

U-HAUL HOLDING CO /NV/

FORM 10-Q (Quarterly Report)

Filed 08/09/06 for the Period Ending 06/30/06

Address	5555 KIETZKE LANE STE 100 RENO, NV, 89511
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Industry	Ground Freight & Logistics
Sector	Industrials
Fiscal Year	03/31

AMERCO /NV/

FORM 10-Q (Quarterly Report)

Filed 8/9/2006 For Period Ending 6/30/2006

Address	1325 AIRMOTIVE WAY STE 100 RENO, Nevada 89502
Telephone	775-688-6300
CIK	0000004457
Industry	Rental & Leasing
Sector	Services
Fiscal Year	03/31

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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 June 30, 2006

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	<input checked="" type="checkbox"/> AMERCO (A Nevada Corporation) 1325 Airmotive Way, Ste. 100 Reno, Nevada 89502-3239 Telephone (775) 688-6300	88-0106815
2-38498	<input checked="" type="checkbox"/> U-Haul International, Inc. (A Nevada Corporation) 2727 N. Central Avenue Phoenix, Arizona 85004 Telephone (602) 263-6645	86-0663060

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 R No £

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

Larger accelerated filer £

Accelerated filer R

Non-accelerated filer £

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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes R No £

21,284,604 shares of AMERCO Common Stock, \$0.25 par value, were outstanding at August 4, 2006.

5,385 shares of U-Haul International, Inc. Common Stock, \$0.01 par value, were outstanding at August 4, 2006.



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PART I FINANCIAL INFORMATION

ITEM 1. Financial Statements

AMERCO AND CONSOLIDATED ENTITIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2006	March 31, 2006
	(Unaudited)	
	(In thousands)	
ASSETS		
Cash and cash equivalents	\$ 241,858	\$ 155,459
Reinsurance recoverables and trade receivables, net	215,861	230,179
Notes and mortgage receivables, net	2,140	2,532
Inventories, net	68,226	64,919
Prepaid expenses	58,473	53,262
Investments, fixed maturities and marketable equities	695,923	695,958
Investments, other	184,566	209,361
Deferred policy acquisition costs, net	52,470	47,821
Other assets	99,978	102,094
Related party assets	252,679	270,468
	<u>1,872,174</u>	<u>1,832,053</u>
Property, plant and equipment, at cost:		
Land	186,252	175,785
Buildings and improvements	760,659	739,603
Furniture and equipment	285,178	281,371
Rental trailers and other rental equipment	201,129	201,273
Rental trucks	1,401,701	1,331,891
SAC Holding II - property, plant and equipment	79,542	79,217
	<u>2,914,461</u>	<u>2,809,140</u>
Less: Accumulated depreciation	<u>(1,277,521)</u>	<u>(1,273,975)</u>
Total property, plant and equipment	<u>1,636,940</u>	<u>1,535,165</u>
Total assets	<u>\$ 3,509,114</u>	<u>\$ 3,367,218</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued expenses	\$ 254,604	\$ 235,878
AMERCO's notes and loans payable	1,045,638	965,634
SAC Holding II notes and loans payable, non-recourse to AMERCO	75,918	76,232
Policy benefits and losses, claims and loss expenses payable	794,572	800,413
Liabilities from investment contracts	432,557	449,149
Other policyholders' funds and liabilities	6,580	7,705
Deferred income	23,632	21,346
Deferred income taxes	118,097	108,092
Related party liabilities	3,400	7,165
Total liabilities	<u>2,754,998</u>	<u>2,671,614</u>
Commitments and contingencies (notes 3, 6 and 7)		
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; 6,100,000 shares issued and outstanding as of June 30 and March 31, 2006	-	-
Series B preferred stock, with no par value, 100,000 shares authorized; none issued and outstanding as of June 30 and March 31, 2006	-	-
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; 3,716,181 shares issued as of June 30 and March 31, 2006	929	929
Common stock of \$0.25 par value, 150,000,000 shares authorized; 38,269,518 issued as of June 30 and March 31, 2006	9,568	9,568
Additional paid-in capital	373,151	367,655
Accumulated other comprehensive loss	(28,351)	(28,902)
Retained earnings	825,964	773,784
Cost of common shares in treasury, net (20,701,096 shares as of June 30 and March 31, 2006)	(418,092)	(418,092)
Unearned employee stock ownership plan shares	(9,053)	(9,338)
Total stockholders' equity	<u>754,116</u>	<u>695,604</u>
Total liabilities and stockholders' equity	<u>\$ 3,509,114</u>	<u>\$ 3,367,218</u>

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

AMERCO AND CONSOLIDATED ENTITIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Quarter Ended June 30,	
	2006	2005
	(Unaudited)	
	(In thousands, except share and per share amounts)	
Revenues:		
Self-moving equipment rentals	\$ 407,234	\$ 401,260
Self-storage revenues	30,431	28,768
Self-moving and self-storage products and service sales	67,451	66,563
Property management fees	3,847	4,440
Life insurance premiums	30,919	29,589
Property and casualty insurance premiums	5,382	4,824
Net investment and interest income	13,830	13,714
Other revenue	7,933	10,300
Total revenues	<u>567,027</u>	<u>559,458</u>
Costs and expenses:		
Operating expenses	261,379	266,792
Commission expenses	49,536	48,018
Cost of sales	32,316	31,044
Benefits and losses	30,606	27,314
Amortization of deferred policy acquisition costs	5,626	6,198
Lease expense	37,727	33,295
Depreciation, net of (gains) losses on disposals	39,671	34,237
Total costs and expenses	<u>456,861</u>	<u>446,898</u>
Earnings from operations	110,166	112,560
Interest expense	(18,462)	(19,636)
Fees on early extinguishment of debt	-	(35,627)
Pretax earnings	91,704	57,297
Income tax expense	(36,283)	(22,235)
Net earnings	55,421	35,062
Less: Preferred stock dividends	(3,241)	(3,241)
Earnings available to common shareholders	<u>\$ 52,180</u>	<u>\$ 31,821</u>
Basic and diluted earnings per common share	<u>\$ 2.50</u>	<u>\$ 1.53</u>
Weighted average common shares outstanding:		
Basic and diluted	<u>20,897,688</u>	<u>20,836,458</u>

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 June 30,	
	2006	2005
	(Unaudited)	
	(In thousands)	
Comprehensive income:		
Net earnings	\$ 55,421	\$ 35,062
Other comprehensive income (loss), net of tax:		
Foreign currency translation	1,922	(1,970)
Unrealized loss on investments, net	(2,586)	(5,540)
Fair market value of cash flow hedges	1,215	(409)
Total comprehensive income	<u>\$ 55,972</u>	<u>\$ 27,143</u>

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

AMERCO AND CONSOLIDATED ENTITIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Quarter Ended June 30,	
	2006	2005
	(Unaudited)	
	(In thousands)	
Cash flow from operating activities:		
Net earnings	\$ 55,421	\$ 35,062
Depreciation	40,666	30,925
Amortization of deferred policy acquisition costs	5,626	6,677
Change in provision for losses on trade receivables	(32)	(601)
Change in provision for losses on mortgage notes	(10)	-
Net (gain) loss on sale of real and personal property	(995)	3,312
Net (gain) loss on sale of investments	553	(1,453)
Write-off of unamortized debt issuance costs	-	13,629
Deferred income taxes	14,253	12,788
Net change in other operating assets and liabilities:		
Reinsurance recoverables and trade receivables	17,780	(2,287)
Inventories	(3,201)	(2,246)
Prepaid expenses	(3,079)	(816)
Capitalization of deferred policy acquisition costs	(2,386)	(2,508)
Other assets	2,132	(29,461)
Related party assets	28,624	(13,813)
Accounts payable and accrued expenses	14,561	10,510
Policy benefits and losses, claims and loss expenses payable	(14,610)	2,907
Other policyholders' funds and liabilities	(1,273)	(13,528)
Deferred income	2,257	3,721
Related party liabilities	(6,083)	(1,119)
Net cash provided by operating activities	150,204	51,699
Cash flows from investing activities:		
Purchases of:		
Property, plant and equipment	(166,999)	(75,437)
Short term investments	(53,131)	(55,390)
Fixed maturities investments	(32,272)	(84,217)
Mortgage loans	(7,305)	(1,250)
Proceeds from sale of:		
Property, plant and equipment	28,692	15,145
Short term investments	82,228	94,728
Fixed maturities investments	21,852	60,793
Cash received in excess of purchase for company acquired	1,233	-
Equity securities	-	5,759
Preferred stock	125	417
Other asset investments, net	-	872
Real estate	877	693
Mortgage loans	2,086	3,034
Payments from notes and mortgage receivables	403	71
Net cash used by investing activities	(122,211)	(34,782)
Cash flows from financing activities:		
Borrowings from credit facilities	87,376	1,034,188

Principal repayments on credit facilities	(8,136)	(860,563)
Debt issuance costs	(1,437)	-
Leveraged Employee Stock Ownership Plan - repayments from loan	285	438
Preferred stock dividends paid	(3,241)	(3,241)
Investment contract deposits	4,251	5,670
Investment contract withdrawals	(20,843)	(17,896)
Net cash provided by financing activities	<u>58,255</u>	<u>158,596</u>
Effects of exchange rate on cash	151	(1,970)
Increase in cash equivalents	86,399	173,543
Cash and cash equivalents at the beginning of period	155,459	55,955
Cash and cash equivalents at the end of period	<u>\$ 241,858</u>	<u>\$ 229,498</u>

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

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006, June 30, 2005 (Unaudited) and March 31, 2006

1. Basis of Presentation

The first fiscal quarter for AMERCO ends on the 30th of June for each year that is referenced. Our insurance company subsidiaries have a first quarter that ends on the 31st of March for each year that is referenced. They have been consolidated on that basis. Consequently, all references to our insurance subsidiaries' years 2006 and 2005 correspond to the Company's fiscal years 2007 and 2006, respectively.

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

The consolidated financial statements for the first quarter of fiscal 2007 and fiscal 2006, and the balance sheet as of March 31, 2006 include the accounts of AMERCO, its wholly-owned subsidiaries and SAC Holding II Corporation and its subsidiaries ("SAC Holding II").

The condensed consolidated balance sheet as of June 30, 2006 and the related condensed consolidated statements of operations, comprehensive income, and cash flow for the first quarters of fiscal 2007 and 2006 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 2006 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 its wholly-owned subsidiary

North American Fire & Casualty Insurance Company ("NAFCIC"),

Oxford Life Insurance Company ("Oxford") and its wholly-owned subsidiaries

North American Insurance Company ("NAI")

Christian Fidelity Life Insurance Company ("CFLIC")

Dallas General Life Insurance Company ("DGLIC"),

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 four reportable segments. They are Moving and Storage Operations, Property and Casualty Insurance, Life Insurance and SAC Holding II.

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 subsidiary. 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 originates and reinsures annuities, ordinary life, group life, disability coverage and Medicare supplement insurance. Oxford also administers the self-insured employee health and dental plans for Arizona employees of the Company.

