SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-QSB

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended December 31, 2005

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 0-9040

DRYCLEAN USA, Inc.
(Exact name of small business issuer as specified in its charter)

DELAWARE	11-2014231
(State of other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

290 N.E. 68 Street, Miami, Florida 33138
(Address of principal executive offices)
(305) 754-4551
(Issuer's telephone number)

Not Applicable
(Former name)

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No
--- ---.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No X
--- ---.

State the number of shares outstanding of each of the issuer's classes of common equity as of the latest practicable date: Common Stock, $.025 par value per share - 7,024,450 shares outstanding as of February 9, 2006.

Transitional Small Business Disclosure Format: Yes No X
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PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

DRYCLEAN USA, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

<TABLE>
<CAPTION>

	For the six months ended December 31, 2005 (Unaudited)	For the six months ended December 31, 2004 (Unaudited)	For the three months ended December 31, 2005 (Unaudited)	For the three months ended December 31, 2004 (Unaudited)
<S>	<C>	<C>	<C>	<C>
Sales	$ 8,084,834	$ 8,890,503	$4,953,431	$ 4,845,330
Development, franchise and license fees, commissions and other income	526,362	484,291	223,465	296,893
Total revenues	8,611,196	9,374,794	5,176,896	5,142,223
Cost of goods sold	5,935,527	6,708,531	3,620,321	3,632,595
Selling, general and administrative expenses	2,072,911	2,034,705	1,125,814	1,069,425
Research and development	8,975	15,325	6,350	7,775
Total operating expenses	8,017,413	8,758,561	4,752,485	4,709,795

Operating income	593,783	616,233	424,411	432,428
Interest income	21,065	6,436	16,791	2,678
Earnings before taxes	614,848	622,669	441,202	435,106
Provision for income taxes	233,642	249,068	167,657	174,043
Net earnings	381,206	373,601	273,545	261,063
Basic and diluted earnings per share	$ .05	$ .05	$ .04	$ .04
Weighted average number of shares				
Basic	7,024,450	7,021,841	7,024,450	7,024,450
Diluted	7,034,015	7,034,554	7,033,611	7,037,722

See Notes to Condensed Consolidated Financial Statements

</TABLE>

DRYCLEAN USA, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

ASSETS

<S>	December 31, 2005 (Unaudited) <C>	June 30, 2005 <C>
Current Assets		
Cash and cash equivalents	$ 2,549,016	$ 1,582,116
Accounts and trade notes receivable, net	2,175,576	1,949,750
Inventories	3,303,986	3,090,017
Note receivable	-	67,857
Lease receivables	5,838	14,995
Deferred income taxes	103,031	103,031
Other assets, net	198,278	118,930
Total current assets	8,335,725	6,926,696
Equipment and improvements - net of accumulated depreciation and amortization	197,417	230,352
Franchise, trademarks and other intangible assets, net	341,759	373,779
Deferred tax asset	10,248	10,248
	$ 8,885,149	$ 7,541,075

See Notes to Condensed Consolidated Financial Statements

</TABLE>

DRYCLEAN USA, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS

LIABILITIES AND
SHAREHOLDERS' EQUITY

<TABLE>
<CAPTION>

<S>	December 31, 2005 (Unaudited) <C>	June 30, 2005 <C>

Current Liabilities		
Accounts payable and accrued expenses	$ 1,023,028	$ 679,505
Income taxes payable	208,468	-
Accrued employee expenses	277,872	295,440
Unearned income	268,325	289,712
Customer deposits	1,308,251	577,440
Total current liabilities	3,085,944	1,842,097
Total liabilities	3,085,944	1,842,097
Shareholders' Equity		
Preferred Stock, $1.00 par value:		
Authorized shares - 200,000; none issued and outstanding	-	-
Common stock, $.025 par value; Authorized shares - 15,000,000; 7,055,500, shares issued and outstanding, including shares held in treasury	176,388	176,388
Additional paid-in capital	2,075,870	2,075,870
Retained earnings	3,549,967	3,449,740
Treasury stock, 31,050 shares at cost	(3,020)	(3,020)
Total shareholders' equity	5,799,205	5,698,978
	$ 8,885,149	$ 7,541,075

