

AMERCO /NV/
Form 10-Q
February 04, 2009

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended December 31, 2008

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 | Registrant, State of Incorporation, Address and Telephone Number | I.R.S. Employer Identification No. |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| 1-11255 | AMERCO (A Nevada Corporation) 1325 Airmotive Way, Ste. 100 Reno, Nevada 89502-3239 Telephone (775) 688-6300 | 88-0106815 |

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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 No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of a "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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

19,607,996 shares of AMERCO Common Stock, \$0.25 par value, were outstanding at February 1, 2009.

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PART I FINANCIAL INFORMATION

ITEM 1. Financial Statements

AMERCO AND CONSOLIDATED ENTITIES
CONDENSED CONSOLIDATED BALANCE SHEETS

| | December 31, 2008 | March 31, 2008 |
|----------------------------------------------------------------------------------|-------------------------|-------------------|
| | (Unaudited) | |
| | (In thousands) | |
| ASSETS | | |
| Cash and cash equivalents | \$ 311,517 | \$ 206,622 |
| Reinsurance recoverables and trade receivables, net | 208,193 | 201,116 |
| Notes and mortgage receivables, net | 3,133 | 2,088 |
| Inventories, net | 75,434 | 65,349 |
| Prepaid expenses | 49,435 | 56,159 |
| Investments, fixed maturities and marketable equities | 538,323 | 633,784 |
| Investments, other | 200,126 | 185,591 |
| Deferred policy acquisition costs, net | 48,047 | 35,578 |
| Other assets | 135,134 | 131,138 |
| Related party assets | 304,624 | 303,886 |
| | 1,873,966 | 1,821,311 |
| Property, plant and equipment, at cost: | | |
| Land | 207,148 | 208,164 |
| Buildings and improvements | 914,585 | 859,882 |
| Furniture and equipment | 326,422 | 309,960 |
| Rental trailers and other rental equipment | 211,155 | 205,572 |
| Rental trucks | 1,683,369 | 1,734,425 |
| | 3,342,679 | 3,318,003 |
| Less: Accumulated depreciation | (1,320,285) | (1,306,827) |
| Total property, plant and equipment | 2,022,394 | 2,011,176 |
| Total assets | \$ 3,896,360 | \$ 3,832,487 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Liabilities: | | |
| Accounts payable and accrued expenses | \$ 325,059 | \$ 292,526 |
| AMERCO's notes, loans and leases payable | 1,560,557 | 1,504,677 |
| Policy benefits and losses, claims and loss expenses payable | 783,419 | 789,374 |
| Liabilities from investment contracts | 313,792 | 339,198 |
| Other policyholders' funds and liabilities | 7,869 | 10,467 |
| Deferred income | 22,268 | 11,781 |
| Deferred income taxes | 129,772 | 126,033 |
| Total liabilities | 3,142,736 | 3,074,056 |
| Commitments and contingencies (Notes 3, 6, 7 and 8) | | |
| Stockholders' equity: | | |
| Series preferred stock, with or without par value, 50,000,000 shares authorized: | | |
| Series A preferred stock, with no par value, 6,100,000 shares authorized; | | |

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| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| 6,100,000 shares issued and outstanding as of December 31 and March 31, 2008 | - | - |
| Series B preferred stock, with no par value, 100,000 shares authorized; none issued and outstanding as of December 31 and March 31, 2008 | - | - |
| Series common stock, with or without par value, 150,000,000 shares authorized: | | |
| Series A common stock of \$0.25 par value, 10,000,000 shares authorized; none issued and outstanding as of December 31 and March 31, 2008 | - | - |
| Common stock of \$0.25 par value, 150,000,000 shares authorized; 41,985,700 issued as of December 31 and March 31, 2008 | 10,497 | 10,497 |
| Additional paid-in capital | 420,423 | 419,370 |
| Accumulated other comprehensive loss | (100,102) | (55,279) |
| Retained earnings | 954,390 | 915,415 |
| Cost of common shares in treasury, net (22,377,517 shares as of December 31, 2008 and 22,354,386 as of March 31, 2008) | (525,640) | (524,677) |
| Unearned employee stock ownership plan shares | (5,944) | (6,895) |
| Total stockholders' equity | 753,624 | 758,431 |
| Total liabilities and stockholders' equity | \$ 3,896,360 | \$ 3,832,487 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMERCO AND CONSOLIDATED ENTITIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

| | Quarter Ended December 31, | |
|---------------------------------------------------------------|----------------------------|----------------|
| | 2008 | 2007 |
| (Unaudited) | | |
| (In thousands, except share and per share amounts) | | |
| Revenues: | | |
| Self-moving equipment rentals | \$ 311,657 | \$ 326,937 |
| Self-storage revenues | 27,397 | 29,630 |
| Self-moving and self-storage products and service sales | 38,663 | 43,211 |
| Property management fees | 6,059 | 6,925 |
| Life insurance premiums | 27,509 | 27,757 |
| Property and casualty insurance premiums | 8,029 | 7,738 |
| Net investment and interest income | 14,913 | 16,008 |
| Other revenue | 8,357 | 7,254 |
| Total revenues | 442,584 | 465,460 |
| Costs and expenses: | | |
| Operating expenses | 259,242 | 268,974 |
| Commission expenses | 36,664 | 38,563 |
| Cost of sales | 23,229 | 26,677 |
| Benefits and losses | 27,313 | 25,290 |
| Amortization of deferred policy acquisition costs | 2,743 | 2,687 |
| Lease expense | 38,719 | 33,931 |
| Depreciation, net of (gains) losses on disposals | 68,675 | 61,015 |
| Total costs and expenses | 456,585 | 457,137 |
| Earnings (loss) from operations | (14,001) | 8,323 |
| Interest expense | (26,000) | (25,191) |
| Pretax loss | (40,001) | (16,868) |
| Income tax benefit | 15,049 | 6,474 |
| Net loss | (24,952) | (10,394) |
| Less: Preferred stock dividends | (3,241) | (3,241) |
| Loss applicable to common shareholders | \$ (28,193) | \$ (13,635) |
| Basic and diluted loss applicable per common share | \$ (1.46) | \$ (0.69) |
| Weighted average common shares outstanding: Basic and diluted | 19,347,660 | 19,746,237 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMERCO AND CONSOLIDATED ENTITIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

| | Nine Months Ended December 31, | |
|---------------------------------------------------------------|----------------------------------------------------|------------------|
| | 2008 | 2007 |
| | (Unaudited) | |
| | (In thousands, except share and per share amounts) | |
| Revenues: | | |
| Self-moving equipment rentals | \$ 1,140,930 | \$ 1,155,240 |
| Self-storage revenues | 82,849 | 94,754 |
| Self-moving and self-storage products and service sales | 159,515 | 174,420 |
| Property management fees | 15,496 | 14,865 |
| Life insurance premiums | 81,525 | 84,881 |
| Property and casualty insurance premiums | 21,512 | 20,986 |
| Net investment and interest income | 44,492 | 46,695 |
| Other revenue | 30,554 | 24,236 |
| Total revenues | 1,576,873 | 1,616,077 |
| Costs and expenses: | | |
| Operating expenses | 792,801 | 827,032 |
| Commission expenses | 138,711 | 132,348 |
| Cost of sales | 90,856 | 95,268 |
| Benefits and losses | 82,303 | 80,159 |
| Amortization of deferred policy acquisition costs | 7,169 | 9,870 |
| Lease expense | 111,803 | 100,967 |
| Depreciation, net of (gains) losses on disposals | 200,047 | 161,026 |
| Total costs and expenses | 1,423,690 | 1,406,670 |
| Earnings from operations | 153,183 | 209,407 |
| Interest expense | (74,774) | (76,356) |
| Pretax earnings | 78,409 | 133,051 |
| Income tax expense | (29,711) | (51,219) |
| Net earnings | 48,698 | 81,832 |
| Less: Preferred stock dividends | (9,723) | (9,723) |
| Earnings available to common shareholders | \$ 38,975 | \$ 72,109 |
| Basic and diluted earnings per common share | \$ 2.01 | \$ 3.64 |
| Weighted average common shares outstanding: Basic and diluted | 19,347,302 | 19,820,107 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMERCO AND CONSOLIDATED ENTITIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | Quarter Ended December 31, | |
|-------------------------------------------------------|----------------------------|--------------------|
| | 2008 | 2007 |
| | (Unaudited) | |
| | (In thousands) | |
| Comprehensive income (loss): | | |
| Net loss | \$ (24,952) | \$ (10,394) |
| Other comprehensive income (loss), net of tax: | | |
| Foreign currency translation | (11,178) | 551 |
| Unrealized gain (loss) on investments | (6,444) | 2,106 |
| Change in fair value of cash flow hedges | (32,661) | (10,846) |
| Total comprehensive loss | \$ (75,235) | \$ (18,583) |

| | Nine Months Ended December 31, | |
|-------------------------------------------------------|--------------------------------|------------------|
| | 2008 | 2007 |
| | (Unaudited) | |
| | (In thousands) | |
| Comprehensive income: | | |
| Net earnings | \$ 48,698 | \$ 81,832 |
| Other comprehensive income (loss), net of tax: | | |
| Foreign currency translation | (13,471) | 12,430 |
| Unrealized gain (loss) on investments, net | (10,118) | 819 |
| Change in fair value of cash flow hedges | (21,234) | (12,287) |
| Total comprehensive income | \$ 3,875 | \$ 82,794 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMERCO AND CONSOLIDATED ENTITIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Nine Months Ended December 31, | |
|-----------------------------------------------------------------------|-----------------------------------|-----------|
| | 2008 | 2007 |
| | (Unaudited) | |
| | (In thousands) | |
| Cash flow from operating activities: | | |
| Net earnings | \$ 48,698 | \$ 81,832 |
| Adjustments to reconcile net earnings to cash provided by operations: | | |
| Depreciation | 185,027 | 170,184 |
| Amortization of deferred policy acquisition costs | 7,169 | 9,870 |
| Change in allowance for losses on trade receivables | (138) | 75 |
| Change in allowance for losses on mortgage notes | (308) | (29) |
| Change in allowance for inventory reserves | 1,488 | 2,371 |
| Net (gain) loss on sale of real and personal property | 15,020 | (9,158) |
| Net loss on sale of investments | 153 | 375 |
| Deferred income taxes | 22,108 | 17,332 |
| Net change in other operating assets and liabilities: | | |
| Reinsurance recoverables and trade receivables | (6,947) | 4,816 |
| Inventories | (11,573) | 1,586 |
| Prepaid expenses | 6,726 | 12,196 |
| Capitalization of deferred policy acquisition costs | (7,509) | (3,894) |
| Other assets | (3,684) | 1,040 |
| Related party assets | 3,786 | 35,003 |
| Accounts payable and accrued expenses | (6,924) | (2,206) |
| Policy benefits and losses, claims and loss expenses payable | (3,770) | (3,038) |
| Other policyholders' funds and liabilities | (2,599) | (88) |
| Deferred income | 10,675 | (6,246) |
| Related party liabilities | (4,493) | (9,131) |
| Net cash provided by operating activities | 252,905 | 302,890 |
| Cash flows from investing activities: | | |
| Purchases of: | | |
| Property, plant and equipment | (316,970) | (440,328) |
| Short term investments | (253,786) | (171,918) |
| Fixed maturities investments | (126,375) | (56,505) |
| Equity securities | - | (27) |
| Preferred stock | (2,000) | - |
| Real estate | (412) | (3,404) |
| Mortgage loans | (12,146) | (12,522) |
| Proceeds from sale of: | | |
| Property, plant and equipment | 106,435 | 134,099 |
| Short term investments | 244,399 | 192,974 |
| Fixed maturities investments | 195,451 | 77,773 |
| Equity securities | 28 | 46 |
| Preferred stock | - | 5,625 |

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| | | |
|----------------------------------------------------------------|------------|------------|
| Real estate | 704 | 784 |
| Mortgage loans | 5,165 | 6,394 |
| Payments from notes and mortgage receivables | 816 | 89 |
| Net cash used by investing activities | (158,691) | (266,920) |
| Cash flows from financing activities: | | |
| Borrowings from credit facilities | 165,330 | 487,626 |
| Principal repayments on credit facilities | (117,207) | (244,108) |
| Debt issuance costs | (360) | (11,876) |
| Capital lease payments | (561) | - |
| Leveraged Employee Stock Ownership Plan - repayments from loan | 951 | 923 |
| Treasury stock repurchases | (963) | (33,966) |
| Securitization deposits | - | (60,764) |
| Preferred stock dividends paid | (9,723) | (9,723) |
| Investment contract deposits | 14,460 | 13,864 |
| Investment contract withdrawals | (39,867) | (49,806) |
| Net cash provided by financing activities | 12,060 | 92,170 |
| Effects of exchange rate on cash | (1,379) | 311 |
| Increase in cash equivalents | 104,895 | 128,451 |
| Cash and cash equivalents at the beginning of period | 206,622 | 75,272 |
| Cash and cash equivalents at the end of period | \$ 311,517 | \$ 203,723 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of Presentation

The third fiscal quarter for AMERCO ends on the 31st of December for each year that is referenced. Our insurance company subsidiaries have a third quarter that ends on the 30th of September for each year that is referenced. They have been consolidated on that basis. Our insurance companies' financial reporting processes conform to calendar year reporting as required by state insurance departments. Management believes that consolidating their calendar year into our fiscal year financial statements does not materially affect the financial position or results of operations. The Company discloses any material events occurring during the intervening period. Consequently, all references to our insurance subsidiaries' years 2008 and 2007 correspond to fiscal 2009 and 2008 for AMERCO.

