA Technologies.

Various vending operators and bottlers have indicated that total sales revenue has grown by 15 percent per machine within a year or two after installing cashless payment terminals in that machine. Various channels in education, business and entertainment are recording cashless transactions totaling more than 30 percent of all purchases while in the military market, average cashless transactions are over 50 percent.

"Southern Refreshments is averaging \$3,000 a year in cashless sales per machine in our education account," said Tom Beals, Southern Refreshment Director of Operations. "We believe that in the next five years every Southern cashless enabled machine will go to 50 percent cashless usage," he said.

Southern Refreshment reported that college snack machines were already showing 44 percent cashless usage, while its vending machines at the Georgia World Congress Convention Center are at 59 percent. Southern Refreshment's vending machines at hospitals and banks were showing credit/debit sales at 25 percent cashless usage.

Turner also indicated that USA Technologies is able to project an operator's estimated net operating profit which would be generated by cashless vending. "Our access to tens of millions of transactions and vast experience in the vending industry puts us in the position to use an operator's current business model to predict the impact of cashless vending on their net operating profit, by customer and right down to individual machines. Assuming a net operating profit of approximately 10%-20% for cashless across an operator's total cashless business, versus the current industry average of only 2% for all cash sales, the case for cashless is compelling.

"Some of our customers are telling us that they already see the day when half of all purchases made in vending machines,

kiosks and unattended point-of-sale terminals will be cashless," concluded Mr. Turner.

The Company expects to have 100,000 devices connected to the ePort Connect Service by December 31, 2010.

**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 77 patents and has agreements with AT&T, Visa, Compass and others. Visit our website at [www.usatech.com](http://www.usatech.com).

**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 if granted, validity of its intellectual property and patents, whether our shares or publicly traded warrants would continue to meet the eligibility requirements for continued listing on the NASDAQ Stock Market, LLC; the ability to commercialize developmental products, as well as technological and/or other factors. 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.

SOURCE: USA Technologies, Inc.

USA Technologies

George Jensen, Chairman & CEO

Stephen P. Herbert, President & COO

[sherbert@usatech.com](mailto:sherbert@usatech.com)

Phone: 800-633-0340

or

Investor Relations

Jody Burfening

[jburfening@lhai.com](mailto:jburfening@lhai.com)

Phone: 212-838-3777

Copyright Business Wire 2010