See Notes to Condensed Consolidated Financial Statements

</TABLE>

DRYCLEAN USA, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	Six months ended December 31, 2005 (Unaudited)	December 31, 2004 (Unaudited)
<S>	<C>	<C>
Operating activities:		
Net earnings	$ 381,206	$ 373,601
Adjustments to reconcile net earnings to net cash (used) provided by operating activities:		
Bad debt expense	-	21,181
Depreciation and amortization	70,375	58,106
(Increase) decrease in operating assets:		
Accounts, trade notes and lease receivables	(216,669)	(565,196)
Inventories	(213,969)	(286,252)
Other current assets	(79,348)	(43,230)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	343,523	(101,349)
Accrued employee expenses	(17,568)	-
Unearned income	(21,387)	-
Customer deposits	730,811	(29,706)
Income taxes payable	208,468	76,068
Net cash (used) provided by operating activities	1,185,442	(496,777)
Investing activities:		
Proceeds from note receivable	67,857	78,571
Capital expenditures	(4,113)	(30,866)
Patent and trademark expenditures	(1,308)	(16,594)
Net cash provided by investing activities	62,436	31,111
Financing activities:		
Dividends paid	(280,978)	(421,467)
Proceeds from exercise of stock options	-	10,000
Net cash used by financing activities	(280,978)	(411,467)
Net increase (decrease) in cash and cash equivalents	966,900	(877,133)
Cash and cash equivalents at beginning of period	1,582,116	1,742,251

Cash and cash equivalents at end of period	$ 2,549,016	$ 865,118

Supplemental information:

Cash paid for income taxes	-	$ 153,000

See Notes to Condensed Consolidated Financial Statements

</TABLE>

DRYCLEAN USA, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE (1) - GENERAL: The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial statements and the instructions to Form 10-QSB related to interim period financial statements. Accordingly, these condensed consolidated financial statements do not include certain information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. However, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting only of normal recurring accruals) which, in the opinion of management, are necessary in order to make the financial statements not misleading. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. For further information, refer to the Company's financial statements and footnotes thereto included in the Company's Annual Report on Form 10-KSB for the year ended June 30, 2005. The June 30, 2005 balance sheet information contained herein was derived from the audited consolidated financial statements included in the Company's Annual Report on Form 10-KSB as of that date.

NOTE (2) - EARNINGS PER SHARE: Basic and diluted earnings per share for the three and six months ended December 31, 2005 and 2004 are computed as follows:

<TABLE>
<CAPTION>

	For the six months ended December 31,		For the three months ended December 31,	
	2005	2004	2005	2004
<S>	<C>	<C>	<C>	<C>
Basic				
Net earnings	$ 381,206	$ 373,601	$ 273,545	$ 261,063
Weighted average shares outstanding	7,024,450	7,021,841	7,024,450	7,024,450
Basic earnings per share	$ .05	$ .05	$ .04	$ .04
Diluted				
Net earnings	$ 381,206	$ 373,601	$ 273,545	$ 261,063
Weighted average shares outstanding	7,024,450	7,021,841	7,024,450	7,024,450
Plus incremental shares from assumed exercise of stock options	9,565	12,713	9,161	13,272
Diluted weighted average common shares	7,034,015	7,034,554	7,033,611	7,037,722
Diluted earnings per share	$ .05	$ .05	$ .04	$ .04

</TABLE>

No shares subject to stock options were excluded at December 31, 2005 or 2004.