Accounts denominated in non-U.S. currencies have been translated into U.S. dollars. Certain amounts reported in previous years have been reclassified to conform to the current presentation.

The condensed consolidated balance sheets as of December 31, 2008 and March 31, 2008 include the accounts of AMERCO and its wholly-owned subsidiaries. The December 31, 2008 condensed consolidated statements of operations and cash flows include the accounts of AMERCO and its wholly-owned subsidiaries. The December 31, 2007 condensed consolidated statements of operations and cash flows include the accounts of AMERCO and its wholly-owned subsidiaries and for SAC Holding II Corporation and its subsidiaries ("SAC Holding II") through October 2007.

The condensed consolidated balance sheet as of December 31, 2008 and the related condensed consolidated statements of operations for the third quarter and the first nine months and the cash flows for the first nine months ended fiscal 2009 and 2008 are unaudited.

In our opinion, all adjustments necessary for the fair presentation of such condensed consolidated financial statements have been included. Such adjustments consist only of normal recurring items. Interim results are not necessarily indicative of results for a full year. The information in this 10-Q should be read in conjunction with Management's Discussion and Analysis and financial statements and notes thereto included in the AMERCO 2008 Form 10-K.

Intercompany accounts and transactions have been eliminated.

Description of Legal Entities

AMERCO, a Nevada corporation ("AMERCO"), is the holding company for:

U-Haul International, Inc. ("U-Haul"),

Amerco Real Estate Company ("Real Estate"),

Republic Western Insurance Company ("RepWest"), and

Oxford Life Insurance Company ("Oxford").

Unless the context otherwise requires, the term “Company,” “we,” “us” or “our” refers to AMERCO and all of its legal subsidiaries.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Description of Operating Segments

AMERCO has (or had) four reportable segments. They are (or were) Moving and Storage, Property and Casualty Insurance, Life Insurance and SAC Holding II (through October 2007).

Moving and Storage operations include AMERCO, U-Haul and Real Estate and the wholly-owned subsidiaries of U-Haul and Real Estate and consist of the rental of trucks and trailers, sales of moving supplies, sales of towing accessories, sales of propane, the rental of self-storage spaces to the “do-it-yourself” mover and management of self-storage properties owned by others. Operations are conducted under the registered trade name U-Haul® throughout the United States and Canada.

Property and Casualty Insurance includes RepWest and its wholly-owned subsidiaries. RepWest provides loss adjusting and claims handling for U-Haul through regional offices across North America. RepWest also underwrites components of the Safemove, Safetow and Safestor protection packages to U-Haul customers.

Life Insurance includes Oxford and its wholly-owned subsidiaries. Oxford provides life and health insurance products primarily to the senior market through the direct writing or reinsuring of life insurance, Medicare supplement and annuity policies. Additionally, Oxford administered the self-insured employee health and dental plans for Arizona employees of the Company until December 31, 2008.

SAC Holding II owns self-storage properties that are managed by U-Haul under property management agreements and act as independent U-Haul rental equipment dealers. AMERCO, through its subsidiaries, has contractual interests in certain SAC Holding II properties entitling AMERCO to potential future income based on the financial performance of these properties. Prior to November 2007, AMERCO was considered the primary beneficiary of these contractual interests. Consequently, for those reporting periods prior to November 2007, we included the results of SAC Holding II in the consolidated financial statements of AMERCO, as required by Financial Accounting Standards Board Interpretation No. 46 (R), Consolidation of Variable Interest Entities (“FIN 46(R)”).

2. Earnings (loss) per Share

Net earnings (loss) for purposes of computing earnings (loss) per common share are net earnings (loss) less preferred stock dividends. Preferred stock dividends include accrued dividends of AMERCO.

The weighted average common shares outstanding listed above exclude post-1992 shares of the employee stock ownership plan that have not been committed to be released. The unreleased shares net of shares committed to be released were 256,962 and 306,846 as of December 31, 2008 and December 31, 2007, respectively.

6,100,000 shares of preferred stock have been excluded from the weighted average shares outstanding calculation because they are not common stock and they are not convertible into common stock.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

3. Borrowings

Long-Term Debt

Long-term debt was as follows:

| | 2009 Rate (a) | Maturities | December 31, 2008 (Unaudited) | March 31, 2008 |
|----------------------------------------------|------------------|----------------|-------------------------------------|-------------------|
| (In thousands) | | | | |
| Real estate loan (amortizing term) | 6.93% | 2018 | \$ 277,500 | \$ 285,000 |
| Real estate loan (revolving credit) | 3.33% | 2018 | 170,000 | 100,000 |
| Senior mortgages | 5.19% - 5.75% | 2009 - 2015 | 501,683 | 511,818 |
| Construction loan (revolving credit) | 3.41% | 2009 | 37,280 | 30,783 |
| Working capital loan (revolving credit) | - | 2009 | - | - |
| Fleet loans (amortizing term) | 5.25% - 7.42% | 2012 - 2015 | 302,250 | 288,806 |
| Fleet loans (securitization) | 5.40% - 5.56% | 2010 - 2014 | 260,152 | 288,270 |
| Other obligations | - | 2009 - 2015 | 11,692 | - |
| Total AMERCO notes, loans and leases payable | | | \$ 1,560,557 | \$ 1,504,677 |

(a) Interest rates as of December 31, 2008, including the effect of applicable hedging instruments.

Real Estate Backed Loans

Real Estate Loan

Amerco Real Estate Company and certain of its subsidiaries and U-Haul Company of Florida are borrowers under a Real Estate Loan. The loan has a final maturity date of August 2018. The loan is comprised of a term loan facility with initial availability of \$300.0 million and a revolving credit facility with an availability of \$200.0 million. As of December 31, 2008, the outstanding balance on the Real Estate Loan was \$277.5 million and \$170.0 million had been drawn down on the revolving credit facility. U-Haul International, Inc. is a guarantor of this loan.

The amortizing term portion of the Real Estate Loan requires monthly principal and interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. The revolving credit portion of the Real Estate

Loan requires monthly interest payments when drawn, with the unpaid loan balance and any accrued and unpaid interest due at maturity. The Real Estate Loan is secured by various properties owned by the borrowers.

The interest rate for the amortizing term portion, per the provisions of the amended Loan Agreement, is the applicable London Inter-Bank Offer Rate ("LIBOR") plus the applicable margin. At December 31, 2008, the applicable LIBOR was 1.83% and the applicable margin was 1.50%, the sum of which was 3.33%. The rate on the term facility portion of the loan is hedged with an interest rate swap fixing the rate at 6.93% based on current margin.

The interest rate for the revolving credit facility, per the provision of the amended Loan Agreement, is the applicable LIBOR plus the applicable margin. The margin ranges from 1.50% to 2.00%. At December 31, 2008, the applicable LIBOR was 1.83% and the applicable margin was 1.50%, the sum of which was 3.33%.

The default provisions of the Real Estate Loan include non-payment of principal or interest and other standard reporting and change-in-control covenants. There are limited restrictions regarding our use of the funds.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Senior Mortgages

Various subsidiaries of Amerco Real Estate Company and U-Haul International, Inc. are borrowers under certain senior mortgages. These senior mortgages loan balances as of December 31, 2008 were in the aggregate amount of \$445.9 million and are due July 2015. The Senior Mortgages require average monthly principal and interest payments of \$3.0 million with the unpaid loan balance and accrued and unpaid interest due at maturity. These senior mortgages are secured by certain properties owned by the borrowers. The interest rates, per the provisions of these senior mortgages, are 5.68% and 5.52% per annum. Amerco Real Estate Company and U-Haul International, Inc. have provided limited guarantees of these senior mortgages. The default provisions of these senior mortgages include non-payment of principal or interest and other standard reporting and change-in-control covenants. There are limited restrictions regarding our use of the funds.

Various subsidiaries of the Company are borrowers under the mortgage backed loans that we also classify as senior mortgages. These loans are secured by certain properties owned by the borrowers. The loan balance of these notes totals \$55.8 million as of December 31, 2008. Maturity dates begin in 2009 with the majority maturing in 2015. Rates for these loans range from 5.19% to 5.75%. The loans require monthly principal and interest payments with the balances due upon maturity. The default provisions of the loans include non-payment of principal or interest and other standard reporting and change-in-control covenants. There are limited restrictions regarding our use of the funds.

Construction / Working Capital Loans

Amerco Real Estate Company and a subsidiary of U-Haul International, Inc. entered into a revolving credit construction loan effective June 29, 2006. The maximum amount that can be drawn at any one time is \$40.0 million. The final maturity is June 2009. As of December 31, 2008, the outstanding balance was \$37.3 million.

The Construction Loan requires monthly interest only payments with the principal and any accrued and unpaid interest due at maturity. The loan can be used to develop new or existing storage properties. The loan is secured by the properties being constructed. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus a margin of 1.50%. At December 31, 2008, the applicable LIBOR was 1.91% and the margin was 1.50%, the sum of which was 3.41%. U-Haul International, Inc. is a guarantor of this loan. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants.

Amerco Real Estate Company is a borrower under an asset backed working capital loan. The maximum amount that can be drawn at any one time is \$35.0 million. The loan is secured by certain properties owned by the borrower. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus a margin of 1.50%. The loan agreement provides for revolving loans, subject to the terms of the loan agreement with final maturity in November 2009. The loan requires monthly interest payments with the unpaid loan balance and accrued and unpaid interest due at maturity. U-Haul International, Inc. and AMERCO are the guarantors of this loan. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants. At December 31, 2008, the Company had utilized \$25.0 million of availability as collateral for a letter of credit, leaving the Company with \$10.0 million of available credit.

Fleet Loans

Rental Truck Amortizing Loans

U-Haul International, Inc. and several of its subsidiaries are borrowers under amortizing term loans. The loans balances as of December 31, 2008 were \$302.3 million with the final maturities between April 2012 and July 2015.

The Amortizing Loans require monthly principal and interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. These loans were used to purchase new trucks. The interest rates, per the provision of the Loan Agreements, are the applicable LIBOR plus a margin between 0.90% and 1.75%. At December 31, 2008, the applicable LIBOR was 1.20% to 1.83% and applicable margins were between 1.125% and 1.75%. The interest rates are hedged with interest rate swaps fixing the rates between 5.25% and 7.42% based on current margins.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

AMERCO and U-Haul International, Inc. are guarantors of these loans. The default provisions of these loans include non-payment of principal or interest and other standard reporting and change-in-control covenants.

Rental Truck Securitizations

U-Haul S Fleet and its subsidiaries (collectively, “USF”) issued a \$217.0 million asset-backed note (“Box Truck Note”) and an \$86.6 million asset-backed note (“Cargo Van/Pickup Note”) on June 1, 2007. USF is a bankruptcy-remote special purpose entity wholly-owned by U-Haul International, Inc. The net proceeds from these securitized transactions were used to finance new box truck, cargo van and pickup truck purchases throughout fiscal 2008. U.S. Bank, NA acts as the trustee for this securitization.

The Box Truck Note has a fixed interest rate of 5.56% with an estimated final maturity of February 2014. At December 31, 2008, the outstanding balance was \$173.6 million. The note is secured by the box trucks that were purchased and operating cash flows associated with their operation.

The Cargo Van/Pickup Note has a fixed interest rate of 5.40% with an estimated final maturity of May 2010. At December 31, 2008, the outstanding balance was \$86.6 million. The note is secured by the cargo vans and pickup trucks that were purchased and the operating cash flows associated with their operation.

The Box Truck Note and Cargo Van/Pickup Note have the benefit of financial guaranty insurance policies that guarantee the timely payment of interest on and the ultimate payment of the principal of the notes.

The Box Truck Note and the Cargo Van/Pickup Note are subject to certain covenants with respect to liens, additional indebtedness of the special purpose entities, the disposition of assets and other customary covenants of bankruptcy-remote special purpose entities. The default provisions of the notes include non-payment of principal or interest and other standard reporting and change in control covenants.