SAC Holding Corporation and its subsidiaries, and SAC Holding II Corporation and its subsidiaries, collectively referred to as “SAC Holdings”, own 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 Holdings’ properties entitling AMERCO to potential future income based on the financial performance of these properties. With respect to SAC Holding II, AMERCO is considered the primary beneficiary of these contractual interests. Consequently, we include the results of SAC Holding II in the consolidated financial statements of AMERCO, as required by FIN 46(R).

2. Earnings per Share

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

The shares used in the computation of the Company’s basic and diluted earnings per common share were as follows:

	Quarter Ended June 30,	
	2006	2005
	(Unaudited)	
Basic and diluted earnings per common share	\$ 2.50	\$ 1.53
Weighted average common share outstanding:		
Basic and diluted	20,897,688	20,836,458

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 380,658 and 444,092 as of June 30, 2006 and June 30, 2005, 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:

	<u>2006 Rate (a)</u>	<u>Maturities</u>	<u>June 30,</u> <u>2006</u>	<u>March 31,</u> <u>2006</u>
			(Unaudited)	
			(In thousands)	
Real estate loan (floating)	7.17%	2010	\$ 242,585	\$ 242,585
Senior mortgages	5.47%-5.75%	2015	529,347	531,309
Mezzanine loan (floating)	10.76%	2007	18,983	19,393
Fleet loans (amortizing term)	6.92%	2012-2013	164,723	82,347
Fleet loan (revolving credit)	6.92%	2010	90,000	90,000
Construction loan (revolving credit)	-	2009	-	-
Total AMERCO notes and loans payable			<u>\$ 1,045,638</u>	<u>\$ 965,634</u>

(a) Interest rate as of June 30, 2006

Real Estate Backed Loan

Amerco Real Estate Company and certain of its subsidiaries and U-Haul Company of Florida are borrowers under a Real Estate Loan. The lender is Merrill Lynch Commercial Finance Corp. The original amount of the Real Estate Loan was \$465.0 million and is due June 10, 2010. The borrowers have the right to extend the maturity twice, for up to one year each time. U-Haul International, Inc. is a guarantor of this loan.

The Real Estate Loan requires monthly principal and interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. The Real Estate Loan is secured by various properties owned by the borrowers. The principal payments of \$222.4 million made in the second quarter of fiscal 2006 were sufficient to allow us to make interest only payments in the first quarter of fiscal 2007.

The interest rate, per the provisions of the Loan Agreement, is the applicable London Inter-Bank Offer Rate ("LIBOR") plus the applicable margin. At June 30, 2006 the applicable LIBOR was 5.17% and the applicable margin was 2.00%, the sum of which was 7.17%. The applicable margin ranges from 2.00% to 2.75% and is based on the ratio of the excess of the average daily amount of loans divided by a fixed percentage of the appraised value of the properties collateralizing the loan, compared with the most recently reported twelve months of Combined Net Operating Income ("NOI"), as that term is defined in the Loan Agreement.

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.

Senior Mortgages

Various subsidiaries of Amerco Real Estate Company and U-Haul International, Inc. are borrowers under the Senior Mortgages. The lenders for the Senior Mortgages are Merrill Lynch Mortgage Lending, Inc. and Morgan Stanley Mortgage Capital, Inc. The Senior Mortgages are in the aggregate amount of \$472.1 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. The Senior Mortgages are secured by certain properties owned by the borrowers. The interest rates, per the provisions of the Senior Mortgages, are 5.68% per annum for the Merrill Lynch Mortgage Lending Agreement and 5.52% per annum for the Morgan Stanley Mortgage Capital Agreement. The default provisions of the 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.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

U-Haul Company of Canada is the borrower under a mortgage backed loan. The loan was arranged by Merrill Lynch Canada and is in the amount of \$10.0 million (\$11.2 million Canadian currency). The loan is secured by certain properties owned by the borrower. The loan was entered into on June 29, 2005 at a rate of 5.75%. The loan requires monthly principal and interest payments with the unpaid loan balance and accrued and unpaid interest due at maturity. It has a twenty-five year amortization with a maturity of July 1, 2015. The default provisions of the 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.

A subsidiary of Amerco Real Estate Company is a borrower under a mortgage backed loan. The lender is Morgan Stanley Mortgage Capital, Inc. and the loan is in the amount of \$23.8 million. The loan was entered into on August 17, 2005 at a rate of 5.47%. The loan is secured by certain properties owned by the borrower. The loan requires monthly principal and interest payments with the unpaid loan balance and accrued and unpaid interest due at maturity. It has a twenty-five year amortization with a maturity of September 17, 2015. The default provisions of the 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.

Various subsidiaries of Amerco Real Estate Company and U-Haul International, Inc. are borrowers under a mortgage backed loan. The lender is Lehman Brothers Bank, FSB and the loan is in the amount of \$23.4 million. The loan was entered into on October 6, 2005 at a rate of 5.72%. The loan is secured by certain properties owned by the borrower. The loan requires monthly principal and interest payments with the unpaid loan balance and accrued and unpaid interest due at maturity. It has a twenty-five year amortization with a maturity of October 11, 2015. The default provisions of the 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.

Mezzanine Loan

Various subsidiaries of Amerco Real Estate Company and U-Haul International, Inc. are borrowers under the CMBS Mezzanine Loan. The lender is Morgan Stanley Mortgage Capital, Inc. and is in the amount of \$19.0 million. The loan was entered into on August 12, 2005. The interest rate per the provision of the loan agreement is the applicable LIBOR plus a margin of 5.65%. At June 30, 2006 the applicable LIBOR was 5.11%. The loan requires monthly principal and interest payments with the unpaid loan balance and accrued and unpaid interest due at maturity. It has a ten year amortization with a maturity of September 1, 2007. Amerco Real Estate Company and U-Haul International, Inc. are guarantors of the loan. The default provisions of the 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. On June 2, 2006, we notified the lender of our intent to prepay the entire loan in full on August 30, 2006. There are no prepayment fees or penalties associated with the planned prepayment of this loan.

Fleet Loans

Rental Truck Amortizing Loans

U-Haul International, Inc. and several of its subsidiaries are borrowers under an amortizing term loan. The lender is Merrill Lynch Commercial Finance Corp. The maximum amount that can be borrowed is \$150.0 million and is due six years following the last draw down. As of June 30, 2006 the Company had drawn the maximum amount of the term loan. The Company's outstanding balance at June 30, 2006 was \$139.7 million.

The Merrill Lynch Rental Truck Amortizing Loan requires monthly principal and interest payments, with the unpaid loan balance and accrued unpaid interest due at maturity. The Merrill Lynch Rental Truck Amortizing Loan was used to purchase new trucks between the months of November 2005 through April 2006. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus a margin between 1.50% and 1.75%. At June 30, 2006 the applicable LIBOR was 5.17% and the applicable margin was 1.75%. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

U-Haul International, Inc. and several of its subsidiaries are borrowers under an amortizing term loan. The lender is BTMU Capital Corporation ("BTMU"). The maximum amount that can be borrowed is \$150.0 million and is due six years following the last draw down. As of June 30, 2006 the Company had drawn down \$25.0 million. The Company's outstanding balance at June 30, 2006 was \$25.0 million.

The BTMU Rental Truck Amortizing Loan requires monthly principal and interest payments, with the unpaid loan balance and accrued unpaid interest due at maturity. The BTMU Rental Truck Amortizing Loan can be used to purchase new trucks between the months of June 2006 through November 2006. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus a margin between 1.25% and 1.75%. At June 30, 2006 the applicable LIBOR was 5.17% and the applicable margin was 1.75%. AMERCO and U-Haul International, Inc. are guarantors of the loan. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants.

U-Haul International, Inc. and several of its subsidiaries are borrowers under an amortizing term loan. The lender is Bayerische Hypo- und Vereinsbank AG ("HVB"). The maximum amount that can be borrowed is \$50.0 million and is due seven years following the last draw down. As of June 30, 2006 the Company had not made any draw downs.

The HVB Rental Truck Amortizing Loan requires monthly principal and interest payments, with the unpaid loan balance and accrued unpaid interest due at maturity. The HVB Rental Truck Amortizing Loan can be used to purchase new trucks between the months of June 2006 through July 2006. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus a margin between 1.25% and 1.75%. 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.

Revolving Credit Agreement

U-Haul International, Inc. and several of its subsidiaries are borrowers under a revolving credit facility. The lender is Merrill Lynch Commercial Finance Corp. The maximum amount that can be drawn is \$150.0 million and is due July 2010. As of June 30, 2006 the Company had \$60.0 million available under this revolving credit facility.

The Revolving Credit Agreement requires monthly interest payments, with the unpaid loan balance and accrued unpaid interest due at maturity. The Revolving Credit Agreement is secured by various older rental trucks. The maximum amount that we can draw down under the Revolving Credit Agreement reduces by \$50.0 million after the third year and another \$50.0 million after the fourth year. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus a margin of 1.75%. At June 30, 2006 the applicable LIBOR was 5.17%. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants.

Construction Loan

Amerco Real Estate Company and a subsidiary of U-Haul International, Inc. entered into a revolving credit facility with MidFirst Bank 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 June 30, 2006 the Company had not drawn on this line.

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 will be 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%. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Annual Maturities of AMERCO Consolidated Notes and Loans Payable

The annual maturity of AMERCO consolidated long-term debt as of June 30, 2006 for the next five years and thereafter is as follows:

	Year Ending June 30,					
	2007	2008	2009	2010	2011	Thereafter
	(Unaudited)					
	(In thousands)					
Notes payable, secured	\$ 43,496	\$ 26,087	\$ 27,762	\$ 69,547	\$ 395,775	\$ 482,971

SAC Holding II Notes and Loans Payable to Third Parties

SAC Holding II notes and loans payable to third parties were as follows:

	June 30,	March 31,
	2006	2006
	(Unaudited)	
	(In thousands)	
Notes payable, secured, 7.87% interest rate, due 2027	\$ 75,918	\$ 76,232

Secured notes payable are secured by deeds of trusts on the collateralized land and buildings. Principal and interest payments on notes payable to third party lenders are due monthly in the amount of \$0.6 million. Certain notes payable contain provisions whereby the loans may not be prepaid at any time prior to the maturity date without payment to the lender of a Yield Maintenance Premium, as defined in the loan agreements.

On March 15, 2004, the SAC entities issued \$200.0 million aggregate principal amount of 8.5% senior notes due 2014 (the "new SAC notes"). SAC Holding Corporation and SAC Holding II Corporation are jointly and severally liable for these obligations. The proceeds from this issuance flowed exclusively to SAC Holding Corporation and as such SAC Holding II has recorded no liability for this. On August 30, 2004, SAC Holdings paid down \$43.2 million on this note.