NOTE (3) - REVOLVING CREDIT LINE: On October 30, 2005, the Company received an extension, until October 30, 2006, of its existing $2,250,000 revolving line of credit facility. In addition, the related Loan Agreement was amended to eliminate the requirement that 51% of the stock of the Company be owned by the Steiner family or any Steiner trust. On October 28, 2004, the Loan Agreement, was amended, to eliminate the borrowing base restriction on borrowings under the revolving credit facility, thereby enabling the Company to borrow up to the full $2,250,000 amount available under the facility regardless of the Company's levels of accounts receivable and inventories. The Company's obligations under the facility continue to be guaranteed by the Company's subsidiaries and collateralized by substantially all of the Company's and its subsidiaries' assets. No amounts were outstanding at December 31, 2005 and June 30, 2005.

NOTE (4) - STOCK OPTIONS: The Company accounts for its stock-based compensation plans under Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees." The pro forma information below is based on provisions of Statement of Financial Accounting Standard ("SFAS") No. 123, "Accounting for Stock-Based Compensation," as amended by SFAS 148, "Accounting for Stock-Based Compensation-Transition and Disclosure," issued in December 2002:

<TABLE>
<CAPTION>

	For the six months ended December 31, 2005	2004	For the three months ended December 31, 2005	2004
<S>	<C>	<C>	<C>	<C>
Net earnings, as reported	$ 381,206	$ 373,601	$ 273,545	$ 261,063
Less: Fair value of employee stock compensation	-	-	-	-
Pro forma net earnings	$ 381,206	$ 373,601	$ 273,545	$ 261,063
Earnings per common share:				
Net earnings as reported - Basic and diluted	$ .05	$ .05	$ .04	$ .04
Net earnings, pro forma - Basic and diluted	$ .05	$ .05	$ .04	$ .04

</TABLE>

There were no options granted during the six months ended December 31, 2005 and 2004. In August 2004, a director exercised an option to purchase 10,000 shares of the Company's common stock at an exercise price of $1.00 per share.

NOTE (5) - CASH DIVIDENDS: On September 23, 2005, the Company's Board of Directors declared a $.04 semi-annual cash dividend (an aggregate of $280,978) which was paid on November 1, 2005 to shareholders of record on October 14, 2005. On September 27, 2004, the Company's board of Directors declared a $.06 per share annual cash dividend (an aggregate of $421,467) which was paid on November 1, 2004 to shareholders of record on October 15, 2004.

NOTE (6) - SEGMENT INFORMATION: The Company's reportable segments are strategic businesses that offer different products and services. They are managed separately because each business requires different marketing strategies. The Company primarily evaluates the operating performance of its segments based on the categories noted in the table below. The Company has no sales between segments.

Financial information for the Company's business segments is as follows:

<TABLE>
<CAPTION>

	For the six months ended December 31, 2005 (Unaudited)	2004	For the three months ended December 31, 2005 (Unaudited)	2004
<S>	<C>	<C>	<C>	<C>
Revenues:				
Commercial and industrial laundry and dry cleaning equipment	$ 8,398,252	$ 9,142,427	$ 5,054,733	$ 5,007,281
License and franchise operations	212,944	232,367	122,163	134,942
Total revenues	$ 8,611,196	$ 9,374,794	$ 5,176,896	$ 5,142,223
Operating income (loss)				
Commercial and industrial laundry and dry cleaning equipment	$ 589,691	$ 603,449	$ 411,465	$ 436,047
License and franchise operations	167,626	178,865	101,069	99,307
Corporate	(163,534)	(166,081)	(88,123)	(102,926)

Total operating income	$ 593,783	$ 616,233	$ 424,411	$ 432,428

	December 31, 2005 (Unaudited)	June 30, 2005
Identifiable assets:		
Commercial and industrial laundry and dry cleaning equipment	$ 7,939,665	$ 6,525,375
License and franchise operations	744,052	781,416
Corporate	201,432	234,284
Total assets	$ 8,885,149	$ 7,541,075

