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USA Technologies Expects to Report Record Quarterly Revenues, Gross Profit and Positive EBITDA for Quarter Ended December 31, 2010

Company Also Exceeds its Strategic Goal of 100,000 Network Connections with in Excess of 109,000 Connections as of December 31, 2010

MALVERN, Pa.--(BUSINESS WIRE)-- USA Technologies, Inc. (NASDAQ: USAT), a leader in the networking of wireless cashless transactions, today announced that, based upon preliminary financial results, it expects to report record quarterly revenues and gross profit for the fiscal second quarter ended December 31, 2010. The Company's financial results for the three and six months ended December 31, 2010 will be reported in the Company's Form 10-Q which the Company anticipates filing with the Securities and Exchange Commission by no later than February 14, 2011.

The Company expects to report additional key milestones in its operating performance metrics including:

- A 73 percent increase in the number of devices connected to its network, to in excess of 109,000 connections as of December 31, 2010, compared to approximately 63,000 connections as of December 31, 2009.
- A 95 percent increase in the number of cashless transactions processed during the quarter to 15.9 million, compared to 8.2 million transactions processed during the prior year's fiscal second quarter.
- The dollar value of transactions processed during the fiscal second quarter is expected to increase by 75 percent to \$26.2 million, compared to \$15.0 million during the fiscal second quarter last year. This puts the Company on a run rate to process over \$100 million of transactions per year.

"This year's fiscal second quarter is expected to be our best quarter ever, and concludes an exceptional calendar year of accomplishments for USA Technologies," said George Jensen, Chairman and CEO of USA Technologies. "Our operating results continue to improve as our products continue to gain market acceptance, the proliferation of our cashless payment devices drives additional marketplace adoption and new customer installs, while our existing installed customer base continues to deliver recurring revenue."

"We are extremely proud to have exceeded our strategic goal of 100,000 network connections by December 31, 2010, and we expect to report that we achieved positive EBITDA (net income before interest, taxes, depreciation and amortization) in our fiscal second quarter. In short, substantially all of the metrics by which we measure our business demonstrated considerable positive momentum," continued Mr. Jensen.

"As the acceptance of wireless cashless transactions moves mainstream, our plan is to capitalize on our market leadership by increasing penetration in our target markets, applying our solutions to new markets and introducing new and relevant applications. In addition, we believe that we are poised for additional growth as cell phones evolve into a new cashless payment mechanism," Mr. Jensen concluded.

USA Technologies' industry leadership was recognized late last year by The Nilson Report, a leading source of research on global consumer payment systems, which again ranked the company 6th in the United States for shippers of POS terminals, and 31st among the world's leading shippers of POS terminals, an improvement of three positions from the previous year. The Company also reported that on September 2, 2010, it had reached a new record of over 200,000 transactions processed in a single day, and that as of August 2010, it had reached a run rate of \$100 million in transaction processing for its customers on the ePort Connect Service. The Company believes these milestones may indicate a "tipping point" (i.e., accelerated adoption) of wireless cashless payment systems in the markets that it serves, such as vending.

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 or net earnings. EBITDA is presented because the Company has a publically stated goal of achieving positive EBITDA for the quarter ended 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 "tipping point" in the markets in which the Company serves, financial position, 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, 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; the ability of the Company to obtain widespread commercial acceptance of its products; and whether the Company's existing or anticipated customers lease or 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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