Annual Maturities of SAC Holding II Notes and Loans Payable to Third Parties

The annual maturity of SAC Holding II long-term debt as of June 30, 2006 for the next five years and thereafter is as follows:

	Year Ending June 30,					
	2007	2008	2009	2010	2011	Thereafter
	(Unaudited)					
	(In thousands)					
Notes payable, secured	\$ 1,339	\$ 1,467	\$ 1,688	\$ 1,826	\$ 1,975	\$ 67,623

W.P. Carey Transactions

In 1999, AMERCO, U-Haul and Real Estate entered into financing agreements for the purchase and construction of self-storage facilities with the Bank of Montreal and Citibank (the "leases" or the "synthetic leases"). Title to the real property subject to these leases was held by non-affiliated entities.

These leases were amended and restated on March 15, 2004. In connection with such amendment and restatement, we paid down approximately \$31.0 million of lease obligations and entered into leases with a three year term, with four one year renewal options. After such pay down, our lease obligation under the amended and restated synthetic leases was approximately \$218.5 million.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

On April 30, 2004, the amended and restated leases were terminated and the properties underlying these leases were sold to UH Storage (DE) Limited Partnership, an affiliate of W. P. Carey. U-Haul entered into a ten year operating lease with W. P. Carey (UH Storage DE) for a portion of each property (the portion of the property that relates to U-Haul's truck and trailer rental and moving supply sales businesses). The remainder of each property (the portion of the property that relates to self-storage) was leased by W. P. Carey (UH Storage DE) to Mercury Partners, LP ("Mercury") pursuant to a twenty year lease. These events are referred to as the "W. P. Carey Transactions." As a result of the W. P. Carey Transactions, we no longer have a capital lease related to these properties.

The sales price for these transactions was \$298.4 million and cash proceeds were \$298.9 million. The Company realized a gain on the transaction of \$2.7 million, which is being amortized over the life of the lease term.

As part of the W. P. Carey Transactions, U-Haul entered into agreements to manage these properties (including the portion of the properties leased by Mercury). These management agreements allow us to continue to operate the properties as part of the U-Haul moving and self-storage system.

U-Haul's annual lease payments under the new lease are approximately \$10.0 million per year, with Consumer Price Index ("CPI") inflation adjustments beginning in the sixth year of the lease. The lease term is ten years, with a renewal option for an additional ten years. Upon closing of the W. P. Carey Transactions, we made a \$22.9 million earn-out deposit, providing us with the opportunity to be reimbursed for certain capital improvements we previously made to the properties, and a \$5.0 million security deposit. U-Haul met the requirements under the lease regarding the return of the earn-out deposit which was refunded in fiscal 2006.

The property management agreement we entered into with Mercury provides that Mercury will pay U-Haul a management fee based on gross self-storage rental revenues generated by the properties. During the first quarter of fiscal 2007, U-Haul received \$0.4 million in management fees from Mercury.

4. Interest on Borrowings

Interest Expense

Expenses associated with loans outstanding were as follows:

	Quarter Ended June 30,	
	2006	2005
	(Unaudited)	
	(In thousands)	
Interest expense	\$ 16,557	\$ 18,101
Capitalized interest	(42)	(44)
Amortization of transaction costs	1,298	-
Interest expense (income) resulting from derivatives	(863)	42
Write-off of transaction costs related to early extinguishment of debt	-	14,384
Fees on early extinguishment of debt	-	21,243
Total AMERCO interest expense	16,950	53,726
SAC Holding II interest expense	3,394	3,130
Less: Intercompany transactions	1,882	1,593
Total SAC Holding II interest expense	1,512	1,537
Total	\$ 18,462	\$ 55,263

Interest paid in cash by AMERCO (excluding any fees from the early extinguishment of debt) amounted to \$16.1 million and \$17.9 million for the first quarters of fiscal 2007 and 2006, respectively. Early extinguishment fees paid in cash by AMERCO were \$21.2 million in the first quarter of fiscal 2006.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

The exposure to market risk for changes in interest rates relates primarily to our variable rate debt obligations. We have used interest rate swap and interest rate cap agreements to provide for matching the gain or loss recognition on the hedging instrument with the recognition of the changes in the cash flows associated with the hedged asset or liability attributable to the hedged risk or the earnings effect of the hedged forecasted transaction. On June 8, 2005 the Company entered into separate interest rate swap contracts 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, which were designated as cash flow hedges effective July 1, 2005. On May 13, 2004 the Company entered into separate interest rate cap contracts for \$200.0 million of our variable rate debt over a two year term and for \$50.0 million of our variable rate debt over a three year term, however these contracts were dedesignated as cash flow hedges effective July 11, 2005 when the Real Estate loan was paid down by \$222.4 million. On November 15, 2005 the Company entered into a forward starting interest rate swap contract for \$142.3 million of a variable rate debt over a six year term that started on May 10, 2006. On June 21, 2006 the Company entered into an interest rate swap contract for \$50.0 million of our variable rate debt over a seven year term that started on July 10, 2006. On June 9, 2006 the Company entered into an interest rate swap contract for \$144.9 million of a variable rate debt over a six year term that will start on October 10, 2006. These interest rate swap agreements were designated cash flow hedges on their effective dates.

Interest Rates

Interest rates and Company borrowings were as follows:

	Revolving Credit Activity	
	Quarter Ended June 30,	
	2006	2005
	(Unaudited)	
	(In thousands, except interest rates)	
Weighted average interest rate during the quarter	6.74%	6.64%
Interest rate at the end of the quarter	6.92%	N/A
Maximum amount outstanding during the quarter	\$ 90,000	\$ 158,012
Average amount outstanding during the quarter (a)	\$ 90,000	\$ 124,186

(a) Amount for June 30, 2005 is prior to the June 8, 2005 refinancing

5. Comprehensive Income (Loss)

A summary of accumulated other comprehensive income (loss) components, net of tax, were as follows:

	Foreign Currency Translation	Unrealized Gain (Loss) on Investments	Fair Market Value of Cash Flow Hedge	Accumulated Other Comprehensive Income (Loss)
	(Unaudited)			
	(In thousands)			
Balance at March 31, 2006	\$ (34,247)	\$ 717	\$ 4,628	\$ (28,902)
Foreign currency translation	1,922	-	-	1,922
Unrealized loss on investments	-	(2,586)	-	(2,586)
Change in fair market value of cash flow hedge	-	-	1,215	1,215
Balance at June 30, 2006	\$ (32,325)	\$ (1,869)	\$ 5,843	\$ (28,351)

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 2010, with the exception of one land lease expiring in 2034. At June 30, 2006, AMERCO has guaranteed \$195.7 million of residual values for these 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 the 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 related to these types of residual rate guarantee.

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 June 30:			
2007	\$ 11,727	\$ 122,646	\$ 134,373
2008	11,433	91,144	102,577
2009	11,188	75,847	87,035
2010	10,750	61,439	72,189
2011	10,596	41,795	52,391
Thereafter	32,726	36,723	69,449
Total	<u>\$ 88,420</u>	<u>\$ 429,594</u>	<u>\$ 518,014</u>

7. Contingencies

Shoen

On September 24, 2002, Paul F. Shoen filed a derivative action in the Second Judicial District Court of the State of Nevada, Washoe County, captioned Paul F. Shoen vs. SAC Holding Corporation et al., CV02-05602, 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 a nominal defendant for purposes of the derivative action. 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 Holdings over the last several years. The complaint seeks a declaration that such transfers are void as well as unspecified damages. On October 28, 2002, AMERCO, the Shoen directors, the non-Shoen directors and SAC Holdings filed Motions to Dismiss the complaint. In addition, on October 28, 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 on January 16, 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. These additional suits are substantially similar to the Paul F. Shoen derivative action. The five suits assert virtually identical claims. In fact, three of the five plaintiffs are parties who are working closely together and chose to file the same claims multiple times. These lawsuits alleged that the AMERCO Board lacked independence. In reaching its decision to dismiss these claims, the court determined that the AMERCO Board of Directors had the requisite level of independence required in order to have these claims resolved by the Board. The court consolidated all five complaints before dismissing them on May 28, 2003. Plaintiffs appealed and, on September 12, 2005 the Nevada Supreme Court heard oral arguments. On July 13, 2006, the Nevada Supreme Court reviewed and remanded the claim to the trial court for proceedings consistent with its ruling.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Securities Litigation

AMERCO is a defendant in a consolidated putative class action lawsuit entitled “In Re AMERCO Securities Litigation”, United States District Court, Case No. CV-N-03-0050-ECR (RAM). The action alleges claims for violation of Section 10(b) of the Securities Exchange Act and Rule 10b-5 there under, section 20(a) of the Securities Exchange Act of 1934 and sections 11, 12, and 15 of the Securities Act of 1933. The action alleges, among other things, that AMERCO engaged in transactions with the SAC entities that falsely improved AMERCO’s financial statements and that AMERCO failed to disclose the transactions properly. The action has been transferred to the United States District Court, District of Arizona and assigned to Judge Bryan. Motions to Dismiss are fully briefed and are before the court. Prior to the ruling on the Motions to Dismiss, the parties have agreed to a settlement in principle, subject to final documentation and approval by the Court. The settlement in the amount of \$5.0 million will be covered by AMERCO’s D&O insurance carrier.

Securities and Exchange Commission

In early 2003, the Securities and Exchange Commission (“SEC”) issued a formal order of investigation to determine whether the Company had violated federal securities laws. During the course of the investigation the Company produced and delivered all requested documents and information and provided testimony from all requested witnesses to the SEC. On July 10, 2006, the SEC terminated their investigation, with no action taken against the Company.

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 loss.

Compliance with environmental requirements of federal, state and local governments significantly affects 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 have a material adverse effect on AMERCO’s financial position or operating results. Real Estate expects to spend approximately \$6.3 million 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 managements’ 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.

During the first quarter of fiscal 2007 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"), 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, except for minority investments made by RepWest and Oxford in a SAC Holdings-controlled limited partnership which holds Canadian self-storage properties. The Company recorded interest income of \$5.3 million and \$5.4 million, and received cash interest payments of \$34.2 million and \$4.9 million, from SAC Holdings during the first quarter of fiscal 2007 and 2006, respectively. The \$34.2 million payment in the first quarter of fiscal 2007 reduced the outstanding interest receivable from SAC Holdings to \$21.5 million. The largest aggregate amount of notes receivable outstanding during the first quarter of fiscal 2007 and the aggregate notes receivable balance at June 30, 2006 was \$203.7 million, of which \$75.1 million is with SAC Holding II and has been eliminated in the consolidating financial statements.

Interest accrues on the outstanding principal balance of junior notes of SAC Holdings that the Company holds at a stated rate of basic interest. A fixed portion of that basic interest is paid on a monthly basis.

Additional interest is paid on the same payment date based on the amount of remaining basic interest and of 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 is 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 90% of the appreciation realized upon, among other things, the sale of such property by SAC Holdings.

The Company currently manages the self-storage properties owned or leased by SAC Holdings, Mercury, 4 SAC, 5 SAC, Galaxy, and Private Mini Storage Realty ("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 expenses, of \$4.4 million, and \$4.0 million from the above mentioned entities during the first quarter of fiscal 2007 and 2006, 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.