</TABLE>

NEW ACCOUNTING PRONOUNCEMENTS

In December 2004, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 123 (Revised 2004) (SFAS 123(R)) "Share-based payment". SFAS 123(R) will require compensation costs related to share-based payment transactions to be recognized in the financial statements. With limited exceptions, the amount of compensation cost will be measured based on the grant-date fair value of the equity or liability instruments issued. In addition, liability awards will be re-measured each reporting period. Compensation cost will be recognized over the period that an employee provides service in exchange for the award. SFAS 123(R) replaces SFAS 123, Accounting for Stock-Based Compensation and supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees. This guidance is effective as of the first interim or annual reporting period beginning after December 15, 2005 for Small Business filers such as the Company. SFAS 123(R) does not affect the Company at the present time but may effect the Company if it issues share-based compensation in the future.

In December 2004, the FASB issued SFAS No.151, "Inventory Costs," which clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). Under this statement, such items will be recognized as current-period charges. In addition, the statement requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. This statement is effective for inventory costs incurred during fiscal years beginning after June 15, 2005 and must be applied prospectively. Adoption of this statement is not expected to impact the Company's financial position or results of operations because the Company does not manufacture inventory.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Nonmonetary Assets," which amends APB Opinion No. 29, "Accounting for Nonmonetary Transactions." The amendments made by SFAS 153 are based on the principle that exchanges of nonmonetary assets should be measured based on the fair value of the assets exchanged. Further, the amendments eliminate the narrow exception for nonmonetary exchanges of similar productive assets and replace it with a broader exception for exchanges of nonmonetary assets that do not have "commercial substance." Previously, Opinion 29 required that the accounting for an exchange of a productive asset for a similar productive asset or an equivalent interest in the same or similar productive asset should be based on the recorded amount of the asset relinquished. The provisions in SFAS 153 are effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. Adoption of this pronouncement will not materially impact the Company's financial position or results of operations.

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections - A Replacement of APB No. 20 and FASB Statement No. 3." Among other changes, SFAS 154 requires that a voluntary change in accounting principle be applied retrospectively with all prior period financial statements presented on the new accounting principle, unless it is impracticable to do so. SFAS 154 also provides that (1) a change in method of depreciating or amortizing a long-lived nonfinancial asset be accounted for as a change in estimate (prospectively) that was effected by a change in accounting principle, and (2) correction of errors in previously issued financial statements should be termed a "restatement." The new standard is effective for accounting changes and correction of errors made in fiscal years beginning after December 15, 2005. Early adoption of this standard is permitted for accounting changes and correction of errors made in fiscal years beginning after June 1, 2005. Adoption of this pronouncement is not expected to materially impact the Company.

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

OVERVIEW
- --------

Sales for the six month period ended December 31, 2005 were 9.1% lower than in the same period of fiscal 2005, mostly due to the lasting effects of Hurricanes Katrina and Wilma during our first quarter. Our supplier located in the New Orleans area is still not fully staffed and shipments have been delayed. However, conditions improved during the second quarter of fiscal 2006 and sales for that quarter increased by 2.2% over the same period of fiscal 2005. The Company expects continued improvement of its performance in the third quarter and to ship a substantial part of its backlog by the end of fiscal 2006.

Earnings for the three and six month reported periods surpassed last year due to improved gross profit margins, a lower tax rate and a large commission earned in the first quarter. As previously reported, a $600,000 shipment is not included in our revenues since the shipment went directly from the manufacturer to one of our customers; however, the Company realized a 12% sales commission thereon.

Cash on hand substantially increased during the first half of fiscal 2006, primarily due to a $730,811 increase in customer deposits, resulting from our higher backlog. In order to support the backlog, both inventories and accounts payable have increased.

On September 23, 2005, our Board of Directors declared a $.04 per share semi-annual cash dividend (an aggregate of $280,978) paid on November 1, 2005 to shareholders of record on October 14, 2005.