Other Obligations

In April 2008, the Company entered into a \$10.0 million capital lease for new rental equipment. The term of the lease is seven years and the Company has the option to purchase the equipment at a predetermined amount after the fifth year of the lease. At December 31, 2008, the balance on the lease was \$9.4 million.

The Company entered into \$7.9 million of premium financing arrangements for one year expiring in March and April 2009 at rates between 3.64% and 5.10%. At December 31, 2008, the outstanding balance of these arrangements was \$2.3 million.

Annual Maturities of AMERCO Consolidated Notes, Loans and Leases Payable

The annual maturities of AMERCO consolidated long-term debt as of December 31, 2008 for the next five years and thereafter is as follows:

| | Year Ending December 31, | | | | | |
|--|--------------------------|------|------|------|------|------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | Thereafter |

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| | (Unaudited) | | | | | |
|------------------------------------------|----------------|-----------|----------|-----------|----------|-----------|
| | (In thousands) | | | | | |
| Notes, loans and leases payable, secured | \$135,185 | \$167,937 | \$83,000 | \$149,041 | \$56,298 | \$969,096 |

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

4. Interest on Borrowings

Interest Expense

Expenses associated with loans outstanding were as follows:

| | Quarter Ended December 31, | |
|------------------------------------------------------|-------------------------------|-----------|
| | 2008 | 2007 |
| | (Unaudited) | |
| | (In thousands) | |
| Interest expense | \$ 20,641 | \$ 23,495 |
| Capitalized interest | (292) | (227) |
| Amortization of transaction costs | 1,207 | 1,451 |
| Interest expense (income) resulting from derivatives | 4,444 | (14) |
| Total AMERCO interest expense | 26,000 | 24,705 |
| SAC Holding II interest expense | - | 1,070 |
| Less: Intercompany transactions | - | 584 |
| Total SAC Holding II interest expense | - | 486 |
| Total | \$ 26,000 | \$ 25,191 |

| | Nine Months Ended December 31, | |
|------------------------------------------------------|-----------------------------------|-----------|
| | 2008 | 2007 |
| | (Unaudited) | |
| | (In thousands) | |
| Interest expense | \$ 60,230 | \$ 70,890 |
| Capitalized interest | (537) | (832) |
| Amortization of transaction costs | 3,717 | 3,846 |
| Interest expense (income) resulting from derivatives | 11,364 | (1,035) |
| Total AMERCO interest expense | 74,774 | 72,869 |
| SAC Holding II interest expense | - | 7,537 |
| Less: Intercompany transactions | - | 4,050 |
| Total SAC Holding II interest expense | - | 3,487 |
| Total | \$ 74,774 | \$ 76,356 |

Interest paid in cash by AMERCO amounted to \$19.8 million and \$22.6 million for the third quarter of fiscal 2009 and 2008, respectively.

Interest paid in cash by AMERCO amounted to \$57.5 million and \$68.6 million for the first nine months of fiscal 2009 and 2008, respectively.

The Company manages exposure to changes in market interest rates. The Company's use of derivative instruments is limited to highly effective interest rate swaps to hedge the risk of changes in cash flows (future interest payments) attributable to changes in LIBOR swap rates, the designated benchmark interest rate being hedged on certain of our LIBOR-indexed variable-rate debt. The interest rate swaps effectively fix the Company's interest payments on certain LIBOR-indexed variable-rate debt. The Company monitors its positions and the credit ratings of its counterparties and does not currently anticipate non-performance by the counterparties. Interest rate swap agreements are not entered into for trading purposes.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

On May 13, 2004, the Company entered into an interest rate cap agreement for \$50.0 million of our variable rate debt over a three year term; however, this agreement was redesignated as a cash flow hedge effective July 11, 2005 when the Real Estate Loan was paid down by \$222.4 million. The \$50.0 million interest rate cap agreement expired on May 17, 2007. Subsequent to July 11, 2005, all changes in the interest rate caps fair value (including changes in the option's time value) were charged to earnings as the original forecasted transaction was cancelled. Prior to July 11, 2005, the change in each caplets' respective allocated fair value amount was reclassified out of accumulated other comprehensive income (loss) into earnings when each of the hedged forecasted transactions (the quarterly interest payments) impacted earnings and when interest payments were either made or received.

On June 8, 2005, the Company entered into separate interest rate swap agreements for \$100.0 million of our variable-rate debt over a three year term and for \$100.0 million of our variable-rate debt over a five-year term that were designated as cash flow hedges effective July 1, 2005. These swap agreements were cancelled on August 18, 2006 in conjunction with our amendment of the Real Estate Loan, and we entered into a new interest rate swap agreement for \$300.0 million of our variable-rate debt over a twelve-year term effective on August 18, 2006. As of August 18, 2006, a net gain of approximately \$6.0 million related to the two cancelled swaps was included in other comprehensive income (loss). As the variable-rate debt is replaced, it is probable that the original forecasted transaction (future interest payments) will continue to occur. Therefore, the net derivative gain related to the two cancelled swaps shall continue to be reported in other comprehensive income (loss) and be reclassified into earnings when the original forecasted transaction affects earnings consistent with the term of the original designated hedging relationship. For the first nine months ended December 31, 2008, the Company reclassified \$1.0 million of the net derivative gain to interest income. The Company estimates that \$1.0 million of the existing net gains will be reclassified into earnings within the next 12 months.

On November 15, 2005, the Company entered into a forward starting interest rate swap agreement for \$142.3 million of our variable-rate debt over a six-year term that became effective on May 10, 2006. This swap was designated as a cash flow hedge effective May 31, 2006.

On June 21, 2006, the Company entered into an interest rate swap agreement for \$50.0 million of our variable-rate debt over a seven-year term that became effective on July 10, 2006. On June 9, 2006, the Company entered into a forward starting interest rate swap agreement for \$144.9 million of our variable-rate debt over a six-year term that became effective on October 10, 2006. On February 9, 2007, the Company entered into an interest rate swap agreement for \$30.0 million of our variable-rate debt over a seven-year term that became effective on February 12, 2007. On March 8, 2007, the Company entered into two separate interest rate swap agreements each for \$20.0 million of our variable-rate debt over seven-year terms that became effective on March 10, 2007.

On April 8, 2008, the Company entered into a forward starting interest rate swap agreement for \$19.3 million of our variable-rate debt over a seven year term that became effective on August 15, 2008. On August 27, 2008, the Company entered into an interest rate swap agreement for \$19.0 million of our variable-rate debt over a seven year term that became effective on August 29, 2008. On September 24, 2008, the Company entered into an interest rate swap agreement for \$30.0 million of our variable-rate debt over a seven year term that became effective on September 30, 2008. These interest rate swap agreements were designated as cash flow hedges on their inception (trade dates).

For the first nine months ended December 31, 2008, the Company recognized net losses of \$11.7 million from highly effective cash flow hedges, which are attributable to the portion of the change in the fair value of the hedges. The

hedging relationship of certain interest rate swap agreements is not considered to be perfectly effective in which an effectiveness test is performed for each reporting period. The net loss attributable to the portion of the change in the fair value representing the amount of the hedges' ineffectiveness recognized in earnings during the first nine months was \$0.7 million included in interest expense. All forecasted transactions currently being hedged are expected to occur by 2018.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Interest Rates

Interest rates and Company borrowings were as follows:

| | Revolving Credit Activity Quarter Ended December 31, | |
|---------------------------------------------------|------------------------------------------------------------|-----------|
| | 2008 | 2007 |
| | (Unaudited) | |
| | (In thousands, except interest rates) | |
| Weighted average interest rate during the quarter | 4.19% | 6.47% |
| Interest rate at the end of the quarter | 3.34% | 6.75% |
| Maximum amount outstanding during the quarter | \$ 212,280 | \$ 41,700 |
| Average amount outstanding during the quarter | \$ 204,672 | \$ 35,830 |
| Facility fees | \$ 225 | \$ 192 |

| | Revolving Credit Activity Nine Months Ended December 31, | |
|-------------------------------------------------------------|----------------------------------------------------------------|------------|
| | 2008 | 2007 |
| | (Unaudited) | |
| | (In thousands, except interest rates) | |
| Weighted average interest rate during the first nine months | 4.15% | 6.58% |
| Interest rate at the end of the first nine months | 3.34% | 6.75% |
| Maximum amount outstanding during the first nine months | \$ 212,280 | \$ 138,700 |
| Average amount outstanding during the first nine months | \$ 167,672 | \$ 78,576 |
| Facility fees | \$ 397 | \$ 326 |

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

5. Stockholders Equity

On December 5, 2007, we announced that the Board of Directors (the “Board”) had authorized us to repurchase up to \$50.0 million of our common stock. The stock was repurchased by the Company from time to time on the open market through December 31, 2008. The extent to which the Company repurchased its shares and the timing of such purchases were dependent upon market conditions and other corporate considerations. The purchases were funded from available working capital. During the third quarter of fiscal 2009, no shares of our common stock were repurchased, with the exception of the shares repurchased under our Odd Lot Repurchase Program detailed below. This program terminated on December 31, 2008.

| Period | Total # of Shares Repurchased | Average Price Paid per Share (1) | Total # of Shares Repurchased as Part of Publicly Announced Plan (Unaudited) | Total \$ of Shares Repurchased as Part of Publicly Announced Plan | Maximum \$ of Shares That May Yet be Repurchased Under the Plan |
|-----------------------|-------------------------------|----------------------------------|------------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------|
| Cumulative Plan Total | 428,000 | \$ 54.94 | 428,000 | \$ 23,512,380 | \$ 26,487,620 |

(1) Represents weighted average purchase price for the periods presented.

On August 8, 2008, we announced the Board had authorized us to initiate a no-fee Odd Lot Repurchase Program (the “Program”) to purchase AMERCO common stock held by persons who own less than 100 shares of AMERCO common stock. The Program offer expired at 5:00 p.m. Eastern Standard Time on December 31, 2008. The following table details the shares purchased as part of the Program.

| Period | Total # of Shares Repurchased | Average Price Paid per Share (1) (Unaudited) | Total \$ of Shares Repurchased as Part of Odd Lot Program |
|----------------------|-------------------------------|----------------------------------------------|-----------------------------------------------------------|
| Second Quarter Total | 15,679 | \$ 42.04 | \$ 659,205 |
| October 1 - 31, 2008 | 4,786 | \$ 42.37 | \$ 202,804 |

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| | | | | | |
|-----------------------|--------|----|-------|----|---------|
| November 1 - 30, 2008 | 2,147 | | 38.26 | | 82,141 |
| December 1 - 31, 2008 | 519 | | 35.68 | | 18,517 |
| Third Quarter Total | 7,452 | \$ | 40.72 | \$ | 303,462 |
| Cumulative Plan Total | 23,131 | \$ | 41.62 | \$ | 962,667 |

(1) Represents weighted average purchase price for the periods presented.

On December 3, 2008, the Board authorized and directed us to amend the Employee Stock Ownership Plan (“ESOP”) to provide that distributions under the Plan with respect to accounts valued at no more than \$1,000 shall be in the form of cash at the sole discretion of the advisory committee, subject to a participant’s or beneficiary’s right to elect a distribution of AMERCO common stock. The Board also authorized us, using management’s discretion, to buy back shares of former employee ESOP participants whose respective ESOP account balances are valued at more than \$1,000 but who own less than 100 shares, at the then-prevailing market prices. During the third quarter of fiscal 2009, no such shares were purchased.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

6. Contingent Liabilities and Commitments

The Company leases a portion of its rental equipment and certain of its facilities under operating leases with terms that expire at various dates substantially through 2016, with the exception of one land lease expiring in 2034. At December 31, 2008, AMERCO has guaranteed \$181.7 million of residual values for rental equipment assets at the end of the respective lease terms. Certain leases contain renewal and fair market value purchase options as well as mileage and other restrictions. At the expiration of each lease, the Company has the option to renew the lease, purchase the asset for fair market value, or sell the asset to a third party on behalf of the lessor. AMERCO has been leasing equipment since 1987 and has experienced no material losses relating to these types of residual value guarantees.

