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USA Technologies Announces Second Successive Record Quarter for Fiscal Year 2008

Revenue Grows 72%, Gross Profit up 267%, Margins Double to 30% Versus the Corresponding Prior Fiscal Year Quarter

MALVERN, Pa., Feb 11, 2008 (BUSINESS WIRE) -- USA Technologies (NASDAQ:USAT) announced today record revenue for the fiscal second quarter ended December 31, 2007. Revenue for the three months totaled \$3,459,403, an increase of 72% compared with \$2,011,722 for the corresponding quarter in fiscal year 2007. It was the second successive record revenue quarter for fiscal year 2008.

"Fiscal second quarter revenue does not include approximately 3,500 e-Port(R) terminals shipped during the quarter ended December 31, 2007, which are expected to be recognized as revenue in the Company's third fiscal quarter," said George Jensen, Chairman and Chief Executive Officer, USA Technologies. "USA Technologies is expecting another record quarter ending March 31, 2008."

Gross profit for the three months ended December 31, 2007 was \$1,042,910 compared with \$284,189 for the three months ended December 31, 2006, up 267%, and margins for the quarter expanded to 30% vs. 15% for the same period a year ago. Recurring license and transaction fees rose to \$828,342 from \$357,408, an increase of 132%.

During the quarter ended December 31, 2007, the Company processed approximately 2.4 million transactions totaling over \$7.7 million as compared to approximately 737 thousand transactions totaling over \$4.7 million during the quarter ended December 31, 2006, an increase of 226% in transaction volume and 64% in dollars processed.

"Adoption of the ePort(R) by leading card companies and bottlers across the country is accelerating," said Mr. Jensen. "Our relationship with MasterCard Worldwide continues to progress. So too is our relationship with Coca-Cola Enterprises who is equipping its vending machines with our ePort(R) G6 to accept MasterCard(R) PayPass(TM) contactless payments, as well as traditional magnetic stripe credit card payments. Discover Network, a business unit of Discover Financial Services, is another new business relationship. These relationships should lead to higher recurring revenue generated for USAT from a larger installed base. It is also further validation that the ePort(R) is opening up new business growth opportunities in vending. With a strong balance sheet, growing revenue and on-going relationships with some of the most influential global companies, USA Technologies is on the path to continuous and accelerating growth."

Some recent highlights include:

- MasterCard enters into new contract for over 4,000 ePort terminals.
- Growing Installed Base. As of December 31, 2007, the Company's installed base reached over 25,000 cashless terminals consisting of approximately 19,000 ePort(R), 1,300 Business Express(R), and 5,500 eSuds(R) terminals.
- Discover Network Inks Deal with USAT for 1,000 ePort terminals.
- Strongest Balance Sheet on record. At December 31, 2007, \$23 million in cash and \$39 million in positive shareholder equity primarily as the result of the completion of a \$15 Million Private Placement in October 2007.
- 12th Energy Patent. Granted for the VM2iQ(R), a key technology in the EnergyMiser(TM) energy conservation product line that targets the nation's four million vending machines and \$46 billion vending industry.
- Nine More Energy Utilities Join Rebate Program. Twenty-nine national energy utilities now offering rebates ranging from \$15 to \$180 per unit for USA Technologies' EnergyMiser(TM) energy conservation products.

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.

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 its pending patents will be granted or defensible; validity of intellectual property and patents of USA, the ability of USA to license its patents, the ability of USA to commercialize its developmental products, technological and/or other factors, which could cause actual results or revenues to differ materially from those contemplated by these statements.

SOURCE: USA Technologies

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