



December 23, 2008

## **USA Technologies Issues Letter to Shareholders**

MALVERN, Pa., Dec 23, 2008 (BUSINESS WIRE) --

USA Technologies (NASDAQ:USAT) issued the following Letter to Shareholders today:

Dear Shareholder,

We at USA Technologies would like to wish you a Happy Holiday Season. We would also like to use this opportunity to thank you for your support, and share with you news of projects we are working on which will extend into 2009 and beyond.

Towards the close of 2008, the Company entered into three exclusive agreements. All three agreements are with customers who have agreed to buy ePort devices and ePort Connect cashless services from us exclusively for the next three year.

The first agreement is with a New York Stock Exchange Listed bottler representing a major global soft drink brand. Under the terms of an agreement the beverage company will use USAT as its sole and exclusive supplier of all credit-debit card vending systems and all card processing and data services. The exclusive supply agreement also states that during the agreement, the major bottler shall not purchase, promote, and negotiate for any like products or services.

The second exclusive deal is with AIR-Serv, a leader in the kiosk market. They plan to install ePort devices on their tire inflation and car vacuum terminals in gas stations that are already operating in the field. Now motorists who pull into gas stations or convenience stores would be able to use their debit or credit card to operate the kiosks that will inflate their tires or vacuum the interior of their cars. AIR-Serv has an install base of 90,000 kiosks.

The third agreement is with Merit Entertainment, a giant in the entertainment industry for 30 years. Merit is the provider of industry-leading Megatouch countertop entertainment systems and selected the ePort software and ePort Connect Services to help give Megatouch players the ability to pay with their debit or credit cards. Under this agreement every newly manufactured Megatouch system will include our ePort Connect software. Now operators who purchase the Megatouch system can immediately start accepting credit and debit cards for payment upon installation. Merit manufactures 10,000 touch screens a year, and has a total of 250,000 locations.

Significant also are that these agreements recognized our proven ability to customize our solutions. All three customers got exactly the solution they wanted, backed by extraordinary service and competitive pricing. AIR-Serv and Merit are two entirely new markets.

You may have noticed that the USAT homepage opens with a coffee cup and statement that ePort has penetrated the \$4 Billion single cup coffee market. We expect to announce our coffee partnership early next year. The customer is a premier global coffee company, and with the help of our ePort solution, intends to expand its prestigious coffee service into major, new markets.

In the near term, we also will be formally announcing an agreement we have entered into with a global payment solutions company, which has the potential to fundamentally change the vending industry. Together, we are introducing a new payment system to vending machines and kiosks that is faster and considered more secure. We have designed ePort to accept the technology company's unique pre-paid wireless payment solution that incorporates into loyalty programs, gift cards, and other wireless payment devices, and attaches to cell phones, employee ID badges, wristbands, or key chains.

We announced earlier this year two products that we believe will open many doors for us: the new ePort G8 and ePort EDGE (TM). The enhancements for these products were built upon different sets of needs than those of our current market space. The G8 fits well in locations where consumers are more adept at using contactless payment devices such as universities, entertainment venues and corporate facilities, and it also opens doors to other cash-only industries, such as the \$100 Billion kiosk market, which is even larger than the \$46 Billion vending market. The ePort Edge device was developed focusing squarely on accelerating adoption. With a \$199 price point we have made it easy for vending operators to add credit card acceptance to their machines.

Starting in February next year, we will be first to bring to market cashless technology that sells for less than traditional coin or

bill acceptors, giving us what we believe is an enormous competitive edge. What makes it especially attractive to customers is its rapid 'payback.'

For all of the above we are looking forward to 2009. Thank you again for all of your support, and my best wishes for a Happy Holiday Season.

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 agreements with AT&T, Honeywell, Blackboard, MasterCard and others. For further information on USA Technologies, please visit [www.usatech.com](http://www.usatech.com). To view a Company overview presentation, visit [http://www.usatech.com/company\\_info/dl/USAT\\_company\\_overview.pdf](http://www.usatech.com/company_info/dl/USAT_company_overview.pdf).

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, validity of intellectual property and patents, the ability to license patents, the ability to commercialize developmental products, as well as technological and/or other factors.

SOURCE: USA Technologies

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