Lease commitments for leases having terms of more than one year were as follows:

| | Property, Plant and Equipment | Rental Equipment | Total |
|-------------------------|-------------------------------------|---------------------|------------|
| | (Unaudited) | | |
| | (In thousands) | | |
| Year-ended December 31: | | | |
| 2009 | \$ 12,965 | \$ 133,218 | \$ 146,183 |
| 2010 | 12,620 | 116,234 | 128,854 |
| 2011 | 12,489 | 99,412 | 111,901 |
| 2012 | 12,238 | 84,846 | 97,084 |
| 2013 | 11,364 | 66,962 | 78,326 |
| Thereafter | 10,578 | 63,762 | 74,340 |
| Total | \$ 72,254 | \$ 564,434 | \$ 636,688 |

7. Contingencies

Shoen

In September 2002, Paul F. Shoen filed a shareholder derivative lawsuit in the Second Judicial District Court of the State of Nevada, Washoe County, captioned Paul F. Shoen vs. SAC Holding Corporation et al., CV 02-05602, seeking damages and equitable relief on behalf of AMERCO from SAC Holdings and certain current and former members of the AMERCO Board of Directors, including Edward J. Shoen, Mark V. Shoen and James P. Shoen as Defendants. AMERCO is named as a nominal Defendant in the case. The complaint alleges breach of fiduciary duty, self-dealing, usurpation of corporate opportunities, wrongful interference with prospective economic advantage and unjust enrichment and seeks the unwinding of sales of self-storage properties by subsidiaries of AMERCO to SAC prior to the filing of the complaint. The complaint seeks a declaration that such transfers are void as well as unspecified damages. In October 2002, the Defendants filed motions to dismiss the complaint. Also in October 2002, Ron Belec filed a derivative action in the Second Judicial District Court of the State of Nevada, Washoe County, captioned Ron Belec vs. William E. Carty, et al., CV 02-06331 and in January 2003, M.S. Management Company, Inc. filed a

derivative action in the Second Judicial District Court of the State of Nevada, Washoe County, captioned M.S. Management Company, Inc. vs. William E. Carty, et al., CV 03-00386. Two additional derivative suits were also filed against these parties. Each of these suits is substantially similar to the Paul F. Shoen case. The Court consolidated the five cases and thereafter dismissed these actions in May 2003, concluding that the AMERCO Board of Directors had the requisite level of independence required in order to have these claims resolved by the Board. Plaintiffs appealed this decision and, in July 2006, the Nevada Supreme Court reversed the ruling of the trial court and remanded the case to the trial court for proceedings consistent with its ruling, allowing the Plaintiffs to file an amended complaint and plead in addition to substantive claims, demand futility.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

In November 2006, the Plaintiffs filed an amended complaint. In December 2006, the Defendants filed motions to dismiss, based on various legal theories. In March 2007, the Court denied AMERCO's motion to dismiss regarding the issue of demand futility, stating that "Plaintiffs have satisfied the heightened pleading requirements of demand futility by showing a majority of the members of the AMERCO Board of Directors were interested parties in the SAC transactions." The Court heard oral argument on the remainder of the Defendants' motions to dismiss, including the motion ("Goldwasser Motion") based on the fact that the subject matter of the lawsuit had been settled and dismissed in earlier litigation known as *Goldwasser v. Shoen*, C.V.N.-94-00810-ECR (D.Nev), Washoe County, Nevada. In addition, in September and October 2007, the Defendants filed Motions for Judgment on the Pleadings or in the Alternative Summary Judgment, based on the fact that the stockholders of the Company had ratified the underlying transactions at the 2007 annual meeting of stockholders of AMERCO. In December 2007, the Court denied this motion. This ruling does not preclude a renewed motion for summary judgment after discovery and further proceedings on these issues. On April 7, 2008, the litigation was dismissed, on the basis of the Goldwasser Motion. On May 8, 2008, the Plaintiffs filed a notice of appeal of such dismissal to the Nevada Supreme Court. On May 20, 2008, AMERCO filed a cross appeal relating to the denial of its Motion to Dismiss in regard to demand futility. The appeals are currently pending.

Environmental

In the normal course of business, AMERCO is a defendant in a number of suits and claims. AMERCO is also a party to several administrative proceedings arising from state and local provisions that regulate the removal and/or cleanup of underground fuel storage tanks. It is the opinion of management, that none of these suits, claims or proceedings involving AMERCO, individually or in the aggregate, are expected to result in a material adverse effect on AMERCO's financial position or results of operations.

Compliance with environmental requirements of federal, state and local governments may significantly affect Real Estate's business operations. Among other things, these requirements regulate the discharge of materials into the water, air and land and govern the use and disposal of hazardous substances. Real Estate is aware of issues regarding hazardous substances on some of its properties. Real Estate regularly makes capital and operating expenditures to stay in compliance with environmental laws and has put in place a remedial plan at each site where it believes such a plan is necessary. Since 1988, Real Estate has managed a testing and removal program for underground storage tanks.

Based upon the information currently available to Real Estate, compliance with the environmental laws and its share of the costs of investigation and cleanup of known hazardous waste sites are not expected to result in a material adverse effect on AMERCO's financial position or results of operations. Real Estate expects to spend approximately \$2.8 million in total through 2011 to remediate these properties.

Other

The Company is named as a defendant in various other litigation and claims arising out of the normal course of business. In management's opinion, none of these other matters will have a material effect on the Company's financial position and results of operations.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

8. Related Party Transactions

AMERCO has engaged in related party transactions and has continuing related party interests with certain major stockholders, directors and officers of the consolidated group as disclosed below. Management believes that the transactions described below and in the related notes were consummated on terms equivalent to those that would prevail in arm's-length transactions.

SAC Holding Corporation and its subsidiaries and SAC Holding II Corporation and its subsidiaries, collectively referred to as "SAC Holdings" were established in order to acquire self-storage properties. These properties are being managed by the Company pursuant to management agreements. The sale of self-storage properties by the Company to SAC Holdings has in the past provided significant cash flows to the Company.

Management believes that its sales of self-storage properties to SAC Holdings has provided a unique structure for the Company to earn moving equipment rental revenues and property management fee revenues from the SAC Holdings self-storage properties that the Company manages.

During the first nine months of fiscal 2009, subsidiaries of the Company held various junior unsecured notes of SAC Holdings. Substantially all of the equity interest of SAC Holdings is controlled by Blackwater Investments, Inc. ("Blackwater"). Blackwater is wholly-owned by Mark V. Shoen, a significant shareholder and executive officer of AMERCO. The Company does not have an equity ownership interest in SAC Holdings. The Company recorded interest income of \$13.8 million and \$14.0 million, and received cash interest payments of \$11.6 million and \$14.9 million from SAC Holdings during the first nine months of fiscal 2009 and 2008, respectively. The largest aggregate amount of notes receivable outstanding during the first nine months of fiscal 2009 was \$198.1 million and the aggregate notes receivable balance at December 31, 2008 was \$197.7 million. In accordance with the terms of these notes, SAC Holdings may repay the notes without penalty or premium at any time.

Interest accrues on the outstanding principal balance of junior notes of SAC Holdings that the Company holds at a 9.0% rate per annum. A fixed portion of that basic interest is paid on a monthly basis. Additional interest can be earned on notes totaling \$122.2 million of principal depending upon the amount of remaining basic interest and the cash flow generated by the underlying property. This amount is referred to as the "cash flow-based calculation."

To the extent that this cash flow-based calculation exceeds the amount of remaining basic interest, contingent interest would be paid on the same monthly date as the fixed portion of basic interest. To the extent that the cash flow-based calculation is less than the amount of remaining basic interest, the additional interest payable on the applicable monthly date is limited to the amount of that cash flow-based calculation. In such a case, the excess of the remaining basic interest over the cash flow-based calculation is deferred. In addition, subject to certain contingencies, the junior notes provide that the holder of the note is entitled to receive a portion of the appreciation realized upon, among other things, the sale of such property by SAC Holdings. To date, no excess cash flows related to these arrangements have been earned or paid.

During the first nine months of fiscal 2009, AMERCO and U-Haul held various junior notes with Private Mini Storage Realty L.P. ("Private Mini"). The equity interests of Private Mini are ultimately controlled by Blackwater. The Company recorded interest income of \$4.0 million and \$3.8 million during the first nine months of fiscal 2009 and 2008, and received cash interest payments of \$4.0 million and \$3.7 million, from Private Mini during the first nine

months of fiscal 2009 and 2008, respectively. The balance of notes receivable from Private Mini at December 31, 2008 was \$68.5 million. The largest aggregate amount outstanding during fiscal 2009 was \$69.1 million.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

The Company currently manages the self-storage properties owned or leased by SAC Holdings, Mercury Partners, L.P. (“Mercury”), Four SAC Self-Storage Corporation (“4 SAC”), Five SAC Self-Storage Corporation (“5 SAC”), Galaxy Investments, L.P. (“Galaxy”) and Private Mini pursuant to a standard form of management agreement, under which the Company receives a management fee of between 4% and 10% of the gross receipts plus reimbursement for certain expenses. The Company received management fees, exclusive of reimbursed expenses, of \$20.1 million and \$19.4 million from the above mentioned entities during the first nine months of fiscal 2009 and 2008, respectively. This management fee is consistent with the fee received for other properties the Company previously managed for third parties. SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini are substantially controlled by Blackwater. Mercury is substantially controlled by Mark V. Shoen. James P. Shoen, a significant shareholder and director of AMERCO, has an interest in Mercury.

The Company leases space for marketing company offices, vehicle repair shops and hitch installation centers from subsidiaries of SAC Holdings, 5 SAC and Galaxy. Total lease payments pursuant to such leases were \$1.8 million and \$1.5 million for the first nine months of fiscal 2009 and 2008, respectively. The terms of the leases are similar to the terms of leases for other properties owned by unrelated parties that are leased to the Company.

At December 31, 2008, subsidiaries of SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini acted as U-Haul independent dealers. The financial and other terms of the dealership contracts with the aforementioned companies and their subsidiaries are substantially identical to the terms of those with the Company’s other independent dealers whereby commissions are paid by the Company based upon equipment rental revenues. The Company paid the above mentioned entities \$27.5 million and \$28.7 million in commissions pursuant to such dealership contracts during the first nine months of fiscal 2009 and 2008, respectively.

These agreements and notes with subsidiaries of SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini, excluding Dealer Agreements, provided revenue of \$30.2 million, expenses of \$1.8 million and cash flows of \$30.9 million during the first nine months of fiscal 2009. Revenues and commission expenses related to the Dealer Agreements were \$130.1 million and \$27.5 million, respectively.

In prior years, U-Haul sold various properties to SAC Holdings at prices in excess of U-Haul’s carrying values resulting in gains which U-Haul deferred and treated as additional paid-in capital. The transferred properties have historically been stated at the original cost basis as the gains were eliminated in consolidation. In March 2004, a portion of these deferred gains were recognized and treated as contributions from a related party in the amount of \$111.0 million as a result of the deconsolidation of SAC Holding Corporation. In November 2007, the remaining portion of these deferred gains were recognized and treated as contributions from a related party in the amount of \$46.1 million as a result of the deconsolidation of SAC Holding II Corporation.

Related Party Assets

| | December 31, 2008 | March 31, 2008 |
|--|-------------------------|-------------------|
| | (Unaudited) | |
| | (In thousands) | |

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| | | |
|----------------------------------------------------------|------------|------------|
| U-Haul notes, receivables and interest from Private Mini | \$ 74,297 | \$ 71,038 |
| U-Haul notes receivable from SAC Holdings Corporation | 197,723 | 198,144 |
| U-Haul interest receivable from SAC Holdings Corporation | 6,786 | 4,498 |
| U-Haul receivable from SAC Holdings Corporation | 19,746 | 20,617 |
| U-Haul receivable from Mercury | 6,077 | 6,791 |
| Other | (5) | 2,798 |
| | \$ 304,624 | \$ 303,886 |

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

9. Consolidating Financial Information by Industry Segment

AMERCO has (or had) four reportable segments. They are (or were) Moving and Storage, Property and Casualty Insurance, Life Insurance and SAC Holding II. Management tracks revenues separately, but does not report any separate measure of the profitability for rental vehicles, rentals of self-storage spaces and sales of products that are required to be classified as a separate operating segment and accordingly does not present these as separate reportable segments. Deferred income taxes are shown as liabilities on the condensed consolidating statements.

The consolidated balance sheets as of December 31, 2008 and March 31, 2008 include the accounts of AMERCO and its wholly-owned subsidiaries. The December 31, 2008 consolidated statements of operations and cash flows include the accounts of AMERCO and its wholly-owned subsidiaries. The December 31, 2007 consolidated statements of operations and cash flows include the accounts of AMERCO and its wholly-owned subsidiaries and SAC Holding II and its subsidiaries through October 2007.

AMERCO's four reportable segments are (or were):

- (a) Moving and Storage, comprised of AMERCO, U-Haul, and Real Estate and the subsidiaries of U-Haul and Real Estate,
- (b) Property and Casualty Insurance, comprised of RepWest and its subsidiaries,
- (c) Life Insurance, comprised of Oxford and its subsidiaries, and
- (d) SAC Holding II and its subsidiaries (through October 2007).