RepWest and Oxford currently hold a 46% limited partnership interest in Securespace Limited Partnership ("Securespace"), a Nevada limited partnership. A SAC Holdings subsidiary serves as the general partner of Securespace and owns a 1% interest. Another SAC Holdings subsidiary owns the remaining 53% limited partnership interest in Securespace. Securespace was formed by SAC Holdings to be the owner of various Canadian self-storage properties. RepWest's and Oxford's investment in Securespace is included in Related Party Assets and is accounted for using the equity method. We do not believe that the carrying amount of their investments in Securespace is in excess of fair value.

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 \$0.7 million and \$0.7 million in first quarter of fiscal 2007 and 2006, 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.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

At June 30, 2006, 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. During the first quarter of fiscal 2007 and 2006, the Company paid the above mentioned entities \$10.1 million and \$9.3 million, respectively in commissions pursuant to such dealership contracts.

These agreements with subsidiaries of SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini, excluding dealer agreements, provided revenue of \$9.3 million, expenses of \$0.7 million and cash flows of \$37.5 million during the first quarter of fiscal 2007. Revenues and commission expenses related to the Dealer Agreements were \$46.5 million and \$10.1 million, respectively.

SAC Holdings was 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 and the Company's outstanding loans to SAC Holdings entitle the Company to participate in SAC Holdings' excess cash flows (after senior debt service).

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 revenue from the SAC Holdings self-storage properties that the Company manages and to participate in SAC Holdings' excess cash flows as described above.

During 1997, Private Mini secured a \$225.0 million line of credit with a financing institution, which was subsequently reduced in accordance with its terms to \$125.0 million in December 2001. Under the terms of this credit facility, AMERCO entered into a support party agreement with Private Mini whereby upon default or noncompliance with certain debt covenants by Private Mini, AMERCO assumes responsibility in fulfilling all obligations related to this credit facility. In 2003, the support party obligation was bifurcated into two separate support party obligations; one consisting of a \$55.0 million support party obligation and one consisting of a \$70.0 million support party obligation. At March 31, 2003, \$55.0 million of AMERCO's support party obligation had been triggered. AMERCO satisfied the \$55.0 million obligation by issuing notes to the Private Mini creditor, and we correspondingly increased our receivable from Private Mini by \$55.0 million. Interest from Private Mini on this receivable is being recorded by AMERCO on a regular basis. The Company expects to fully recover this amount. Under the terms of FIN 45, the remaining \$70.0 million support party obligation was recognized by the Company as a liability at March 31, 2004 and March 31, 2003. This resulted in AMERCO increasing Other Liabilities by \$70.0 million and increasing our receivable from Private Mini by an additional \$70.0 million. At March 31, 2005, the Company revalued the FIN 45 liability to \$2.9 million. Effective July 15, 2005 the \$70.0 million support party obligation was terminated and AMERCO is no longer obligated on behalf of Private Mini. The \$2.9 million liability recorded in the Company's books was eliminated at the time the support party obligation was terminated. Private Mini is now a wholly-owned subsidiary of 4 SAC and 5 SAC.

In prior years, U-Haul sold various properties to SAC Holding Corporation 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, 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.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Independent fleet owners own approximately 2.2% of all U-Haul rental trailers. There are approximately 561 independent fleet owners, including certain officers, directors, employees and stockholders of AMERCO. Such AMERCO officers, directors, employees and stockholders owned less than 1.0% of all U-Haul rental trailers during the first quarter of fiscal 2007 and 2006, respectively. Payments to these individuals under this program are de minimis (less than one thousand dollars per quarter, per person). All rental equipment is operated under contract with U-Haul whereby U-Haul administers the operations and marketing of such equipment and in return receives a percentage of rental fees paid by customers. Based on the terms of various contracts, rental fees are distributed to U-Haul (for services as operators), to the fleet owners (including certain subsidiaries and related parties of U-Haul) and to rental dealers (including Company-operated U-Haul Centers).

Related Party Assets

	June 30,	March 31,
	2006	2006
	(Unaudited)	(Unaudited)
	(In thousands)	(In thousands)
Private Mini notes, receivables and interest	\$ 72,696	\$ 74,427
Oxford note receivable from SAC Holding Corporation	5,040	5,040
U-Haul notes receivable from SAC Holding Coporation	123,578	123,578
U-Haul interest receivable from SAC Holding Corporation	20,944	42,189
U-Haul receivable from SAC Holding Corporation	14,137	5,688
SAC Holding II receivable from parent	-	2,900
U-Haul receivable from Mercury	2,888	2,342
Oxford and RepWest investment in Securespace	11,634	11,585
Other	1,762	2,719
	<u>\$ 252,679</u>	<u>\$ 270,468</u>

Related Party Liabilities

	June 30,	March 31,
	2006	2006
	(Unaudited)	(Unaudited)
	(In thousands)	(In thousands)
SAC Holding II payable to affiliate	\$ 3,400	\$ 7,165

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

9. Consolidating Financial Information by Industry Segment

AMERCO has four reportable segments. They are Moving and Storage Operations, 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 consolidating statements.

This section includes condensed consolidating financial information which presents the condensed consolidating balance sheets as of June 30, 2006 and March 31, 2006 and the related condensed consolidating statements of operations and condensed consolidating cash flow statements for the first quarter of fiscal 2007 and 2006 for:

- (a) Moving and Storage Operations, comprised of AMERCO, U-Haul, and Real Estate and the subsidiaries of U-Haul and Real Estate
- (b) RepWest and its wholly-owned subsidiary
- (c) Oxford and its wholly-owned subsidiaries
- (d) SAC Holding II and its subsidiaries

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 June 30, 2006 are as follows:

	Moving & Storage				Moving & Storage Consolidated	AMERCO Legal Group			AMERCO as Consolidated			Total Consolidated
	AMERCO	U-Haul	Real Estate	Eliminations		Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated	SAC Holding II	Eliminations	
	(Unaudited) (In thousands)											
Assets:												
Cash and cash equivalents	\$ 9	\$ 228,493	\$ 757	\$ -	\$ 229,259	\$ 4,711	\$ 7,888	\$ -	\$ 241,858	\$ -	\$ -	\$ 241,858
Reinsurance recoverables and trade receivables, net	-	18,440	24	-	18,464	181,014	16,383	-	215,861	-	-	215,861
Notes and mortgage receivables, net	-	1,389	751	-	2,140	-	-	-	2,140	-	-	2,140
Inventories, net	-	66,933	-	-	66,933	-	-	-	66,933	1,293	-	68,226
Prepaid expenses	1,082	57,378	-	-	58,460	-	-	-	58,460	13	-	58,473
Investments, fixed maturities and marketable equities	-	-	-	-	-	122,239	573,684	-	695,923	-	-	695,923
Investments, other	-	1,314	6,976	-	8,290	101,680	74,596	-	184,566	-	-	184,566
Deferred policy acquisition costs, net	-	-	-	-	-	1,182	51,288	-	52,470	-	-	52,470
Other assets	5	55,156	38,352	-	93,513	1,732	480	-	95,725	4,253	-	99,978
Related party assets	<u>1,250,081</u>	<u>243,066</u>	<u>12,611</u>	<u>(1,178,220)</u> (d)	<u>327,538</u>	<u>19,924</u>	<u>10,916</u>	<u>(26,636)</u> (d)	<u>331,742</u>	<u>-</u>	<u>(79,063)</u> (d)	<u>252,679</u>
	<u>1,251,177</u>	<u>672,169</u>	<u>59,471</u>	<u>(1,178,220)</u>	<u>804,597</u>	<u>432,482</u>	<u>735,235</u>	<u>(26,636)</u>	<u>1,945,678</u>	<u>5,559</u>	<u>(79,063)</u>	<u>1,872,174</u>
Investment in subsidiaries	(218,301)	-	-	482,768 (c)	264,467	-	-	(264,467) (c)	-	-	-	-
Investment in SAC Holding II	(9,346)	-	-	-	(9,346)	-	-	-	(9,346)	-	9,346 (c)	-
Total investment in subsidiaries and SAC Holding II	(227,647)	-	-	482,768	255,121	-	-	(264,467)	(9,346)	-	9,346	-
Property, plant and equipment, at cost:												
Land	-	29,655	156,597	-	186,252	-	-	-	186,252	-	-	186,252
Buildings and improvements	-	85,262	675,397	-	760,659	-	-	-	760,659	-	-	760,659
Furniture and equipment	2,591	264,687	17,900	-	285,178	-	-	-	285,178	-	-	285,178
Rental trailers and other rental equipment	-	201,129	-	-	201,129	-	-	-	201,129	-	-	201,129
Rental trucks	-	1,401,701	-	-	1,401,701	-	-	-	1,401,701	-	-	1,401,701
SAC Holding II - property, plant and equipment (b)	-	-	-	-	-	-	-	-	-	153,754	(74,212) (e)	79,542
	2,591	1,982,434	849,894	-	2,834,919	-	-	-	2,834,919	153,754	(74,212)	2,914,461
Less: Accumulated depreciation	(395)	(987,953)	(288,324)	-	(1,276,672)	-	-	-	(1,276,672)	(10,654)	9,805 (e)	(1,277,521)
Total property, plant and equipment	<u>2,196</u>	<u>994,481</u>	<u>561,570</u>	<u>-</u>	<u>1,558,247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,558,247</u>	<u>143,100</u>	<u>(64,407)</u>	<u>1,636,940</u>
Total assets	<u>\$ 1,025,726</u>	<u>\$ 1,666,650</u>	<u>\$ 621,041</u>	<u>\$ (695,452)</u>	<u>\$ 2,617,965</u>	<u>\$ 432,482</u>	<u>\$ 735,235</u>	<u>\$ (291,103)</u>	<u>\$ 3,494,579</u>	<u>\$ 148,659</u>	<u>\$ (134,124)</u>	<u>\$ 3,509,114</u>

(a) Balances as of March 31, 2006

(b) Included in this caption is land of \$57,169, buildings and improvements of \$96,173, and furniture and equipment of \$412

(c) Eliminate investment in subsidiaries and SAC Holding II

(d) Eliminate intercompany receivables and payables

(e) Eliminate gain on sale of property from U-Haul to SAC Holding II

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Consolidating balance sheets by industry segment as of June 30, 2006 are as follows:

	Moving & Storage				AMERCO Legal Group				AMERCO as Consolidated						
	AMERCO	U-Haul	Real Estate	Eliminations	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated	SAC Holding II	Eliminations	Total Consolidated			
	(Unaudited) (In thousands)														
Liabilities:															
Accounts payable and accrued expenses	\$ 30,010	\$ 214,630	\$ 3,889	\$ -	\$ 248,529	\$ -	\$ 4,601	\$ -	\$ 253,130	\$ 1,474	\$ -	\$ 254,604			
AMERCO's notes and loans payable	-	294,826	750,812	-	1,045,638	-	-	-	1,045,638	-	-	1,045,638			
SAC Holding II notes and loans payable, non-recourse to AMERCO	-	-	-	-	-	-	-	-	-	75,918	-	75,918			
Policy benefits and losses, claims and loss expenses payable	-	308,264	-	-	308,264	328,955	157,353	-	794,572	-	-	794,572			
Liabilities from investment contracts	-	-	-	-	-	-	432,557	-	432,557	-	-	432,557			
Other policyholders' funds and liabilities	-	-	-	-	-	4,165	2,415	-	6,580	-	-	6,580			
Deferred income	-	16,661	-	-	16,661	6,136	-	-	22,797	835	-	23,632			
Deferred income taxes	194,893	-	-	-	194,893	(46,364)	(817)	-	147,712	(2,685)	(26,930)	118,097			
Related party liabilities	177	1,142,755	47,675	(1,178,220)	(c)	12,387	2,003	12,246	(26,636)	(c)	82,463	(79,063)	(c)	3,400	
Total liabilities	225,080	1,977,136	802,376	(1,178,220)	1,826,372	294,895	608,355	(26,636)	2,702,986	158,005	(105,993)	2,754,998			
Stockholders' equity:															
Series preferred stock:															
Series A preferred stock	-	-	-	-	-	-	-	-	-	-	-	-			
Series B preferred stock	-	-	-	-	-	-	-	-	-	-	-	-			
Series A common stock	929	-	-	-	929	-	-	-	929	-	-	929			
Common stock	9,568	540	1	(541)	(b)	9,568	3,300	2,500	(5,800)	(b)	9,568	9,568			
Additional paid-in capital	419,222	121,230	147,481	(268,711)	(b)	419,222	80,369	26,271	(106,640)	(b)	419,222	373,151			
Additional paid-in capital - SAC Holding II	-	-	-	-	-	-	-	-	-	4,492	(4,492)	(b)	-		
Accumulated other comprehensive loss	(28,351)	(26,482)	-	26,482	(b)	(28,351)	(505)	(1,364)	1,869	(b)	(28,351)	(28,351)			
Retained earnings (deficit)	817,370	(396,721)	(328,817)	725,538	(b)	817,370	54,423	99,473	(153,896)	(b)	817,370	(13,838)	22,432	(b,d)	825,964
Cost of common shares in treasury, net	(418,092)	-	-	-	(418,092)	-	-	-	(418,092)	-	-	(418,092)			
Unearned employee stock ownership plan shares	-	(9,053)	-	-	(9,053)	-	-	-	(9,053)	-	-	(9,053)			
Total stockholders' equity (deficit)	800,646	(310,486)	(181,335)	482,768	791,593	137,587	126,880	(264,467)	791,593	(9,346)	(28,131)	754,116			
Total liabilities and stockholders' equity	\$ 1,025,726	\$ 1,666,650	\$ 621,041	\$ (695,452)	\$ 2,617,965	\$ 432,482	\$ 735,235	\$ (291,103)	\$ 3,494,579	\$ 148,659	\$ (134,124)	\$ 3,509,114			

(a) Balances as of March 31, 2006

(b) Eliminate investment in subsidiaries and SAC Holding II

(c) Eliminate intercompany receivables and payables

(d) Eliminate gain on sale of property from U-Haul to SAC Holding II

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Consolidating balance sheets by industry segment as of March 31, 2006 are as follows:

	Moving & Storage				Moving & Storage Consolidated	AMERCO Legal Group			AMERCO as Consolidated			Total Consolidated
	AMERCO	U-Haul	Real Estate	Eliminations		Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated	SAC Holding II	Eliminations	
(In thousands)												
Assets:												
Cash and cash equivalents	\$ 7	\$ 140,499	\$ 856	\$ -	\$ 141,362	\$ 9,815	\$ 4,027	\$ -	\$ 155,204	\$ 255	\$ -	\$ 155,459
Reinsurance recoverables and trade receivables, net	-	17,325	25	-	17,350	199,908	12,921	-	230,179	-	-	230,179
Notes and mortgage receivables, net	-	1,333	1,199	-	2,532	-	-	-	2,532	-	-	2,532
Inventories, net	-	63,585	-	-	63,585	-	-	-	63,585	1,334	-	64,919
Prepaid expenses	2,051	51,166	-	-	53,217	-	-	-	53,217	45	-	53,262
Investments, fixed maturities and marketable equities	-	-	-	-	-	108,563	587,395	-	695,958	-	-	695,958
Investments, other	-	1,314	7,853	-	9,167	113,456	86,738	-	209,361	-	-	209,361
Deferred policy acquisition costs, net	-	-	-	-	-	1,160	46,661	-	47,821	-	-	47,821
Other assets	2	54,390	40,866	-	95,258	2,027	438	-	97,723	4,371	-	102,094
Related party assets	1,219,703	262,330	12,671	(1,147,881)	(d) 346,823	24,293	10,915	(30,156)	(d) 351,875	2,900	(84,307)	(d) 270,468
	<u>1,221,763</u>	<u>591,942</u>	<u>63,470</u>	<u>(1,147,881)</u>	<u>729,294</u>	<u>459,222</u>	<u>749,095</u>	<u>(30,156)</u>	<u>1,907,455</u>	<u>8,905</u>	<u>(84,307)</u>	<u>1,832,053</u>
Investment in subsidiaries	(262,277)	-	-	526,979	(c) 264,702	-	-	(264,702)	(c) -	-	-	-
Investment in SAC Holding II	(14,275)	-	-	-	(14,275)	-	-	-	(14,275)	-	14,275	(c) -
Total investment in subsidiaries and SAC Holding II	<u>(276,552)</u>	<u>-</u>	<u>-</u>	<u>526,979</u>	<u>250,427</u>	<u>-</u>	<u>-</u>	<u>(264,702)</u>	<u>(14,275)</u>	<u>-</u>	<u>14,275</u>	<u>-</u>
Property, plant and equipment, at cost:												
Land	-	29,159	146,626	-	175,785	-	-	-	175,785	-	-	175,785
Buildings and improvements	-	78,244	661,359	-	739,603	-	-	-	739,603	-	-	739,603
Furniture and equipment	2,590	260,902	17,879	-	281,371	-	-	-	281,371	-	-	281,371
Rental trailers and other rental equipment	-	201,273	-	-	201,273	-	-	-	201,273	-	-	201,273
Rental trucks	-	1,331,891	-	-	1,331,891	-	-	-	1,331,891	-	-	1,331,891
SAC Holding II - property, plant and equipment (b)	-	-	-	-	-	-	-	-	-	153,429	(74,212)	(e) 79,217
	<u>2,590</u>	<u>1,901,469</u>	<u>825,864</u>	<u>-</u>	<u>2,729,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,729,923</u>	<u>153,429</u>	<u>(74,212)</u>	<u>2,809,140</u>
Less: Accumulated depreciation	(334)	(987,598)	(285,687)	-	(1,273,619)	-	-	-	(1,273,619)	(10,020)	9,664	(e) (1,273,975)
Total property, plant and equipment	<u>2,256</u>	<u>913,871</u>	<u>540,177</u>	<u>-</u>	<u>1,456,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,456,304</u>	<u>143,409</u>	<u>(64,548)</u>	<u>1,535,165</u>
Total assets	<u>\$ 947,467</u>	<u>\$ 1,505,813</u>	<u>\$ 603,647</u>	<u>\$ (620,902)</u>	<u>\$ 2,436,025</u>	<u>\$ 459,222</u>	<u>\$ 749,095</u>	<u>\$ (294,858)</u>	<u>\$ 3,349,484</u>	<u>\$ 152,314</u>	<u>\$ (134,580)</u>	<u>\$ 3,367,218</u>

(a) Balances as of December 31, 2005

(b) Included in this caption is land of \$57,169, buildings and improvements of \$95,876, and furniture and equipment of \$384

(c) Eliminate investment in subsidiaries and SAC Holding II

(d) Eliminate intercompany receivables and payables

(e) Eliminate gain on sale of property from U-Haul to SAC Holding II

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Consolidating balance sheets by industry segment as of March 31, 2006 are as follows:

	Moving & Storage				Moving & Storage Consolidated	AMERCO Legal Group			AMERCO as Consolidated			Total Consolidated
	AMERCO	U-Haul	Real Estate	Eliminations		Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated	SAC Holding II	Eliminations	
(In thousands)												
Liabilities:												
Accounts payable and accrued expenses	\$ 23,405	\$ 203,243	\$ 4,988	\$ -	\$ 231,636	\$ -	\$ 3,188	\$ -	\$ 234,824	\$ 1,054	\$ -	\$ 235,878
AMERCO's notes and loans payable	-	212,133	753,501	-	965,634	-	-	-	965,634	-	-	965,634
SAC Holding II notes and loans payable, non-recourse to AMERCO	-	-	-	-	-	-	-	-	-	76,232	-	76,232
Policy benefits and losses, claims and loss expenses payable	-	295,567	-	-	295,567	352,960	151,886	-	800,413	-	-	800,413
Liabilities from investment contracts	-	-	-	-	-	-	449,149	-	449,149	-	-	449,149
Other policyholders' funds and liabilities	-	-	-	-	-	5,222	2,483	-	7,705	-	-	7,705
Deferred income	-	14,412	-	-	14,412	6,136	-	-	20,548	798	-	21,346
Deferred income taxes	181,355	-	-	-	181,355	(46,219)	2,907	-	138,043	(2,967)	(26,984)	(d) 108,092
Related party liabilities	201	1,134,939	26,994	(1,147,881)	(c) 14,253	3,728	12,175	(30,156)	(c) -	91,472	(84,307)	(c) 7,165
Total liabilities	204,961	1,860,294	785,483	(1,147,881)	1,702,857	321,827	621,788	(30,156)	2,616,316	166,589	(111,291)	2,671,614
Stockholders' equity:												
Series preferred stock:												
Series A preferred stock	-	-	-	-	-	-	-	-	-	-	-	-
Series B preferred stock	-	-	-	-	-	-	-	-	-	-	-	-
Series A common stock	929	-	-	-	929	-	-	-	929	-	-	929
Common stock	9,568	540	1	(541)	(b) 9,568	3,300	2,500	(5,800)	(b) 9,568	-	-	9,568
Additional paid-in capital	413,726	121,230	147,481	(268,711)	(b) 413,726	80,369	26,271	(106,640)	(b) 413,726	-	(46,071)	(d) 367,655
Accumulated other comprehensive income (loss)	(28,902)	(29,996)	-	29,996	(b) (28,902)	386	331	(717)	(b) (28,902)	-	-	(28,902)
Retained earnings (deficit)	765,277	(436,917)	(329,318)	766,235	(b) 765,277	53,340	98,205	(151,545)	(b) 765,277	(14,275)	22,782	(b,d) 773,784
Cost of common shares in treasury, net	(418,092)	-	-	-	(418,092)	-	-	-	(418,092)	-	-	(418,092)
Unearned employee stock ownership plan shares	-	(9,338)	-	-	(9,338)	-	-	-	(9,338)	-	-	(9,338)
Total stockholders' equity (deficit)	742,506	(354,481)	(181,836)	526,979	733,168	137,395	127,307	(264,702)	733,168	(14,275)	(23,289)	695,604
Total liabilities and stockholders' equity	\$ 947,467	\$ 1,505,813	\$ 603,647	\$ (620,902)	\$ 2,436,025	\$ 459,222	\$ 749,095	\$ (294,858)	\$ 3,349,484	\$ 152,314	\$ (134,580)	\$ 3,367,218

