



December 9, 2010

USA Technologies Exceeds 100,000 Connections to the USALive Network

Company also on Course to Achieve Positive EBITDA for the Three Months Ending December 31, 2010

MALVERN, Pa.--(BUSINESS WIRE)-- USA Technologies, Inc. (NASDAQ:USAT), a leader in the networking of wireless cashless transactions, announced today it had met a key strategic business objective of achieving 100,000 devices connected to the USALive® Network. The Company also reported that, through the end of November 2010, it remains on course to achieve positive EBITDA (net income before interest, taxes, depreciation and amortization) for the three months ending December 31, 2010.

The Company previously set the goal of achieving 100,000 connections as part of its 2010 strategic plan, which also included continued innovation and cost reduction.

"I am pleased to report that today, approximately a month ahead of schedule, we have surpassed the goal of 100,000 connections to our service, and expect to have several thousand additional connections prior to the end of December," said George R. Jensen Jr., Chairman and CEO, USA Technologies Inc. "We believe that meeting this objective, in addition to other company milestones recently surpassed, provides further evidence that self-service industries such as vending may have reached a tipping point in their adoption of cashless payment systems, and that USA Technologies is a leader in this space."

USA Technologies marked the occasion by recognizing the Canteen Division of Compass Group North America as the customer making the 100,000th connection.

"Compass Group North America is proud to be the customer to make the 100,000th connection to USA Technologies' USALive Network," said Steve Luccia, CFO, Canteen Division of The Compass Group. "Access to a secure credit/debit payment system in our vending machines is a prerequisite for our next generation of customers and fundamental to our retail strategy. USAT's ePort® solution has been a fixture in Canteen's innovation funnel over the past five years. We partnered with USA Technologies because of their quality reputation, their knowledge of the vending industry, and their ability to meet our need for a turn-key cashless solution that can be rapidly deployed and expanded. We look forward to continuing to work with USA Technologies while they drive towards their next 100,000 connections."

"Vending operators using the USAT cashless solution are realizing the positive impact on their sales, margins and net operating profit," said Mr. Jensen. "Our growth in connections, coupled with our record processing milestones and increasing cashless transactions driven through vending machines all confirm that consumers prefer to use their credit and debit cards for every day purchases at self-service retail outlets like vending machines. Customers on our service are seeing the evidence of this in their business and are expanding their distribution of ePorts. We understand that they have also been sharing their success with cashless technology with other operators in the industry. It's been the support and loyalty from our valued customer base that has made the achievement of our milestones possible."

USA Technologies reported that customers on the USALive Network were up 100% as of the quarter ended September 30, 2010, compared to a year ago. The Company added approximately 150 new customers during the September 2010 quarter, bringing the total number of customers to over 1,200.

USA Technologies also recently achieved new records for quarterly processing volume during the fiscal first quarter ended September 30, 2010, including nearly 14 million transactions, representing \$24.5 million processed. These amounts represented increases of 89% and 68%, respectively, compared to the prior year's first quarter. As a result, the annualized run rate of cashless payments has grown to approximately \$100 million.

Non-GAAP Financial Measure: EBITDA

This press release includes a reference to EBITDA which is defined as a non-GAAP financial measure by the Securities and Exchange Commission. This supplemental financial measure is not required by or defined under GAAP (Generally Accepted Accounting Principles), nor is the presentation of this financial measure intended to be considered in isolation or as a substitute for the financial measures prepared and presented in accordance with GAAP, including the net income or net loss of the Company. Management recognizes that non-GAAP financial measures have limitations in that they do not reflect all of the items associated with the Company's net income or net loss as determined in accordance with GAAP, and is not a substitute for or

measure of the Company's profitability. EBITDA is presented because the Company has a publicly stated goal of achieving positive EBITDA for the quarter ending December 31, 2010, and believes it is frequently used by securities analysts, investors and others in the evaluation of companies.

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 AT&T, Visa, Compass 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 anticipated devices connected to our network and positive EBITDA, 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, whether or not the marketplace continues to adopt cashless transaction processing; whether or not the marketplace continues to purchase the Company's products in the future; the ability of the Company to retain key customers from whom a significant portion of its revenues is derived; the ability of the Company to compete with its competitors to obtain market share in the future; the ability of the Company to obtain widespread commercial acceptance of its products in the future; or whether the Company's existing or anticipated customers purchase or lease 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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Source: USA Technologies, Inc.

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