The information includes elimination entries necessary to consolidate AMERCO, the parent, with its subsidiaries and SAC Holding II and its subsidiaries.

Investments in subsidiaries are accounted for by the parent using the equity method of accounting.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

9. Financial Information by Consolidating Industry Segment:

Consolidating balance sheets by industry segment as of December 31, 2008 are as follows:

| | Moving & Storage | | | | | AMERCO Legal Group | | | | |
|--------------------------------------------|------------------|------------|-------------|-----------------|-------------------------------------------------------------|-----------------------------------|--------------------|---------------|---------------------|--|
| | AMERCO | U-Haul | Real Estate | Eliminations | Moving & Storage Consolidated (Unaudited) (In thousands) | Property & Casualty Insurance (a) | Life Insurance (a) | Eliminations | AMERCO Consolidated | |
| Assets: | | | | | | | | | | |
| Cash and cash equivalents | \$ 30 | \$ 272,458 | \$ - | \$ - | \$ 272,488 | \$ 33,224 | \$ 5,805 | \$ - | \$ 311,513 | |
| Accounts receivable and other receivables, | - | 16,304 | 26 | - | 16,330 | 181,526 | 10,337 | - | 208,193 | |
| Prepaid expenses and other assets | - | 2,008 | 1,125 | - | 3,133 | - | - | - | 6,266 | |
| Investments, net | - | 75,434 | - | - | 75,434 | - | - | - | 75,434 | |
| Goodwill | 20 | 48,978 | 437 | - | 49,435 | - | - | - | 49,690 | |
| Intangible assets, net | - | - | - | - | - | 91,954 | 446,369 | - | 538,323 | |
| Other assets | - | 846 | 12,811 | - | 13,657 | 93,966 | 92,503 | - | 200,926 | |
| Deferred policy acquisition costs, | - | - | - | - | - | - | 48,047 | - | 48,047 | |
| Other assets | 9 | 103,808 | 29,234 | - | 133,051 | 1,696 | 387 | - | 135,365 | |
| Invested party assets | 1,208,643 | 249,237 | 81,104 | (1,231,699) (c) | 307,285 | 2,387 | - | (5,048) (c) | 304,672 | |
| | 1,208,702 | 769,073 | 124,737 | (1,231,699) | 870,813 | 404,753 | 603,448 | (5,048) | 1,873,943 | |
| Liabilities: | | | | | | | | | | |
| Accounts payable | (274,025) | - | - | 574,432 (b) | 300,407 | - | - | (300,407) (b) | 274,025 | |
| Property, plant and equipment, at cost: | - | 40,195 | 166,953 | - | 207,148 | - | - | - | 207,148 | |
| Accrued liabilities and other | - | 148,197 | 766,388 | - | 914,585 | - | - | - | 914,585 | |
| | 301 | 307,959 | 18,162 | - | 326,422 | - | - | - | 326,422 | |

| | | | | | | | | | |
|-------------------------------------|------------|--------------|------------|--------------|--------------|------------|------------|--------------|--------------|
| Structure and equipment | | | | | | | | | |
| Trailers and rental equipment | - | 211,155 | - | - | 211,155 | - | - | - | 211,155 |
| Trailers | - | 1,683,369 | - | - | 1,683,369 | - | - | - | 1,683,369 |
| | 301 | 2,390,875 | 951,503 | - | 3,342,679 | - | - | - | 3,342,679 |
| Accumulated depreciation | (252) | (1,003,900) | (316,133) | - | (1,320,285) | - | - | - | (1,320,285) |
| Property, and equipment | 49 | 1,386,975 | 635,370 | - | 2,022,394 | - | - | - | 2,022,394 |
| Assets | \$ 934,726 | \$ 2,156,048 | \$ 760,107 | \$ (657,267) | \$ 3,193,614 | \$ 404,753 | \$ 603,448 | \$ (305,455) | \$ 3,896,163 |

Balances as of
December 30,

Eliminate
investment in
subsidiaries
Eliminate
company
receivables and
payables

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating balance sheets by industry segment as of December 31, 2008 are as follows:

| | Moving & Storage | | | | AMERCO Legal Group | | | | |
|---------------------------------------------------------------------------------------|------------------|------------|-------------|-----------------|-------------------------------------------------------------|-----------------------------------|--------------------|--------------|---------------------|
| | AMERCO | U-Haul | Real Estate | Eliminations | Moving & Storage Consolidated (Unaudited) (In thousands) | Property & Casualty Insurance (a) | Life Insurance (a) | Eliminations | AMERCO Consolidated |
| Liabilities: | | | | | | | | | |
| Accounts payable and accrued expenses | \$ 1,514 | \$ 313,467 | \$ 5,758 | \$ - | \$ 320,739 | \$ - | \$ 4,320 | \$ - | \$ 325,059 |
| AMERCO's notes, loans and leases payable | - | 629,140 | 931,417 | - | 1,560,557 | - | - | - | 1,560,557 |
| Policy benefits and losses, claims and loss expenses payable | - | 359,841 | - | - | 359,841 | 287,974 | 135,604 | - | 783,419 |
| Liabilities from investment contracts other than policyholders' funds and liabilities | - | - | - | - | - | - | 313,792 | - | 313,792 |
| Deferred income taxes | - | 22,268 | - | - | 22,268 | - | - | - | 22,268 |
| Deferred income taxes related party liabilities | 173,644 | - | - | - | 173,644 | (37,598) | (6,274) | - | 129,772 |
| Other liabilities | - | 1,234,640 | - | (1,231,699) (c) | 2,941 | 1,988 | 119 | (5,048) (c) | - |
| Total liabilities | 175,158 | 2,559,356 | 937,175 | (1,231,699) | 2,439,990 | 258,402 | 449,392 | (5,048) | 3,142,730 |
| Stockholders' equity: | | | | | | | | | |

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| | | | | | | | | | |
|-----------------------------------------------|------------|--------------|------------|---------------|--------------|------------|------------|---------------|--------------|
| Series preferred stock: | | | | | | | | | |
| Series A preferred stock | - | - | - | - | - | - | - | - | - |
| Series B preferred stock | - | - | - | - | - | - | - | - | - |
| Series A common stock | - | - | - | - | - | - | - | - | - |
| Common stock | 10,497 | 540 | 1 | (541) (b) | 10,497 | 3,301 | 2,500 | (5,801) (b) | 10,497 |
| Additional paid-in capital | 420,423 | 121,230 | 147,481 | (268,711) (b) | 420,423 | 89,620 | 26,271 | (115,891) (b) | 420,423 |
| Accumulated other comprehensive income (loss) | (100,102) | (91,575) | - | 91,575 (b) | (100,102) | (4,710) | (3,817) | 8,527 (b) | (100,102) |
| Retained earnings (deficit) | 954,390 | (427,559) | (324,550) | 752,109 (b) | 954,390 | 58,140 | 129,102 | (187,242) (b) | 954,390 |
| Cost of common shares in treasury, net | (525,640) | - | - | - | (525,640) | - | - | - | (525,640) |
| Unearned employee stock ownership plan shares | - | (5,944) | - | - | (5,944) | - | - | - | (5,944) |
| Total stockholders' equity (deficit) | 759,568 | (403,308) | (177,068) | 574,432 | 753,624 | 146,351 | 154,056 | (300,407) | 753,624 |
| Total liabilities and stockholders' equity | \$ 934,726 | \$ 2,156,048 | \$ 760,107 | \$ (657,267) | \$ 3,193,614 | \$ 404,753 | \$ 603,448 | \$ (305,455) | \$ 3,896,360 |

) Balances as of September 30, 2008

) Eliminate investment in subsidiaries

) Eliminate intercompany receivables and payables

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating balance sheets by industry segment as of March 31, 2008 are as follows:

| | Moving & Storage | | | | AMERCO Legal Group | | | | |
|----------------------------------------------|------------------|------------|-------------|-----------------|-------------------------------|-----------------------------------|--------------------|---------------|---------------------|
| | AMERCO | U-Haul | Real Estate | Eliminations | Moving & Storage Consolidated | Property & Casualty Insurance (a) | Life Insurance (a) | Eliminations | AMERCO Consolidated |
| (In thousands) | | | | | | | | | |
| Assets: | | | | | | | | | |
| Cash and cash equivalents | \$ 30 | \$ 191,220 | \$ - | \$ - | \$ 191,250 | \$ 6,848 | \$ 8,524 | \$ - | \$ 206,632 |
| Insurance receivables and other receivables, | - | 20,529 | 27 | - | 20,556 | 170,305 | 10,255 | - | 201,647 |
| Prepaid expenses and other assets | - | 1,158 | 930 | - | 2,088 | - | - | - | 2,176 |
| Investments, net | - | 65,349 | - | - | 65,349 | - | - | - | 65,349 |
| Prepaid expenses | 4,508 | 51,418 | 233 | - | 56,159 | - | - | - | 56,390 |
| Investments, fixed | - | - | - | - | - | 144,171 | 489,613 | - | 633,784 |
| Investments, other | - | 838 | 13,515 | - | 14,353 | 80,786 | 90,452 | - | 185,946 |
| Deferred policy acquisition costs, | - | - | - | - | - | 30 | 35,548 | - | 35,578 |
| Other assets | 8 | 97,285 | 30,494 | - | 127,787 | 2,808 | 543 | - | 131,428 |
| Related party assets | 1,164,092 | 244,801 | 29,198 | (1,131,730) (c) | 306,361 | 7,067 | - | (9,542) (c) | 303,286 |
| | 1,168,638 | 672,598 | 74,397 | (1,131,730) | 783,903 | 412,015 | 634,935 | (9,542) | 1,821,703 |
| Investment in subsidiaries | (234,927) | - | - | 534,247 (b) | 299,320 | - | - | (299,320) (b) | - |
| Property, plant and equipment, at cost: | | | | | | | | | |
| Land | - | 44,224 | 163,940 | - | 208,164 | - | - | - | 208,164 |
| Buildings and improvements | - | 109,826 | 750,056 | - | 859,882 | - | - | - | 859,882 |
| Furniture and equipment | 304 | 291,561 | 18,095 | - | 309,960 | - | - | - | 309,960 |
| | - | 205,572 | - | - | 205,572 | - | - | - | 205,572 |

| | | | | | | | | | |
|--------------------------------------|------------|--------------|------------|--------------|--------------|------------|------------|--------------|-----------|
| al trailers and r rental oment | | | | | | | | | |
| al trucks | - | 1,734,425 | - | - | 1,734,425 | - | - | - | 1,734, |
| | 304 | 2,385,608 | 932,091 | - | 3,318,003 | - | - | - | 3,318, |
| : Accumulated eciation | (242) | (999,040) | (307,545) | - | (1,306,827) | - | - | - | (1,306, |
| l property, and oment | 62 | 1,386,568 | 624,546 | - | 2,011,176 | - | - | - | 2,011, |
| l assets | \$ 933,773 | \$ 2,059,166 | \$ 698,943 | \$ (597,483) | \$ 3,094,399 | \$ 412,015 | \$ 634,935 | \$ (308,862) | \$ 3,832, |

Balances as of
ember 31, 2007

Eliminate

stment in

idiaries

Eliminate

company

vables and

bles

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating balance sheets by industry segment as of March 31, 2008 are as follows:

| | Moving & Storage | | | | AMERCO Legal Group | | | | |
|--------------------------------------------------------------|------------------|------------|-------------|-----------------|-------------------------------|-----------------------------------|--------------------|--------------|---------------------|
| | AMERCO | U-Haul | Real Estate | Eliminations | Moving & Storage Consolidated | Property & Casualty Insurance (a) | Life Insurance (a) | Eliminations | AMERCO Consolidated |
| (In thousands) | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable and accrued expenses | \$ 924 | \$ 281,666 | \$ 4,903 | \$ - | \$ 287,493 | \$ - | \$ 5,033 | \$ - | \$ 292,526 |
| AMERCO's notes and loans payable | - | 630,533 | 874,144 | - | 1,504,677 | - | - | - | 1,504,677 |
| Policy benefits and losses, claims and loss expenses payable | - | 360,308 | - | - | 360,308 | 291,318 | 137,748 | - | 789,374 |
| Liabilities from investment contracts | - | - | - | - | - | - | 339,198 | - | 339,198 |
| Other policyholders' funds and liabilities | - | - | - | - | - | 6,854 | 3,613 | - | 10,467 |
| Deferred income | - | 11,781 | - | - | 11,781 | - | - | - | 11,781 |
| Deferred income taxes | 167,523 | - | - | - | 167,523 | (36,783) | (4,707) | - | 126,033 |
| Related party liabilities | - | 1,135,916 | - | (1,131,730) (c) | 4,186 | 2,048 | 3,308 | (9,542) (c) | - |
| Total liabilities | 168,447 | 2,420,204 | 879,047 | (1,131,730) | 2,335,968 | 263,437 | 484,193 | (9,542) | 3,074,050 |
| Stockholders' equity: | | | | | | | | | |
| Series preferred stock: | | | | | | | | | |
| Series A preferred stock | - | - | - | - | - | - | - | - | - |