LIQUIDITY AND CAPITAL RESOURCES
- -------------------------------

Cash during the first six months of fiscal 2006 increased by $966,900 compared to a decrease of $877,133 for the same period of fiscal 2005. The following summarizes the Company's Consolidated Statement of Cash Flows:

	Six Months Ended December 31, 2005	2004
Net cash (used) provided by:		
Operating activities	$ 1,185,442	$ (496,777)
Investing activities	62,436	31,111
Financing activities	(280,978)	(411,467)

For the six months ended December 31, 2005, operating activities provided $1,185,442 of cash compared to a use by operating activities of $496,777 for the six months ended December 31, 2004. The improvement of $1,682,219 over the same period of last year was caused primarily by an increase of $730,811 in customer deposits caused by our increased backlog in the current year's six month period (a substantial part of which is expected to be shipped during the remainder of this current fiscal year, with such customer deposits to be proportionately reduced) compared to a reduction of $29,706 in the prior year's comparable period, an increase in accounts payable and accrued expenses of $343,523 in the first six months of fiscal 2006 due to our purchase of inventories to support our backlog compared to a reduction of $101,349 in the prior year's comparable period, and an increase in the current year's period over the prior year period of $132,400 in income taxes payable due to a federal and state moratorium on tax deposits for companies located in hurricane areas. These cash contributions were offset by a $216,669 increase in accounts, trade notes and lease receivables due to heavy shipments in December.

Investing activities for the first six months of fiscal 2006 provided cash of $62,436, mainly as a result of payments received on a note from the sale of the Company's telecommunications segment ($67,857), which note was fully paid in November 2005. Capital expenditures of $4,113 and patent and trademark expenses of $1,308 partially offset the proceeds received from the note receivable. Cash of $31,111 was provided during the first six months of fiscal 2005 as a result of payments on the note ($78,571), partially offset by capital expenditures for equipment ($30,866) and patent and trademark expenditures ($16,594).

For the six months ended December 31, 2005, financing activities used cash of $280,978 to pay a $.04 per share semi-annual cash dividend on November 1, 2005. For the first six months of fiscal 2005 financing activities used cash of $411,467 to pay a $.06 per share annual dividend ($421,467) on November 1, 2004, partially offset by $10,000 received from the exercise of a stock option to purchase 10,000 shares of the Company's common stock at the exercise price of $1.00 per share by a director of the Company.

On October 30, 2005, the Company received an extension until October 30, 2006 of its existing $2,250,000 revolving line of credit facility. In addition, the Loan

Agreement was amended to eliminate the requirement that 51% of the stock of the Company be owned by the Steiner family or any Steiner trust. On October 28, 2004, the Loan Agreement, was amended, to eliminate the borrowing base restriction on borrowings under the revolving credit facility, thereby enabling the Company to borrow up to the full $2,250,000 amount available under that facility regardless of the Company's levels of accounts receivable and inventories. The Company's obligations under the facility continue to be guaranteed by the Company's subsidiaries and collateralized by substantially all of the Company's and its subsidiaries' assets.

The Company believes that its present cash position and cash it expects to generate from operations, as well as, if needed, cash borrowings available under its $2,250,000 line of credit, will be sufficient to meet its operational needs.

OFF-BALANCE SHEET FINANCING

The Company has no off-balance sheet financing arrangements within the meaning of item 303(c) of Regulation S-B.

RESULTS OF OPERATIONS

<TABLE>
<CAPTION>

	Six months ended December 31,			Three months ended December 31,		
	2005	2004		2005	2004	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net sales	$8,084,834	$8,890,503	-9.1%	$4,953,431	$4,845,330	2.2%
Development fees, franchise and license fees, commissions and other income	526,362	484,291	8.7%	223,465	296,893	-24.7%
Total revenues	$8,611,196	$9,374,794	-8.1%	$5,176,896	$5,142,223	.7%

</TABLE>

Revenues for the six month period ended December 31, 2005 decreased by $763,598 (8.1%) but increased by $34,673 (.7%) for the three month period ended December 31, 2005 compared to the same periods of fiscal 2005.