(a) Balances as of December 31, 2005

(b) Eliminate investment in subsidiaries and SAC Holding II

(c) Eliminate intercompany receivables and payables

(d) Eliminate gain on sale of property from U-Haul to SAC Holding II

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Consolidating statement of operations by industry segment for the quarter ending June 30, 2006 are as follows:

	Moving & Storage				Moving & Storage Consolidated	AMERCO Legal Group			AMERCO as Consolidated			
	AMERCO	U-Haul	Real Estate	Eliminations		Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated	SAC Holding II	Eliminations	Total Consolidated
	(Unaudited)											
	(In thousands)											
Revenues:												
Self-moving equipment rentals	\$ -	\$ 407,234	\$ -	\$ -	\$ 407,234	\$ -	\$ -	\$ -	\$ 407,234	\$ 2,556	\$ (2,556)	(b) \$ 407,234
Self-storage revenues	-	25,179	410	-	25,589	-	-	-	25,589	4,842	-	30,431
Self-moving & self-storage products & service sales	-	62,699	-	-	62,699	-	-	-	62,699	4,752	-	67,451
Property management fees	-	4,596	-	-	4,596	-	-	-	4,596	-	(749)	(g) 3,847
Life insurance premiums	-	-	-	-	-	-	31,317	(398)	(c) 30,919	-	-	30,919
Property and casualty insurance premiums	-	-	-	-	-	5,382	-	-	5,382	-	-	5,382
Net investment and interest income	1,220	6,568	-	-	7,788	2,686	5,506	(268)	(d) 15,712	-	(1,882)	(d) 13,830
Other revenue	30	8,127	16,823	(18,248)	(b) 6,732	-	1,314	(265)	(b) 7,781	329	(177)	(b) 7,933
Total revenues	1,250	514,403	17,233	(18,248)	514,638	8,068	38,137	(931)	559,912	12,479	(5,364)	567,027
Costs and expenses:												
Operating expenses	4,565	262,807	2,013	(18,248)	(b) 251,137	1,563	6,749	(2,922)	(b,c) 256,527	5,601	(749)	(g) 261,379
Commission expenses	-	52,092	-	-	52,092	-	-	-	52,092	-	(2,556)	(b) 49,536
Cost of sales	-	30,229	-	-	30,229	-	-	-	30,229	2,087	-	32,316
Benefits and losses	-	-	-	-	-	4,182	24,433	1,991	(c) 30,606	-	-	30,606
Amortization of deferred policy acquisition costs	-	-	-	-	-	622	5,004	-	5,626	-	-	5,626
Lease expense	19	37,868	17	-	37,904	-	-	-	37,904	-	(177)	(b) 37,727
Depreciation, net of (gains) losses on disposals	62	37,273	1,808	-	39,143	-	-	-	39,143	668	(140)	(e) 39,671
Total costs and expenses	4,646	420,269	3,838	(18,248)	410,505	6,367	36,186	(931)	452,127	8,356	(3,622)	456,861
Equity in earnings of subsidiaries	43,048	-	-	(40,697)	(f) 2,351	-	-	(2,351)	(f) -	-	-	-
Equity in earnings of SAC Holding II	437	-	-	-	437	-	-	-	437	-	(437)	(f) -
Total - equity in earnings of subsidiaries and SAC Holding II	43,485	-	-	(40,697)	2,788	-	-	(2,351)	437	-	(437)	-
Earnings from operations	40,089	94,134	13,395	(40,697)	106,921	1,701	1,951	(2,351)	108,222	4,123	(2,179)	110,166
Interest income (expense)	22,121	(26,841)	(12,230)	-	(16,950)	-	-	-	(16,950)	(3,394)	1,882	(d) (18,462)
Pretax earnings	62,210	67,293	1,165	(40,697)	89,971	1,701	1,951	(2,351)	91,272	729	(297)	91,704
Income tax expense	(6,876)	(27,097)	(664)	-	(34,637)	(618)	(683)	-	(35,938)	(292)	(53)	(e) (36,283)
Net earnings	55,334	40,196	501	(40,697)	55,334	1,083	1,268	(2,351)	55,334	437	(350)	55,421
Less: Preferred stock dividends	(3,241)	-	-	-	(3,241)	-	-	-	(3,241)	-	-	(3,241)
Earnings available to common shareholders	\$ 52,093	\$ 40,196	\$ 501	\$ (40,697)	\$ 52,093	\$ 1,083	\$ 1,268	\$ (2,351)	\$ 52,093	\$ 437	\$ (350)	\$ 52,180

(a) Balances for the quarter ended March 31, 2006

(b) Eliminate intercompany lease income and commission income

(c) Eliminate intercompany premiums

(d) Eliminate intercompany interest on debt

(e) Eliminate gain on sale of surplus property from U-Haul to SAC Holding II

(f) Eliminate equity in earnings of subsidiaries and equity in earnings of SAC Holding II

(g) Eliminate management fees charged to SAC Holding II and other intercompany operating expenses

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Consolidating statements of operations by industry for the quarter ended June 30, 2005 are as follows:

	Moving & Storage				Moving & Storage Consolidated	AMERCO Legal Group				AMERCO as Consolidated			Total Consolidated
	AMERCO	U-Haul	Real Estate	Eliminations		Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated	SAC Holding II	Eliminations		
	(Unaudited)												
	(In thousands)												
Revenues:													
Self-moving equipment rentals	\$ -	\$ 401,260	\$ -	\$ -	\$ 401,260	\$ -	\$ -	\$ -	\$ -	\$ 401,260	\$ 2,488	\$ (2,488)	(b) \$ 401,260
Self-storage revenues	-	23,793	455	-	24,248	-	-	-	-	24,248	4,520	-	28,768
Self-moving & self-storage products & service sales	-	61,798	-	-	61,798	-	-	-	-	61,798	4,765	-	66,563
Property management fees	-	5,168	-	-	5,168	-	-	-	-	5,168	-	(728)	(g) 4,440
Life insurance premiums	-	-	-	-	-	-	29,966	(377)	(c)	29,589	-	-	29,589
Property and casualty insurance premiums	-	-	-	-	-	4,824	-	-	-	4,824	-	-	4,824
Net investment and interest income	1,412	4,738	4	-	6,154	3,485	6,666	(998)	(d)	15,307	-	(1,593)	(d) 13,714
Other revenue	9	10,016	14,463	(15,553)	(b) 8,935	-	1,441	(185)	(b)	10,191	286	(177)	(b) 10,300
Total revenues	1,421	506,773	14,922	(15,553)	507,563	8,309	38,073	(1,560)		552,385	12,059	(4,986)	559,458
Costs and expenses:													
Operating expenses	3,397	266,275	1,591	(15,553)	(b) 255,710	2,400	7,388	(3,500)	(b,c)	261,998	5,522	(728)	(g) 266,792
Commission expenses	-	50,506	-	-	50,506	-	-	-	-	50,506	-	(2,488)	(b) 48,018
Cost of sales	-	29,287	-	-	29,287	-	-	-	-	29,287	1,757	-	31,044
Benefits and losses	-	-	-	-	-	3,473	21,901	1,940	(c)	27,314	-	-	27,314
Amortization of deferred policy acquisition costs	-	-	-	-	-	854	5,344	-	-	6,198	-	-	6,198
Lease expense	19	33,436	17	-	33,472	-	-	-	-	33,472	-	(177)	(b) 33,295
Depreciation, net of (gains) losses on disposals	7	31,517	2,124	-	33,648	-	-	-	-	33,648	729	(140)	(e) 34,237
Total costs and expenses	3,423	411,021	3,732	(15,553)	402,623	6,727	34,633	(1,560)		442,423	8,008	(3,533)	446,898
Equity in earnings of subsidiaries	65,282	-	-	(61,817)	(f) 3,465	-	-	(3,465)	(f)	-	-	-	-
Equity in earnings of SAC Holding II	560	-	-	-	560	-	-	-	-	560	-	(560)	(f) -
Total - equity in earnings of subsidiaries and SAC Holding II	65,842	-	-	(61,817)	4,025	-	-	(3,465)		560	-	(560)	-
Earnings from operations	63,840	95,752	11,190	(61,817)	108,965	1,582	3,440	(3,465)		110,522	4,051	(2,013)	112,560
Interest expense	(11,148)	(678)	(6,273)	-	(18,099)	-	-	-		(18,099)	(3,130)	1,593	(d) (19,636)
Fees on early extinguishment of debt	(35,627)	-	-	-	(35,627)	-	-	-		(35,627)	-	-	(35,627)
Pretax earnings	17,065	95,074	4,917	(61,817)	55,239	1,582	3,440	(3,465)		56,796	921	(420)	57,297
Income tax expense	17,910	(36,073)	(2,101)	-	(20,264)	(554)	(1,003)	-		(21,821)	(361)	(53)	(e) (22,235)
Net earnings	34,975	59,001	2,816	(61,817)	34,975	1,028	2,437	(3,465)		34,975	560	(473)	35,062
Less: Preferred stock dividends	(3,241)	-	-	-	(3,241)	-	-	-		(3,241)	-	-	(3,241)
Earnings available to common shareholders	\$ 31,734	\$ 59,001	\$ 2,816	\$ (61,817)	\$ 31,734	\$ 1,028	\$ 2,437	\$ (3,465)		\$ 31,734	\$ 560	\$ (473)	\$ 31,821
(a) Balances for the quarter ended March 31, 2005													
(b) Eliminate intercompany lease income and commission income													
(c) Eliminate intercompany premiums													
(d) Eliminate intercompany interest on debt													
(e) Eliminate gain on sale of surplus property from U-Haul to SAC Holding II													
(f) Eliminate equity in earnings of subsidiaries and equity in earnings of SAC Holding II													
(g) Eliminate management fees charged to SAC Holding II and other intercompany operating expenses													

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Consolidating cash flow statements by industry segment for the quarter ended June 30, 2006 are as follows:

	Moving & Storage				AMERCO Legal Group				AMERCO as Consolidated			Total Consolidated
	AMERCO	U-Haul	Real Estate	Elimination	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated	SAC Holding II	Elimination	
	(Unaudited)											
	(In thousands)											
Cash flows from operating activities:												
Net earnings (loss)	\$ 55,334	\$ 40,196	\$ 501	\$ (40,697)	\$ 55,334	\$ 1,083	\$ 1,268	\$ (2,351)	\$ 55,334	\$ 437	\$ (350)	\$ 55,421
Earnings from consolidated entities	(43,485)	-	-	40,697	(2,788)	-	-	2,351	(437)	-	437	-
Depreciation	62	37,439	2,637	-	40,138	-	-	-	40,138	668	(140)	40,666
Amortization of deferred policy acquisition costs	-	-	-	-	-	622	5,004	-	5,626	-	-	5,626
Change in provision for losses on trade receivables	-	(51)	-	-	(51)	-	19	-	(32)	-	-	(32)
Change in provision for losses on mortgage notes	-	(10)	-	-	(10)	-	-	-	(10)	-	-	(10)
Net (gain) loss on sale of real and personal property	-	(166)	(829)	-	(995)	-	-	-	(995)	-	-	(995)
Net (gain) loss on sale of investments	-	-	-	-	-	319	234	-	553	-	-	553
Deferred income taxes	13,538	214	-	-	13,752	336	(170)	-	13,918	282	53	14,253
Net change in other operating assets and liabilities:												
Reinsurance recoverables and trade receivables	-	(1,016)	1	-	(1,015)	18,894	(99)	-	17,780	-	-	17,780
Inventories	-	(3,242)	-	-	(3,242)	-	-	-	(3,242)	41	-	(3,201)
Prepaid expenses	592	(3,703)	-	-	(3,111)	-	-	-	(3,111)	32	-	(3,079)
Capitalization of deferred policy acquisition costs	-	-	-	-	-	(644)	(1,742)	-	(2,386)	-	-	(2,386)
Other assets	(3)	(750)	2,514	-	1,761	295	(42)	-	2,014	118	-	2,132
Related party assets	2,931	18,378	60	-	21,369	4,369	(14)	-	25,724	2,900	-	28,624
Accounts payable and accrued expenses	7,610	6,718	(1,100)	-	13,228	-	947	-	14,175	386	-	14,561
Policy benefits and losses, claims and loss expenses payable	-	12,697	-	-	12,697	(24,004)	(3,303)	-	(14,610)	-	-	(14,610)
Other policyholders' funds and liabilities	-	-	-	-	-	(1,057)	(216)	-	(1,273)	-	-	(1,273)
Deferred income	-	2,220	-	-	2,220	-	-	-	2,220	37	-	2,257
Related party liabilities	(25)	2,867	(2,842)	-	-	(1,725)	159	-	(1,566)	(4,517)	-	(6,083)
Net cash provided (used) by operating activities	36,554	111,791	942	-	149,287	(1,512)	2,045	-	149,820	384	-	150,204
Cash flows from investing activities:												
Purchases of:												
Property, plant and equipment	(2)	(142,643)	(24,029)	-	(166,674)	-	-	-	(166,674)	(325)	-	(166,999)
Short term investments	-	-	-	-	-	(17,304)	(35,827)	-	(53,131)	-	-	(53,131)
Fixed maturities investments	-	-	-	-	-	(21,054)	(11,218)	-	(32,272)	-	-	(32,272)
Mortgage loans	-	-	-	-	-	-	(7,305)	-	(7,305)	-	-	(7,305)
Proceeds from sales of:												
Property, plant and equipment	-	27,863	829	-	28,692	-	-	-	28,692	-	-	28,692
Short term investments	-	-	-	-	-	29,044	53,184	-	82,228	-	-	82,228
Fixed maturities investments	-	-	-	-	-	5,722	16,130	-	21,852	-	-	21,852
Cash received in excess of purchase of company acquired	-	-	-	-	-	-	1,233	-	1,233	-	-	1,233
Preferred stock	-	-	-	-	-	-	125	-	125	-	-	125
Real estate	-	-	877	-	877	-	-	-	877	-	-	877
Mortgage loans	-	-	-	-	-	-	2,086	-	2,086	-	-	2,086
Payments from notes and mortgage receivables	-	(45)	448	-	403	-	-	-	403	-	-	403
Net cash provided (used) by investing activities	(2)	(114,825)	(21,875)	-	(136,702)	(3,592)	18,408	-	(121,886)	(325)	-	(122,211)

(a) Balance for the period ended March 31, 2006

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Continuation of consolidating cash flow statement by industry segment for the quarter ended June 30, 2006, are as follows:

	Moving & Storage				AMERCO Legal Group				AMERCO as Consolidated			Total Consolidated
	AMERCO	U-Haul	Real Estate	Elimination	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated	SAC Holding II	Elimination	
(Unaudited)												
Cash flows from financing activities: (In thousands)												
Borrowings from credit facilities	-	87,376	-	-	87,376	-	-	-	87,376	-	-	87,376
Principal repayments on credit facilities	-	(5,133)	(2,689)	-	(7,822)	-	-	-	(7,822)	(314)	-	(8,136)
Debt issuance costs	-	(1,437)	-	-	(1,437)	-	-	-	(1,437)	-	-	(1,437)
Leveraged Employee Stock Ownership Plan - repayments from loan	-	285	-	-	285	-	-	-	285	-	-	285
Proceeds from (repayment of) intercompany loans	(33,309)	9,786	23,523	-	-	-	-	-	-	-	-	-
Preferred stock dividends paid	(3,241)	-	-	-	(3,241)	-	-	-	(3,241)	-	-	(3,241)
Investment contract deposits	-	-	-	-	-	-	4,251	-	4,251	-	-	4,251
Investment contract withdrawals	-	-	-	-	-	-	(20,843)	-	(20,843)	-	-	(20,843)
Net cash provided (used) by financing activities	<u>(36,550)</u>	<u>90,877</u>	<u>20,834</u>	<u>-</u>	<u>75,161</u>	<u>-</u>	<u>(16,592)</u>	<u>-</u>	<u>58,569</u>	<u>(314)</u>	<u>-</u>	<u>58,255</u>
Effects of exchange rate on cash	-	151	-	-	151	-	-	-	151	-	-	151
Increase (decrease) in cash and cash equivalents	2	87,994	(99)	-	87,897	(5,104)	3,861	-	86,654	(255)	-	86,399
Cash and cash equivalents at beginning of period	7	140,499	856	-	141,362	9,815	4,027	-	155,204	255	-	155,459
Cash and cash equivalents at end of period	<u>\$ 9</u>	<u>\$ 228,493</u>	<u>\$ 757</u>	<u>\$ -</u>	<u>\$ 229,259</u>	<u>\$ 4,711</u>	<u>\$ 7,888</u>	<u>\$ -</u>	<u>\$ 241,858</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,858</u>

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(a) Balance for the period ended March 31, 2006

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Consolidating cash flow statements by industry segment for the quarter ended June 30, 2005 are as follows:

	Moving & Storage				Moving & Storage Consolidated	AMERCO Legal Group			AMERCO as Consolidated			Total Consolidated
	AMERCO	U-Haul	Real Estate	Elimination		Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated	SAC Holding II	Elimination	
	(Unaudited)											
	(In thousands)											
Cash flows from operating activities:												
Net earnings (loss)	\$ 34,975	\$ 59,001	\$ 2,816	\$ (61,817)	\$ 34,975	\$ 1,028	\$ 2,437	\$ (3,465)	\$ 34,975	\$ 560	\$ (473)	\$ 35,062
Earnings from consolidated entities	(58,332)	-	-	59,847	1,515	-	-	(2,075)	(560)	-	560	-
Depreciation	7	28,205	2,124	-	30,336	-	-	-	30,336	729	(140)	30,925
Amortization of deferred policy acquisition costs	-	-	-	-	-	854	5,823	-	6,677	-	-	6,677
Change in provision for losses on trade receivables	-	(601)	-	-	(601)	-	-	-	(601)	-	-	(601)
Change in provision for losses on mortgage notes	-	-	-	-	-	-	-	-	-	-	-	-
Net (gain) loss on sale of real and personal property	-	3,312	-	-	3,312	-	-	-	3,312	-	-	3,312
Net (gain) loss on sale of investments	-	-	-	-	-	(192)	(1,261)	-	(1,453)	-	-	(1,453)
Write-off of unamortized debt issuance costs	13,629	-	-	-	13,629	-	-	-	13,629	-	-	13,629
Deferred income taxes	10,843	-	-	-	10,843	74	1,461	-	12,378	357	53	12,788
Net change in other operating assets and liabilities:												
Reinsurance recoverables and trade receivables	-	(8,009)	(1)	-	(8,010)	6,423	(700)	-	(2,287)	-	-	(2,287)
Inventories	-	(2,001)	-	-	(2,001)	-	-	-	(2,001)	(245)	-	(2,246)
Prepaid expenses	2,804	(3,698)	-	-	(894)	-	-	-	(894)	78	-	(816)
Capitalization of deferred policy acquisition costs	-	-	-	-	-	(831)	(1,677)	-	(2,508)	-	-	(2,508)
Other assets	13,969	(11,191)	(35,152)	-	(32,374)	434	2,886	-	(29,054)	(407)	-	(29,461)
Related party assets	(28,369)	(4,998)	(8)	19,013	(14,362)	1,664	-	(720)	(13,418)	-	(395)	(13,813)
Accounts payable and accrued expenses	(18,200)	21,460	1,301	-	4,561	-	-	5,540	10,101	409	-	10,510
Policy benefits and losses, claims and loss expenses payable	-	18,674	-	-	18,674	(11,728)	(4,039)	-	2,907	-	-	2,907
Other policyholders' funds and liabilities	-	-	-	-	-	(3,476)	(10,052)	-	(13,528)	-	-	(13,528)
Deferred income	-	3,583	-	-	3,583	-	-	-	3,583	138	-	3,721
Related party liabilities	-	18,513	-	(19,013)	(500)	(98)	(858)	636	(820)	(694)	395	(1,119)
Net cash provided (used) by operating activities	(28,674)	122,250	(28,920)	(1,970)	62,686	(5,848)	(5,980)	(84)	50,774	925	-	51,699
Cash flows from investing activities:												
Purchases of:												
Property, plant and equipment	-	(74,231)	(999)	-	(75,230)	-	-	-	(75,230)	(207)	-	(75,437)
Short term investments	-	-	-	-	-	(55,390)	-	-	(55,390)	-	-	(55,390)
Fixed maturities investments	-	-	-	-	-	(1,985)	(82,232)	-	(84,217)	-	-	(84,217)
Mortgage loans	-	-	-	-	-	-	(1,250)	-	(1,250)	-	-	(1,250)
Proceeds from sales of:												
Property, plant and equipment	-	15,140	5	-	15,145	-	-	-	15,145	-	-	15,145
Short term investments	-	-	-	-	-	43,775	50,953	-	94,728	-	-	94,728
Fixed maturities investments	-	-	-	-	-	15,590	45,203	-	60,793	-	-	60,793
Equity securities	-	-	-	-	-	-	5,759	-	5,759	-	-	5,759
Preferred stock	-	-	-	-	-	-	417	-	417	-	-	417
Other asset investments, net	-	872	-	-	872	-	-	-	872	-	-	872
Real estate	-	-	-	-	-	179	514	-	693	-	-	693
Mortgage loans	-	-	-	-	-	-	3,034	-	3,034	-	-	3,034
Payments from notes and mortgage receivables	-	53	18	-	71	-	-	-	71	-	-	71
Net cash provided (used) by investing activities	-	(58,166)	(976)	-	(59,142)	2,169	22,398	-	(34,575)	(207)	-	(34,782)