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| | | | | | | | | | |
|---------------------------------------------------|------------|--------------|------------|---------------|--------------|------------|------------|---------------|--------------|
| Series B preferred stock | - | - | - | - | - | - | - | - | - |
| Series A common stock | - | - | - | - | - | - | - | - | - |
| Common stock | 10,497 | 540 | 1 | (541) (b) | 10,497 | 3,300 | 2,500 | (5,800) (b) | 10,497 |
| Additional paid-in capital | 419,370 | 121,230 | 147,481 | (268,711) (b) | 419,370 | 86,121 | 26,271 | (112,392) (b) | 419,370 |
| Accumulated other comprehensive income (loss) | (55,279) | (56,870) | - | 56,870 (b) | (55,279) | 63 | 1,528 | (1,591) (b) | (55,279) |
| Retained earnings (deficit) | 915,415 | (419,043) | (327,586) | 746,629 (b) | 915,415 | 59,094 | 120,443 | (179,537) (b) | 915,415 |
| Cost of common shares in treasury, net | (524,677) | - | - | - | (524,677) | - | - | - | (524,677) |
| Unearned employee stock ownership plan shares | - | (6,895) | - | - | (6,895) | - | - | - | (6,895) |
| Total stockholders' equity (deficit) | 765,326 | (361,038) | (180,104) | 534,247 | 758,431 | 148,578 | 150,742 | (299,320) | 758,431 |
| Total liabilities and stockholders' equity | \$ 933,773 | \$ 2,059,166 | \$ 698,943 | \$ (597,483) | \$ 3,094,399 | \$ 412,015 | \$ 634,935 | \$ (308,862) | \$ 3,832,487 |
|) Balances as of December 31, 2007 | | | | | | | | | |
|) Eliminate investment in subsidiaries | | | | | | | | | |
|) Eliminate intercompany receivables and payables | | | | | | | | | |

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating statements of operations by industry segment for the quarter ended December 31, 2008 are as follows:

| | Moving & Storage | | | | AMERCO Legal Group | | | | |
|-----------------------------------------------------|------------------|----------------|---------------|-----------------|-------------------------------------------------------------|-----------------------------------|--------------------|-----------------|---------------------|
| | AMERCO | U-Haul | Real Estate | Eliminations | Moving & Storage Consolidated (Unaudited) (In thousands) | Property & Casualty Insurance (a) | Life Insurance (a) | Eliminations | AMERCO Consolidated |
| Revenues: | | | | | | | | | |
| Self-moving equipment rentals | \$ - | \$ 311,597 | \$ - | \$ - | \$ 311,597 | \$ - | \$ - | \$ 60(c) | \$ 311,657 |
| Self-storage revenues | - | 26,857 | 540 | - | 27,397 | - | - | - | 27,397 |
| Self-moving & self-storage products & service sales | - | 38,663 | - | - | 38,663 | - | - | - | 38,663 |
| Property management fees | - | 6,059 | - | - | 6,059 | - | - | - | 6,059 |
| Life insurance premiums | - | - | - | - | - | - | 27,509 | - | 27,509 |
| Property and casualty insurance premiums | - | - | - | - | - | 8,129 | - | (100)(c) | 8,029 |
| Net investment and interest income | 1,090 | 6,916 | - | - | 8,006 | 2,188 | 5,012 | (293) (b,d) | 14,913 |
| Other revenue | - | 9,652 | 17,641 | (19,164) (b) | 8,129 | - | 821 | (593)(b) | 8,357 |
| Total revenues | 1,090 | 399,744 | 18,181 | (19,164) | 399,851 | 10,317 | 33,342 | (926) | 442,584 |
| Costs and expenses: | | | | | | | | | |
| Operating expenses | 2,032 | 267,144 | 2,749 | (19,164) (b) | 252,761 | 3,095 | 5,660 | (2,274) (b,c,d) | 259,242 |
| Commission expenses | - | 36,664 | - | - | 36,664 | - | - | - | 36,664 |
| Cost of sales | - | 23,229 | - | - | 23,229 | - | - | - | 23,229 |
| Benefits and losses | - | - | - | - | - | 4,599 | 21,065 | 1,649(c) | 27,313 |

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| | | | | | | | | | |
|-------------------------------------------------------|-------------|-------------|----------|------------|-------------|----------|----------|------------|-------------|
| Amortization of deferred policy acquisition costs | - | - | - | - | - | 14 | 2,729 | - | 2,743 |
| Lease expense | 22 | 38,996 | 2 | - | 39,020 | - | - | (301)(b) | 38,719 |
| Depreciation, net of (gains) losses on disposals | 4 | 66,131 | 2,540 | - | 68,675 | - | - | - | 68,675 |
| Total costs and expenses | 2,058 | 432,164 | 5,291 | (19,164) | 420,349 | 7,708 | 29,454 | (926) | 456,585 |
| Equity in earnings of subsidiaries | (39,063) | - | - | 43,056 (e) | 3,993 | - | - | (3,993)(e) | - |
| Earnings (loss) from operations | (40,031) | (32,420) | 12,890 | 43,056 | (16,505) | 2,609 | 3,888 | (3,993) | (14,001) |
| Interest income (expense) | 23,728 | (39,189) | (10,539) | - | (26,000) | - | - | - | (26,000) |
| Pretax earnings (loss) | (16,303) | (71,609) | 2,351 | 43,056 | (42,505) | 2,609 | 3,888 | (3,993) | (40,001) |
| Income tax benefit (expense) | (8,649) | 27,466 | (1,264) | - | 17,553 | (912) | (1,592) | - | 15,049 |
| Net earnings (loss) | (24,952) | (44,143) | 1,087 | 43,056 | (24,952) | 1,697 | 2,296 | (3,993) | (24,952) |
| Less: Preferred stock dividends | (3,241) | - | - | - | (3,241) | - | - | - | (3,241) |
| Earnings (loss) available to common shareholders | \$ (28,193) | \$ (44,143) | \$ 1,087 | \$ 43,056 | \$ (28,193) | \$ 1,697 | \$ 2,296 | \$ (3,993) | \$ (28,193) |
| (a) Balances for the quarter ended September 30, 2008 | | | | | | | | | |
| (b) Eliminate intercompany lease income | | | | | | | | | |
| (c) Eliminate intercompany premiums | | | | | | | | | |
| (d) Eliminate intercompany interest on debt | | | | | | | | | |
| (e) Eliminate equity in earnings of subsidiaries | | | | | | | | | |

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating statements of operations by industry for the quarter ended December 31, 2007 are as follows:

| Moving & Storage | | AMERCO Legal Group | | | | | | | AMERCO as Conso | | | | | | | |
|------------------|--------|--------------------|--------------|--------------|----------------|-----------|--------------|--------------|-----------------|--------------|---------|---------|--------|---------|-------|---------|
| | | Real | | Moving | Property | Life | | | SAC | | | | | | | |
| AMERCO | U-Haul | Estate | Eliminations | Storage | Insurance | Insurance | Eliminations | AMERCO | AMERCO Holding | Eliminations | | | | | | |
| | | | | Consolidated | (a) | (a) | | Consolidated | II (h) | | | | | | | |
| | | | | | (Unaudited) | | | | | | | | | | | |
| | | | | | (In thousands) | | | | | | | | | | | |
| \$ | - | \$ 326,937 | \$ | - | \$ | - | \$ | - | \$ 326,937 | \$ | 689 | \$ | (689) | | | |
| | - | 27,435 | | 523 | - | 27,958 | | - | - | - | 27,958 | | 1,672 | - | | |
| | - | 42,134 | | - | - | 42,134 | | - | - | - | 42,134 | | 1,077 | - | | |
| | - | 7,137 | | - | - | 7,137 | | - | - | - | 7,137 | | - | (212) | | |
| | - | - | | - | - | - | | - | 27,757 | - | 27,757 | | - | - | | |
| | - | - | | - | - | - | | - | 7,738 | - | 7,738 | | - | - | | |
| | 1,076 | 7,953 | | - | - | 9,029 | | 3,154 | 4,798 | (389) | (b,d) | | 16,592 | - | (584) | |
| | - | 7,373 | | 17,663 | (18,788) | (b) | | 6,248 | - | 1,288 | (336) | (b) | | 7,200 | 113 | (59) |
| | 1,076 | 418,969 | | 18,186 | (18,788) | | | 419,443 | 10,892 | 33,843 | (725) | | | 463,453 | 3,551 | (1,544) |
| | 2,055 | 272,928 | | 1,978 | (18,788) | (b) | | 258,173 | 4,203 | 6,694 | (1,841) | (b,c,d) | | 267,229 | 1,957 | (212) |
| | - | 39,252 | | - | - | | | 39,252 | - | - | - | | | 39,252 | - | (689) |
| | - | 26,165 | | - | - | | | 26,165 | - | - | - | | | 26,165 | 512 | - |
| | - | - | | - | - | | | - | 4,419 | 19,419 | 1,452 | (c) | | 25,290 | - | - |
| | - | - | | - | - | | | - | 4 | 2,683 | - | | | 2,687 | - | - |

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| | | | | | | | | | | | |
|---------------------------|-------------|-------------|----------|------------|-------------|----------|----------|------------|-------------|----------|---------|
| | | | | | | | | | | | |
| se | 24 | 34,264 | 2 | - | 34,290 | - | - | (300)(b) | 33,990 | - | (59)(b) |
| | 187 | 57,737 | 2,907 | - | 60,831 | - | - | - | 60,831 | 231 | (47)(c) |
| nd | 2,266 | 430,346 | 4,887 | (18,788) | 418,711 | 8,626 | 28,796 | (689) | 455,444 | 2,700 | (1,007) |
| | (23,675) | - | - | 28,511 (f) | 4,836 | - | - | (4,836)(f) | - | - | - |
| g | (133) | - | - | - | (133) | - | - | - | (133) | - | 133 (f) |
| y f | (23,808) | - | - | 28,511 | 4,703 | - | - | (4,836) | (133) | - | 133 |
| (s) | (24,998) | (11,377) | 13,299 | 28,511 | 5,435 | 2,266 | 5,047 | (4,872) | 7,876 | 851 | (404) |
| ne | 22,780 | (34,328) | (13,193) | - | (24,741) | - | - | 36 (d) | (24,705) | (1,070) | 584 (c) |
| gs | (2,218) | (45,705) | 106 | 28,511 | (19,306) | 2,266 | 5,047 | (4,836) | (16,829) | (219) | 180 |
| | (8,205) | 17,441 | (353) | - | 8,883 | (792) | (1,685) | - | 6,406 | 86 | (18)(e) |
| | (10,423) | (28,264) | (247) | 28,511 | (10,423) | 1,474 | 3,362 | (4,836) | (10,423) | (133) | 162 |
| red ads (s) | (3,241) | - | - | - | (3,241) | - | - | - | (3,241) | - | - |
| | \$ (13,664) | \$ (28,264) | \$ (247) | \$ 28,511 | \$ (13,664) | \$ 1,474 | \$ 3,362 | \$ (4,836) | \$ (13,664) | \$ (133) | \$ 162 |
| for the d September | | | | | | | | | | | |
| e y lease ommission | | | | | | | | | | | |

e
y

e
y
ebt

gain on sale of surplus
n U-Haul to SAC

equity in earnings of subsidiaries
earnings of SAC Holding II
e management fees charged to SAC Holding II
ercompany operating expenses

for the month of October
o deconsolidation

25

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating statements of operations by industry for the nine months ended December 31, 2008 are as follows:

| | Moving & Storage | | | | AMERCO Legal Group | | | | |
|-----------------------------------------------------|------------------|------------------|---------------|-----------------|-------------------------------------------------------------|-----------------------------------|--------------------|-----------------|---------------------|
| | AMERCO | U-Haul | Real Estate | Eliminations | Moving & Storage Consolidated (Unaudited) (In thousands) | Property & Casualty Insurance (a) | Life Insurance (a) | Eliminations | AMERCO Consolidated |
| Revenues: | | | | | | | | | |
| Self-moving equipment rentals | \$ - | \$ 1,140,870 | \$ - | \$ - | \$ 1,140,870 | \$ - | \$ - | \$ 60 (c) | \$ 1,140,930 |
| Self-storage revenues | - | 81,527 | 1,322 | - | 82,849 | - | - | - | 82,849 |
| Self-moving & self-storage products & service sales | - | 159,515 | - | - | 159,515 | - | - | - | 159,515 |
| Property management fees | - | 15,496 | - | - | 15,496 | - | - | - | 15,496 |
| Life insurance premiums | - | - | - | - | - | - | 81,525 | - | 81,525 |
| Property and casualty insurance premiums | - | - | - | - | - | 21,612 | - | (100)(c) | 21,512 |
| Net investment and interest income | 3,326 | 19,708 | - | - | 23,034 | 7,280 | 15,209 | (1,031) (b,d) | 44,492 |
| Other revenue | - | 31,886 | 52,935 | (57,215) (b) | 27,606 | - | 4,187 | (1,239)(b) | 30,554 |
| Total revenues | 3,326 | 1,449,002 | 54,257 | (57,215) | 1,449,370 | 28,892 | 100,921 | (2,310) | 1,576,873 |
| Costs and expenses: | | | | | | | | | |
| Operating expenses | 6,551 | 817,813 | 7,085 | (57,215) (b) | 774,234 | 7,900 | 16,879 | (6,212) (b,c,d) | 792,801 |
| Commission expenses | - | 138,711 | - | - | 138,711 | - | - | - | 138,711 |
| Cost of sales | - | 90,856 | - | - | 90,856 | - | - | - | 90,856 |
| Benefits and losses | - | - | - | - | - | 13,961 | 63,504 | 4,838 (c) | 82,303 |