For the first half of fiscal 2006, sales of the commercial laundry and dry cleaning equipment segment decreased by $744,175 (8.1%) compared to the same periods of fiscal 2005, mostly due to delays in

shipments caused by Hurricanes Katrina and Wilma. Sales decreases were also experienced of dry cleaning equipment (13.8%), laundry equipment (10.8%) and boilers (46.2%). However, due to our extensive replacement parts inventory, parts sales were only marginally affected by the hurricanes and increased by 7.4%.

For the three month period ended December 31, 2005, revenues of the commercial laundry and dry cleaning segment increased by $47,452 (.9%) over the same period of fiscal 2005. Although conditions improved, shipment delays were still experienced during the quarter. Increases were achieved in sales of laundry equipment (18.7%) and parts (5.7%), which were offset by decreases in sales of drycleaning equipment (17.5%) and boilers (24.4%)

Development fees, franchise and license fees, commissions and other income increased by $42,071 (8.7%) for the first six months of fiscal 2006, but decreased by $73,428 (24.7%) for the three month period ended December 31, 2005, when compared to the corresponding periods of fiscal 2005. The increase during the six month period was mostly due to increased commissions earned during the first quarter for shipments sent directly by a manufacturer to customers in our area.

	Six months ended December 31,		Three months ended December 31,	
	2005	2004	2005	2004
As a percentage of sales				
Cost of goods sold	73.4%	75.5%	73.1%	75.0%
As a percentage of revenue				
Selling, general and administrative expenses	24.1%	21.7%	21.7%	20.8%
Research and development	.1%	.2%	.1%	.2%
Total expenses	93.1%	93.4%	91.8%	91.6%

Costs of goods sold, expressed as a percentage of sales improved to 73.4% from

75.5% and to 73.1% from 75.0% for the six and three month periods, respectively, of fiscal 2006 from the same periods of fiscal 2005. The improved margins were mainly due to product mix and the ability of the Company to improve margins on sales made during the periods.

Selling, general and administrative expenses increased by $38,206 (1.9%) and $56,389 (5.3%) for the six and three month periods, respectively, of fiscal 2006 from the same periods in fiscal 2005, primarily as a result of increased payroll, insurance and depreciation expenses.

Research and development expenses are a small part of the Company's total operating expenses. These expenses relate to the on-going research on the Green-Jet(R) technologies and the application of these technologies to smaller machines for the dry cleaning and hotel industry.

The overall expenses of the Company, expressed as a percentage of revenues, decreased to 93.1% from 93.4% for the first six month period and increased to 91.8% from 91.6% for the three month period ended December 31, 2005, compared to the same periods in fiscal 2005. Most of the changes are attributable to the improved gross profit margins offset, in part, by increased payroll, insurance and depreciation expenses.

Interest income increased by $14,629 (227.3%) and $14,113 (527.0%) for the three and six month periods of fiscal 2006, respectively, compared to the same periods of fiscal 2005 as a result of higher outstanding bank balances.

The effective income tax rate used in both periods of fiscal 2006 was 38% compared to 40% used in both periods of fiscal 2005. The reduction in the effective rate was made to better conform to the year end tax rate experienced over the last several years.

INFLATION

Inflation has not had a significant effect on the Company's operations during any of the reported periods.

TRANSACTIONS WITH RELATED PARTIES

The Company leases 27,000 square feet of warehouse and office space from William K. Steiner, a principal stockholder, Chairman of the Board of Directors and a director of the Company, under a lease which expires in October 2008. Annual rental under this lease is approximately $94,500 with annual increases commencing November 1, 2006 of 3% over the rent in the prior year. The Company is also to bear real estate taxes, utilities, maintenance, non-structural repairs and insurance. The lease contains two three-year renewal options in favor of the Company. The Company believes that the terms of the lease are comparable to terms that would be obtained from an unaffiliated third party for similar property in a similar locale.

CRITICAL ACCOUNTING POLICIES

The accounting policies that the Company has identified as critical to its business operations and to an understanding of the Company's results of operations are described in detail in the Company's Annual Report on Form 10-KSB for the fiscal year ended June 30, 2005. In many cases, the accounting treatment of a particular transaction is specifically dictated by accounting principles generally accepted in the United States of America, with no need for management's judgment in their application. In other cases, preparation of the Company's unaudited condensed consolidated financial statements for interim periods requires us to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. There can be no assurance that the actual results will not differ from those estimates.

NEW ACCOUNTING PRONOUNCEMENTS:

In December 2004, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 123 (Revised 2004) (SFAS 123(R)) "Share-based payment". SFAS 123(R) will require compensation costs related to share-based payment transactions to be recognized in the financial statements. With limited exceptions, the amount of compensation cost will be measured based on the grant-date fair value of the equity or liability instruments issued. In addition, liability awards will be re-measured each reporting period. Compensation cost will be recognized over the period that an employee provides service in exchange for the award. SFAS 123(R) replaces SFAS 123, "Accounting for Stock-Based Compensation" and supersedes APB Opinion No.

25, "Accounting for Stock Issued to Employees." This guidance is effective as of the first interim or annual reporting period beginning after December 15, 2005 for Small Business filers such as the Company. SFAS 123(R) does not affect the Company at the present time but may effect the Company if it issues share-based compensation in the future.

In December 2004, the FASB issued SFAS No.151, "Inventory Costs," which clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). Under this statement, such items will be recognized as current-period charges. In addition, the statement requires that allocation of fixed production overheads to the costs of conversion be based on the normal

capacity of the production facilities. This statement is effective for inventory costs incurred during fiscal years beginning after June 15, 2005 and must be applied prospectively. Adoption of this statement is not expected to impact the Company's financial position or results of operations because the Company does not manufacture inventory.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Nonmonetary Assets," which amends APB Opinion No. 29, "Accounting for Nonmonetary Transactions." The amendments made by SFAS 153 are based on the principle that exchanges of nonmonetary assets should be measured based on the fair value of the assets exchanged. Further, the amendments eliminate the narrow exception for nonmonetary exchanges of similar productive assets and replace it with a broader exception for exchanges of nonmonetary assets that do not have "commercial substance." Previously, Opinion 29 required that the accounting for an exchange of a productive asset for a similar productive asset or an equivalent interest in the same or similar productive asset should be based on the recorded amount of the asset relinquished. The provisions in SFAS 153 are effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. Adoption of this pronouncement will not materially impact the Company's financial position or results of operations.

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections - A Replacement of APB No. 20 and FASB with Statement No. 3." Among other changes, SFAS 154 requires that a voluntary change in accounting principle be applied retrospectively with all prior period financial statements presented on the new accounting principle, unless it is impracticable to do so. SFAS 154 also provides that (1) a change in method of depreciating or amortizing a long-lived nonfinancial asset be accounted for as a change in estimate (prospectively) that was effected by a change in accounting principle, and (2) correction of errors in previously issued financial statements should be termed a "restatement." The new standard is effective for accounting changes and correction of errors made in fiscal years beginning after December 15, 2005. Early adoption of this standard is permitted for accounting changes and correction of errors made in fiscal years beginning after June 1, 2005. Adoption of this pronouncement is not expected to materially impact the Company.