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| | | | | | | | | | |
|-----------------------------------------------------------|-----------|------------|----------|-----------|-----------|----------|----------|-------------|-----------|
| Amortization of deferred policy acquisition costs | - | - | - | - | - | 22 | 7,147 | - | 7,169 |
| Lease expense | 70 | 112,631 | 5 | - | 112,706 | - | - | (903)(b) | 111,803 |
| Depreciation, net of (gains) losses on disposals | 13 | 191,416 | 8,618 | - | 200,047 | - | - | - | 200,047 |
| Total costs and expenses | 6,634 | 1,351,427 | 15,708 | (57,215) | 1,316,554 | 21,883 | 87,530 | (2,277) | 1,423,690 |
| Equity in earnings of subsidiaries | 7,735 | - | - | 5,480 (e) | 13,215 | - | - | (13,215)(e) | - |
| Earnings from operations | 4,427 | 97,575 | 38,549 | 5,480 | 146,031 | 7,009 | 13,391 | (13,248) | 153,183 |
| Interest income (expense) | 69,375 | (112,318) | (31,864) | - | (74,807) | - | - | 33 (d) | (74,774) |
| Pretax earnings (loss) | 73,802 | (14,743) | 6,685 | 5,480 | 71,224 | 7,009 | 13,391 | (13,215) | 78,409 |
| Income tax benefit (expense) | (25,104) | 6,227 | (3,649) | - | (22,526) | (2,453) | (4,732) | - | (29,711) |
| Net earnings (loss) | 48,698 | (8,516) | 3,036 | 5,480 | 48,698 | 4,556 | 8,659 | (13,215) | 48,698 |
| Less: Preferred stock dividends | (9,723) | - | - | - | (9,723) | - | - | - | (9,723) |
| Earnings (loss) available to common shareholders | \$ 38,975 | \$ (8,516) | \$ 3,036 | \$ 5,480 | \$ 38,975 | \$ 4,556 | \$ 8,659 | \$ (13,215) | \$ 38,975 |
| (a) Balances for the nine months ended September 30, 2008 | | | | | | | | | |
| (b) Eliminate intercompany lease income | | | | | | | | | |
| (c) Eliminate intercompany premiums | | | | | | | | | |
| (d) Eliminate intercompany interest on debt | | | | | | | | | |
| (e) Eliminate equity in earnings of subsidiaries | | | | | | | | | |

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating statements of operations by industry for the nine months ended December 31, 2007 are as follows:

| Moving & Storage | | | | AMERCO Legal Group | | | | AMERCO as Com | | |
|------------------|--------------|-------------|--------------|-------------------------------|-------------------------------|----------------|--------------|---------------------|-------------|------------|
| AMERCO | U-Haul | Real Estate | Eliminations | Moving & Storage Consolidated | Property & Casualty Insurance | Life Insurance | Eliminations | AMERCO Consolidated | SAC Holding | Eliminatio |
| | | | | | (a) | (a) | | | II (h) | |
| (Unaudited) | | | | | | | | | | |
| (In thousands) | | | | | | | | | | |
| - | \$ 1,155,240 | \$ - | \$ - | \$ 1,155,240 | \$ - | \$ - | \$ - | \$ 1,155,240 | \$ 5,846 | \$ (5,846) |
| - | 81,924 | 1,361 | - | 83,285 | - | - | - | 83,285 | 11,469 | |
| - | 164,381 | - | - | 164,381 | - | - | - | 164,381 | 10,039 | |
| - | 16,565 | - | - | 16,565 | - | - | - | 16,565 | - | (1,700) |
| - | - | - | - | - | - | 84,881 | - | 84,881 | - | |
| - | - | - | - | - | 20,986 | - | - | 20,986 | - | |
| 3,353 | 23,524 | - | - | 26,877 | 9,315 | 15,946 | (1,393) | (b,d) 50,745 | - | (4,050) |
| - | 24,827 | 52,390 | (55,957) | (b) 21,260 | - | 3,659 | (1,017) | (b) 23,902 | 748 | (414) |
| 3,353 | 1,466,461 | 53,751 | (55,957) | 1,467,608 | 30,301 | 104,486 | (2,410) | 1,599,985 | 28,102 | (12,010) |
| 7,924 | 831,978 | 7,126 | (55,957) | (b) 791,071 | 10,711 | 19,533 | (6,093) | (b,c,d) 815,222 | 13,510 | (1,700) |
| - | 138,194 | - | - | 138,194 | - | - | - | 138,194 | - | (5,846) |
| - | 90,076 | - | - | 90,076 | - | - | - | 90,076 | 5,192 | |

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| | | | | | | | | | | |
|----------|-----------|----------|--------------|-----------|----------|----------|-------------|-----------|---------|--------|
| - | - | - | - | - | 11,103 | 64,337 | 4,719 (c) | 80,159 | - | |
| - | - | - | - | - | 183 | 9,687 | - | 9,870 | - | |
| 72 | 102,162 | 46 | - | 102,280 | - | - | (899)(b) | 101,381 | - | (414) |
| 509 | 160,841 | (1,471) | - | 159,879 | - | - | - | 159,879 | 1,474 | (32) |
| 8,505 | 1,323,251 | 5,701 | (55,957) | 1,281,500 | 21,997 | 93,557 | (2,273) | 1,394,781 | 20,176 | (8,28) |
| 43,482 | - | - | (30,906) (f) | 12,576 | - | - | (12,576)(f) | - | - | |
| 222 | - | - | - | 222 | - | - | - | 222 | - | (22) |
| 43,704 | - | - | (30,906) | 12,798 | - | - | (12,576) | 222 | - | (22) |
| 38,552 | 143,210 | 48,050 | (30,906) | 198,906 | 8,304 | 10,929 | (12,713) | 205,426 | 7,926 | (3,94) |
| 66,321 | (99,870) | (39,457) | - | (73,006) | - | - | 137 (d) | (72,869) | (7,537) | 4,05 |
| 104,873 | 43,340 | 8,593 | (30,906) | 125,900 | 8,304 | 10,929 | (12,576) | 132,557 | 389 | 10 |
| (23,244) | (16,485) | (4,542) | - | (44,271) | (2,906) | (3,751) | - | (50,928) | (167) | (12) |
| 81,629 | 26,855 | 4,051 | (30,906) | 81,629 | 5,398 | 7,178 | (12,576) | 81,629 | 222 | (1) |
| (9,723) | - | - | - | (9,723) | - | - | - | (9,723) | - | |
| 71,906 | \$ 26,855 | \$ 4,051 | \$ (30,906) | \$ 71,906 | \$ 5,398 | \$ 7,178 | \$ (12,576) | \$ 71,906 | \$ 222 | \$ (1) |

the nine
September

company lease
mission income

on sale of surplus
haul to SAC Holding

y in earnings of subsidiaries and
of SAC Holding II

agement fees charged to SAC Holding II
pany operating expenses

seven months ended October
onsolidation

27

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating cash flow statements by industry segment for the nine months ended December 31, 2008 are as follows:

| | Moving & Storage | | | | AMERCO Legal Group | | | | |
|-----------------------------------------------------------------------|------------------|------------|-------------|-------------|--------------------|-------------------------------|----------------|-------------|--------------|
| | AMERCO | U-Haul | Real Estate | Elimination | Moving & Storage | Property & Casualty Insurance | Life Insurance | Elimination | AMERCO |
| | | | | | Consolidated | (a) | (a) | | Consolidated |
| | | | | | (Unaudited) | | | | |
| Cash flows from operating activities: | | | | | (In thousands) | | | | |
| Net earnings | \$ 48,698 | \$ (8,516) | \$ 3,036 | \$ 5,480 | \$ 48,698 | \$ 4,556 | \$ 8,659 | \$ (13,215) | \$ 48,698 |
| Earnings from consolidated entities | (7,735) | - | - | (5,480) | (13,215) | - | - | 13,215 | - |
| Adjustments to reconcile net earnings to cash provided by operations: | | | | | | | | | |
| Depreciation | 13 | 175,857 | 9,157 | - | 185,027 | - | - | - | 185,027 |
| Amortization of deferred policy acquisition costs | - | - | - | - | - | 22 | 7,147 | - | 7,169 |
| Change in allowance for losses on trade receivables | - | (207) | - | - | (207) | - | 69 | - | (138) |
| Change in allowance for losses on mortgage notes | - | (308) | - | - | (308) | - | - | - | (308) |
| Change in allowance for inventory reserve | - | 1,488 | - | - | 1,488 | - | - | - | 1,488 |
| Net (gain) loss on sale of real and personal | - | 15,559 | (539) | - | 15,020 | - | - | - | 15,020 |

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| | | | | | | | | | |
|--------------------------------------------------------------|--------|----------|--------|---|----------|----------|---------|---|----------|
| property | | | | | | | | | |
| Net (gain) loss on sale of investments | - | - | - | - | - | (99) | 252 | - | 153 |
| Deferred income taxes | 19,043 | - | - | - | 19,043 | 1,755 | 1,310 | - | 22,108 |
| Net change in other operating assets and liabilities: | | | | | | | | | |
| Reinsurance recoverables and trade receivables | - | 4,432 | (1) | - | 4,431 | (11,221) | (157) | - | (6,947) |
| Inventories | - | (11,573) | - | - | (11,573) | - | - | - | (11,573) |
| Prepaid expenses | 4,488 | 2,442 | (204) | - | 6,726 | - | - | - | 6,726 |
| Capitalization of deferred policy acquisition costs | - | - | - | - | - | 8 | (7,517) | - | (7,509) |
| Other assets | - | (6,212) | 1,260 | - | (4,952) | 1,112 | 156 | - | (3,684) |
| Related party assets | 3,675 | (4,501) | (68) | - | (894) | 4,680 | - | - | 3,786 |
| Accounts payable and accrued expenses | 1,643 | (9,224) | 864 | - | (6,717) | - | (207) | - | (6,924) |
| Policy benefits and losses, claims and loss expenses payable | - | 1,718 | - | - | 1,718 | (3,344) | (2,144) | - | (3,770) |
| Other policyholders' funds and liabilities | - | - | - | - | - | (816) | (1,783) | - | (2,599) |
| Deferred income | - | 10,675 | - | - | 10,675 | - | - | - | 10,675 |
| Related party liabilities | - | (1,244) | - | - | (1,244) | (60) | (3,189) | - | (4,493) |
| Net cash provided (used) by operating activities | 69,825 | 170,386 | 13,505 | - | 253,716 | (3,407) | 2,596 | - | 252,905 |
| Cash flows from investing | | | | | | | | | |

| | | | | | | | | | |
|--------------------------------------------------|-----|-----------|----------|---|-----------|----------|-----------|---|-----------|
| activities: | | | | | | | | | |
| Purchases of: | | | | | | | | | |
| Property, plant and equipment | (1) | (296,094) | (20,875) | - | (316,970) | - | - | - | (316,970) |
| Short term investments | - | - | - | - | - | (86,175) | (167,611) | - | (253,786) |
| Fixed maturities investments | - | - | - | - | - | (11,206) | (115,169) | - | (126,375) |
| Preferred stock | - | - | - | - | - | - | (2,000) | - | (2,000) |
| Real estate | - | (8) | - | - | (8) | (404) | - | - | (412) |
| Mortgage loans | - | (1,358) | (195) | - | (1,553) | - | (10,593) | - | (12,146) |
| Proceeds from sales of: | | | | | | | | | |
| Property, plant and equipment | - | 105,009 | 1,426 | - | 106,435 | - | - | - | 106,435 |
| Short term investments | - | - | - | - | - | 73,380 | 171,019 | - | 244,399 |
| Fixed maturities investments | - | - | - | - | - | 56,179 | 139,272 | - | 195,451 |
| Equity securities | - | - | - | - | - | - | 28 | - | 28 |
| Real estate | - | - | 704 | - | 704 | - | - | - | 704 |
| Mortgage loans | - | - | - | - | - | 19 | 5,146 | - | 5,165 |
| Payments from notes and mortgage receivables | - | 816 | - | - | 816 | - | - | - | 816 |
| Net cash provided (used) by investing activities | (1) | (191,635) | (18,940) | - | (210,576) | 31,793 | 20,092 | - | (158,691) |