FORWARD LOOKING STATEMENTS
- --------------------------

Certain statements in this Report are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this Report, words such as "may," "should," "seek," "believe," "expect," anticipate," "estimate," "project," "intend," "strategy" and similar expressions are intended to identify forward-looking statements regarding events, conditions and financial trends that may affect the Company's future plans, operations, business strategies, operating results and financial position. Forward-looking statements are subject to a number of known and unknown risks and uncertainties that may cause actual results, trends, performance or achievements of the Company, or industry trends and results, to differ materially from the future results, trends, performance or achievements expressed or implied by such forward-looking statements. Such risks and uncertainties include, among others: general economic and business conditions in the United States and other countries in which the Company's customers are located; industry conditions and trends, including supply and demand; changes in business strategies or development plans; the availability, terms and deployment of debt and equity capital; technology changes; competition and other factors which may affect prices which the Company may charge for its products and its profit margins; the availability and cost of the equipment purchased by the Company; relative values of the United States currency to currencies in the countries in which the Company's customers, suppliers and competitors are located; changes in, or the failure to comply with, government regulation, principally environmental regulations; and the Company's ability to successfully introduce, market and sell at acceptable profit margins its new Green Jet(R) dry-wetcleaning(TM) machine and Multi-Jet(TM) dry cleaning machine. These and certain other factors are discussed in this Report and from time to time in other Company reports filed with the

Securities and Exchange Commission. The Company does not assume an obligation to update the factors discussed in this Report or such other reports.

ITEM 3. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, management of the Company, with the participation of the Company's President and principal executive officer and the Company's principal financial officer, evaluated the effectiveness of the Company's "disclosure controls and procedures," as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934. Based on that evaluation, these officers concluded that, as of the date of their evaluation, the Company's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's periodic filings under the Securities Exchange Act of 1934 is accumulated and communicated to the Company's management, including those officers, to allow timely decisions regarding required disclosure. It should be noted that a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that it will detect or uncover failures within the Company to disclose material information otherwise required to be set forth in the Company's periodic reports.

During the period covered by this Report, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITYHOLDERS.

At the Company's 2005 Annual Meeting of Stockholders held on November 18, 2005, the Company's stockholders reelected the Company's then existing Board of Directors by the following votes:

	Votes	
	For	Withheld
Michael S. Steiner	6,794,816	3,599
William K. Steiner	6,792,616	5,799
Venerando J. Indelicato	6,793,616	4,799
David Blyer	6,794,358	4,057
Lloyd Frank	6,792,963	5,452
Alan Grunspan	6,795,187	3,228
Stuart Wagner	6,793,358	5,057

ITEM 6. EXHIBITS

(a) Exhibits:

31.01 Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 promulgated under the Securities Exchange Act of 1934.

31.02 Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 promulgated under the Securities Exchange Act of 1934.

32.01 Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.02 Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 13, 2006 DRYCLEAN USA, Inc.

By: /s/ Venerando J. Indelicato

Venerando J. Indelicato,
Treasurer and Chief Financial

Officer

EXHIBIT INDEX

31.01 Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 promulgated under the Securities Exchange Act of 1934.

31.02 Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 promulgated under the Securities Exchange Act of 1934.

32.01 Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.02 Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

EXHIBIT 31.01

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael S. Steiner, certify that:

1. I have reviewed this Quarterly Report on Form 10-QSB for the quarter ended December 31, 2005 of DRYCLEAN USA, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: February 13, 2006

/s/ Michael Steiner

Michael S. Steiner
President and Principal
Executive Officer

EXHIBIT 31.02

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Venerando J. Indelicato, certify that:

1. I have reviewed this Quarterly Report on Form 10-QSB for the quarter ended December 31, 2005 of DRYCLEAN USA, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: February 13, 2006

/s/ Venerando J. Indelicato

Venerando J. Indelicato
Treasurer and Principal
Financial Officer

EXHIBIT 32.01

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of DRYCLEAN USA, Inc. (the "Company") on Form 10-QSB for the quarter ended December 31, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael S. Steiner, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 13, 2006

/s/ Michael Steiner

Michael S. Steiner
Principal Executive Officer

EXHIBIT 32.02

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of DRYCLEAN USA, Inc. (the "Company") on Form 10-QSB for the quarter ended December 31, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Venerando J. Indelicato, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 13, 2006

/s/ Venerando J. Indelicato

Venerando J. Indelicato
Principal Financial Officer