(page 1 of 2)

(a) Balance for the period ended September 30, 2008

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Continuation of consolidating cash flow statements by industry segment for the nine months ended December 31, 2008 are as follows:

| | Moving & Storage | | | | AMERCO Legal Group | | | | |
|----------------------------------------------------------------|------------------|----------|-------------|--------------|-------------------------------------------|-----------------------------------|--------------------|--------------|---------------------|
| | AMERCO | U-Haul | Real Estate | Eliminations | Moving & Storage Consolidated (Unaudited) | Property & Casualty Insurance (a) | Life Insurance (a) | Eliminations | AMERCO Consolidated |
| Cash flows from financing activities: | (In thousands) | | | | | | | | |
| Borrowings from credit facilities | - | 83,098 | 82,232 | - | 165,330 | - | - | - | 165,330 |
| Principal repayments on credit facilities | - | (92,248) | (24,959) | - | (117,207) | - | - | - | (117,207) |
| Debt issuance costs | - | (360) | - | - | (360) | - | - | - | (360) |
| Capital lease payments | - | (561) | - | - | (561) | - | - | - | (561) |
| Leveraged Employee Stock Ownership Plan - repayments from loan | - | 951 | - | - | 951 | - | - | - | 951 |
| Repurchase of stock | (963) | - | - | - | (963) | - | - | - | (963) |
| Proceeds from (repayment of) intercompany loans | (61,148) | 112,986 | (51,838) | - | - | - | - | - | - |
| Preferred stock dividends paid | (9,723) | - | - | - | (9,723) | - | - | - | (9,723) |
| Net dividend from related party | 2,010 | - | - | - | 2,010 | (2,010) | - | - | - |
| Investment contract deposits | - | - | - | - | - | - | 14,460 | - | 14,460 |
| Investment contract withdrawals | - | - | - | - | - | - | (39,867) | - | (39,867) |
| Net cash provided (used) by | (69,824) | 103,866 | 5,435 | - | 39,477 | (2,010) | (25,407) | - | 12,060 |

financing
activities

| | | | | | | | | | |
|--------------------------------------------------|-------|------------|------|------|------------|-----------|----------|------|------------|
| Effects of exchange rate on cash | - | (1,379) | - | - | (1,379) | - | - | - | (1,379) |
| Increase (decrease) in cash and cash equivalents | - | 81,238 | - | - | 81,238 | 26,376 | (2,719) | - | 104,895 |
| Cash and cash equivalents at beginning of period | 30 | 191,220 | - | - | 191,250 | 6,848 | 8,524 | - | 206,622 |
| Cash and cash equivalents at end of period | \$ 30 | \$ 272,458 | \$ - | \$ - | \$ 272,488 | \$ 33,224 | \$ 5,805 | \$ - | \$ 311,517 |

(page 2 of 2)

(a) Balance for the period ended September 30, 2008

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating cash flow statements by industry segment for the nine months ended December 31, 2007 are as follows:

| | Moving & Storage | | | | AMERCO Legal Group | | | | AMERCO as Consolidated | | | |
|---------|------------------|-----------|-------------|-------------|-------------------------------|-----------------------------------|--------------------|-------------|------------------------|--------------------|-------------|--------------|
| | | | | | | | | | | | | |
| | AMERCO | U-Haul | Real Estate | Elimination | Moving & Storage Consolidated | Property & Casualty Insurance (a) | Life Insurance (a) | Elimination | AMERCO Consolidated | SAC Holding II (b) | Elimination | Consolidated |
| | (Unaudited) | | | | | | | | | | | |
| | (In thousands) | | | | | | | | | | | |
| ings | \$ 81,629 | \$ 26,855 | \$ 4,051 | \$ (30,906) | \$ 81,629 | \$ 5,398 | \$ 7,178 | \$ (12,576) | \$ 81,629 | \$ 222 | \$ (19) | \$ |
| from | (43,704) | - | - | 30,906 | (12,798) | - | - | 12,576 | (222) | - | 222 | |
| ated | | | | | | | | | | | | |
| ents | | | | | | | | | | | | |
| ible | | | | | | | | | | | | |
| ings to | | | | | | | | | | | | |
| vided | | | | | | | | | | | | |
| tions: | | | | | | | | | | | | |
| ation | 509 | 159,835 | 8,533 | - | 168,877 | - | - | - | 168,877 | 1,634 | (327) | |
| ation | | | | | | | | | | | | |
| ed | | | | | | | | | | | | |
| on | - | - | - | - | - | 183 | 9,687 | - | 9,870 | - | - | |
| n | | | | | | | | | | | | |
| ce for | | | | | | | | | | | | |
| trade | | | | | | | | | | | | |
| les | - | 25 | - | - | 25 | - | 50 | - | 75 | - | - | |
| n | | | | | | | | | | | | |
| ce for | | | | | | | | | | | | |
| n | | | | | | | | | | | | |
| e | - | (29) | - | - | (29) | - | - | - | (29) | - | - | |
| n | | | | | | | | | | | | |
| ce for | | | | | | | | | | | | |
| y | - | 2,371 | - | - | 2,371 | - | - | - | 2,371 | - | - | |
| h) loss | - | 1,006 | (10,004) | - | (8,998) | - | - | - | (8,998) | (160) | - | |
| f real | | | | | | | | | | | | |
| onal | | | | | | | | | | | | |

| | | | | | | | | | | | |
|--------|--------|---------|---------|---|---------|----------|---------|---|---------|---------|-----|
| on | | | | | | | | | | | |
| ents | - | - | - | - | - | 172 | 203 | - | 375 | - | - |
| axes | 15,898 | 76 | - | - | 15,974 | 3,203 | (2,115) | - | 17,062 | 146 | 124 |
| ge in | | | | | | | | | | | |
| g | | | | | | | | | | | |
| d | | | | | | | | | | | |
| s: | | | | | | | | | | | |
| nce | | | | | | | | | | | |
| bles | | | | | | | | | | | |
| e | | | | | | | | | | | |
| les | - | 699 | - | - | 699 | 3,901 | 216 | - | 4,816 | - | - |
| ies | - | 1,582 | - | - | 1,582 | - | - | - | 1,582 | 4 | - |
| s | 11,173 | 1,080 | (104) | - | 12,149 | - | - | - | 12,149 | 47 | - |
| ation | | | | | | | | | | | |
| ed | | | | | | | | | | | |
| on | | | | | | | | | | | |
| | - | - | - | - | - | (32) | (3,862) | - | (3,894) | - | - |
| sets | 4 | 1,190 | 1,077 | - | 2,271 | (344) | 121 | - | 2,048 | (1,008) | - |
| party | 5,922 | 8,579 | 12,453 | - | 26,954 | 3,004 | 5,040 | - | 34,998 | 5 | - |
| s | | | | | | | | | | | |
| and | | | | | | | | | | | |
| s | 2,424 | (112) | (3,684) | - | (1,372) | - | (1,514) | - | (2,886) | 680 | - |
| and | | | | | | | | | | | |
| laims | | | | | | | | | | | |
| s | - | 25,884 | - | - | 25,884 | (20,508) | (8,414) | - | (3,038) | - | - |
| lders' | | | | | | | | | | | |
| d | - | - | - | - | - | 524 | (612) | - | (88) | - | - |
| s | - | (6,198) | - | - | (6,198) | - | - | - | (6,198) | (48) | - |
| party | - | (3,582) | - | - | (3,582) | (428) | (5,408) | - | (9,418) | 287 | - |
| s | | | | | | | | | | | |
| g | | | | | | | | | | | |
| s | 73,855 | 219,261 | 12,322 | - | 305,438 | (4,927) | 570 | - | 301,081 | 1,809 | - |
| ws | | | | | | | | | | | |
| esting | | | | | | | | | | | |

| | | | | | | | | | | | |
|---------|---------|-----------|----------|---|-----------|----------|-----------|---|-----------|---------|---|
| es of: | | | | | | | | | | | |
| , plant | | | | | | | | | | | |
| ment | (2,466) | (413,727) | (22,754) | - | (438,947) | - | - | - | (438,947) | (1,381) | - |
| m | | | | | | | | | | | |
| ents | - | - | - | - | - | (48,130) | (123,788) | - | (171,918) | - | - |
| es | | | | | | | | | | | |
| ents | - | - | - | - | - | (14,876) | (41,629) | - | (56,505) | - | - |
| s | - | - | - | - | - | - | (27) | - | (27) | - | - |
| ate | - | - | (3,196) | - | (3,196) | (208) | - | - | (3,404) | - | - |
| e | - | - | (346) | - | (346) | (1,650) | (10,526) | - | (12,522) | - | - |
| s from | | | | | | | | | | | |
| , plant | | | | | | | | | | | |
| ment | - | 122,433 | 11,275 | - | 133,708 | - | - | - | 133,708 | 391 | - |
| m | | | | | | | | | | | |
| ents | - | - | - | - | - | 50,071 | 142,903 | - | 192,974 | - | - |
| es | | | | | | | | | | | |
| ents | - | - | - | - | - | 16,149 | 61,624 | - | 77,773 | - | - |
| s | - | - | - | - | - | - | 46 | - | 46 | - | - |
| l | - | - | - | - | - | 5,000 | 625 | - | 5,625 | - | - |
| ate | - | 153 | - | - | 153 | 631 | - | - | 784 | - | - |
| e | - | - | - | - | - | - | 6,394 | - | 6,394 | - | - |
| s | | | | | | | | | | | |
| es | | | | | | | | | | | |
| gagne | | | | | | | | | | | |
| les | - | 89 | - | - | 89 | - | - | - | 89 | - | - |
| l | | | | | | | | | | | |
| y | | | | | | | | | | | |
| g | | | | | | | | | | | |
| s | (2,466) | (291,052) | (15,021) | - | (308,539) | 6,987 | 35,622 | - | (265,930) | (990) | - |

(page 1 of 2)

nce
 eriod
 er 30,
 ivity for the seven months
 October 31, 2007, prior to
 idation

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Continuation of consolidating cash flow statements by industry segment for the nine months ended December 31, 2007 are as follows:

| | Moving & Storage | | AMERCO Legal Group | | | | AMERCO as Consolidated | | | | |
|----------------------------------------------------------------|------------------|-----------|--------------------------|----------------------------------------|---------------|----------------------------|------------------------|------------------|--------------------|---|-----------|
| | AMERCO | U-Haul | Real Estate Eliminations | Property Moving & Storage Consolidated | Insurance (a) | Insurance (a) Eliminations | AMERCO Holding II (b) | SAC Eliminations | Total Consolidated | | |
| (Unaudited) | | | | | | | | | | | |
| Cash flows from financing activities: | (In thousands) | | | | | | | | | | |
| Borrowings from credit facilities | - | 409,800 | 77,826 | - | 487,626 | - | - | 487,626 | - | - | 487,626 |
| Principal repayments on credit facilities | - | (168,653) | (74,636) | - | (243,289) | - | - | (243,289) | (819) | - | (244,108) |
| Debt issuance costs | - | (11,706) | (170) | - | (11,876) | - | - | (11,876) | - | - | (11,876) |
| Leveraged Employee Stock Ownership Plan - repayments from loan | - | 923 | - | - | 923 | - | - | 923 | - | - | 923 |
| Treasury stock repurchases | (33,966) | - | - | - | (33,966) | - | - | (33,966) | - | - | (33,966) |
| Securitization deposits | - | (60,764) | - | - | (60,764) | - | - | (60,764) | - | - | (60,764) |
| Proceeds from (repayment of) intercompany loans | (27,679) | 28,783 | (1,104) | - | - | - | - | - | - | - | - |
| Preferred stock dividends paid | (9,723) | - | - | - | (9,723) | - | - | (9,723) | - | - | (9,723) |
| Investment contract deposits | - | - | - | - | - | - | 13,864 | 13,864 | - | - | - |