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Continuation of consolidating cash flow statement by industry segment for the quarter ended June 30, 2005, are as follows:

	AMERCO	U-Haul	Real Estate	Elimination	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated	SAC Holding II	Elimination	Total Consolidated
	(Unaudited)											
	(In thousands)											
Cash flows from financing activities:												
Borrowings from credit facilities	80,266	49,557	904,365	-	1,034,188	-	-	-	1,034,188	-	-	1,034,188
Principal repayments on credit facilities	(860,274)	-	-	-	(860,274)	-	-	-	(860,274)	(289)	-	(860,563)
Debt issuance costs	-	-	-	-	-	-	-	-	-	-	-	-
Leveraged Employee Stock Ownership Plan - repayments from loan	-	438	-	-	438	-	-	-	438	-	-	438
Proceeds from (repayment of) intercompany notes payable	-	(84)	-	-	(84)	-	-	84	-	-	-	-
Proceeds from (repayment of) intercompany loans	813,882	64,466	(878,348)	-	-	-	-	-	-	-	-	-
Preferred stock dividends paid	(3,241)	-	-	-	(3,241)	-	-	-	(3,241)	-	-	(3,241)
Investment contract deposits	-	-	-	-	-	-	5,670	-	5,670	-	-	5,670
Investment contract withdrawals	-	-	-	-	-	-	(17,896)	-	(17,896)	-	-	(17,896)
Net cash provided (used) by financing activities	<u>30,633</u>	<u>114,377</u>	<u>26,017</u>	<u>-</u>	<u>171,027</u>	<u>-</u>	<u>(12,226)</u>	<u>84</u>	<u>158,885</u>	<u>(289)</u>	<u>-</u>	<u>158,596</u>
Effects of exchange rate on cash	(1,970)	(1,970)	-	1,970	(1,970)	-	-	-	(1,970)	-	-	(1,970)
Increase (decrease) in cash and cash equivalents	(11)	176,491	(3,879)	-	172,601	(3,679)	4,192	-	173,114	429	-	173,543
Cash and cash equivalents at beginning of period	14	37,626	4,327	-	41,967	10,638	2,992	-	55,597	358	-	55,955
Cash and cash equivalents at end of period	<u>\$ 3</u>	<u>\$ 214,117</u>	<u>\$ 448</u>	<u>\$ -</u>	<u>\$ 214,568</u>	<u>\$ 6,959</u>	<u>\$ 7,184</u>	<u>\$ -</u>	<u>\$ 228,711</u>	<u>\$ 787</u>	<u>\$ -</u>	<u>\$ 229,498</u>

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(a) Balance for the period ended March 31, 2005

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

10. Industry Segment and Geographic Area Data

	<u>United States</u>	<u>Canada</u>	<u>Consolidated</u>
	(Unaudited)		
	(All amounts are in thousands of U.S. \$'s)		
Quarter ended June 30, 2006			
Total revenues	\$ 552,736	\$ 14,291	\$ 567,027
Depreciation and amortization, net of (gains) losses on disposals	43,575	1,722	45,297
Interest expense	18,301	161	18,462
Pretax earnings	89,633	2,071	91,704
Income tax expense	35,579	704	36,283
Identifiable assets	3,430,400	78,714	3,509,114
Quarter ended June 30, 2005			
Total revenues	\$ 545,077	\$ 14,381	\$ 559,458
Depreciation and amortization, net of (gains) losses on disposals	38,804	1,631	40,435
Interest expense (income)	19,640	(4)	19,636
Pretax earnings	54,428	2,869	57,297
Income tax expense	22,235	-	22,235
Identifiable assets	3,239,636	78,452	3,318,088

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

General

We begin Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) with the overall strategy of AMERCO, followed by a description of our operating segments and the strategy of our operating segments to give the reader an overview of the goals of our business and the direction in which our businesses and products are moving. This is followed by a discussion of the Critical Accounting Policies and Estimates that we believe are important to understanding the assumptions and judgments incorporated in our reported financial results. In the next section, we discuss our Results of Operations for the first quarter of fiscal 2007, compared with the first quarter of fiscal 2006 beginning with an overview. We then provide an analysis of changes in our balance sheets and cash flows, and discuss our financial commitments in the sections entitled "Liquidity and Capital Resources" and "Disclosures about Contractual Obligations and Commercial Commitments." We conclude this MD&A by discussing our outlook for the remainder of fiscal 2007.

This MD&A should be read in conjunction with the other sections of this Quarterly Report on Form 10-Q. The various sections of this MD&A contain a number of forward-looking statements, as discussed under the caption "Cautionary Statements Regarding Forward-Looking Statements" all of which are based on our current expectations and could be affected by the uncertainties and risk factors described throughout this filing and particularly under Part II Item 1A. "Risk Factors." Our actual results may differ materially from these forward-looking statements.

The first fiscal quarter for AMERCO ends on the 30th of June for each year that is referenced. Our insurance company subsidiaries have a first quarter that ends on the 31st of March for each year that is referenced. They have been consolidated on that basis. Consequently, all references to our insurance subsidiaries' years 2006 and 2005 correspond to the Company's fiscal years 2007 and 2006, respectively.

Overall Strategy

Our overall strategy is to maintain our leadership position in the North American "do-it-yourself" moving and storage industry. We accomplish this by providing a seamless and integrated supply chain to the "do-it-yourself" moving and storage market. As part of executing this strategy, we leverage the brand recognition of U-Haul with our full line of moving and self-storage related products and services and the convenience of our broad geographic presence.

Our primary focus is to provide our customers with a wide selection of moving rental equipment, convenient self-storage rental facilities and related moving and self-storage products and services. We are able to expand our distribution and improve customer service by increasing the amount of moving equipment and storage rooms available for rent, expanding the number of independent dealers in our network and expanding and taking advantage of our growing eMove capabilities.

RepWest is focused on providing and administering property and casualty insurance to U-Haul, its customers, its independent dealers and affiliates. By exiting its non U-Haul lines of business, we believe that RepWest will be able to focus its core competencies and financial resources to better support our overall strategy.

Oxford is focused on long-term capital growth through direct writing and reinsuring of annuity, life and Medicare supplement products primarily in the senior marketplace. Oxford is pursuing increased direct writing via acquisitions of insurance companies, expanded distribution channels and product development. In 2005, Oxford determined that it would no longer pursue growth in the credit life and disability market. We believe this will enable Oxford to focus more on its core senior population demographic.

Description of Operating Segments

AMERCO has four reportable segments. They are Moving and Storage Operations, Property and Casualty Insurance, Life Insurance and SAC Holding II.

Moving and Storage Operating Segment

Our Moving and Storage Operating Segment consists of the rental of trucks, trailers, specialty rental items and self-storage spaces primarily to the household mover as well as sales of moving supplies, towing accessories and propane. Operations are conducted under the

registered trade name U-Haul[®] throughout the United States and Canada.

With respect to our truck, trailer, specialty rental items and self-storage rental business, we are focused on expanding our dealer network, which provides added convenience for our customers and expanding the selection and availability of rental equipment to satisfy the needs of our customers.

With respect to our retail sales, U-Haul has developed a number of specialty packing boxes, Mover's Wrap and Smart Move tape. Mover's Wrap is a sticks-to-itself plastic stretch wrap used to bind, bundle, and fasten items when moving or storing. Additionally, U-Haul has added a full line of Smart Move tape products. Smart Move tape is a color coded packing tape that has the room printed right on it allowing customers to tape and label their belongings in one quick step.

eMove is an online marketplace that connects consumers to over 3,300 independent sellers of Moving Helpers™ as well as 2,800 providers of Self-Storage services. Our network of customer-rated affiliates provides pack and load help, cleaning help, self-storage and similar services, all over North America.

An individual or a company can connect to the eMove network by becoming an eMove Moving Help® Affiliate or an eMove Storage Affiliate™. Moving Helpers assist customers with packing, loading, cleaning and unloading their truck or storage unit. The Storage Affiliate program enables independent self-storage facilities to expand their reach by connecting into a centralized 1-800 and internet reservation system and for a fee, receive an array of services including web-based management software, Secured Online Affiliated Rentals (S.O.A.R®), co-branded rental trucks, savings on insurance, credit card processing and more. Approximately 2,800 independent self-storage facilities are now registered on the eMove network.

With over 78,000 unedited reviews of independent vendors, the marketplace has facilitated Moving Help® and Self-Storage transactions all over North America. We believe that acting as an intermediary, with little added investment, serves the customer in a cost effective manner. Our goal is to further utilize our web-based technology platform to increase service to consumers and businesses in the moving and storage market.

Property and Casualty Insurance Operating Segment

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. We continue to focus on increasing the penetration of these products. The business plan for RepWest includes offering property and casualty products in other U-Haul related programs.

Life Insurance Operating Segment

Oxford provides life and health insurance products primarily to the senior market through the direct writing or reinsuring of annuities, life insurance, and Medicare supplement policies. Additionally, Oxford administers the self-insured employee health and dental plans for Arizona employees of the Company and provides insurance for the employee group life and disability coverage.

SAC Holdings Operating Segment

SAC Holding Corporation and its subsidiaries, and SAC Holding II Corporation and its subsidiaries, collectively referred to as "SAC Holdings," own 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 Holdings' properties entitling AMERCO to potential future income based on the financial performance of these properties. With respect to SAC Holding II, AMERCO is considered the primary beneficiary of these contractual interests. Consequently, we include the results of SAC Holding II in the consolidated financial statements of AMERCO, as required by FIN 46(R).

Critical Accounting Policies and Estimates

The Company's financial statements have been prepared in accordance with the United States generally accepted accounting principles. The methods, estimates and judgments we use in applying our accounting policies can have a significant impact on the results we report in our financial statements. Certain accounting policies require us to make difficult and subjective judgments and assumptions, often as a result of the need to make estimates of matters that are inherently uncertain.

Below we have set forth, with a detailed description, the accounting policies that we deem most critical to us and that require management's most difficult and subjective judgments. These estimates are based on historical experience, observance of trends in particular areas, information and valuations available from outside sources and on various other assumptions that are believed to be reasonable under the circumstances and which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual amounts may differ from these estimates under different assumptions and conditions; such differences may be material. We also have other policies that we consider key accounting policies, such as revenue recognition; however, these policies do not meet the definition of critical accounting estimates, because they do not generally require us to make estimates or judgments that are difficult or subjective. The accounting policies that we deem most critical to us, and involve the most difficult, subjective or complex judgments include the following:

Principles of Consolidation

The Company applies FIN 46(R), "Consolidation of Variable Interest Entities" and ARB 51 in its principles of consolidation. FIN 46 (R) addresses arrangements where the company does not hold a majority of the voting or similar interests or a variable interest entity (VIE). The company is required to consolidate a VIE if it is determined it is the primary beneficiary. ARB 51 addresses the policy when the company owns a majority of the voting or similar rights and exercises effective control.

As promulgated by FIN 46(R), a VIE is not self-supportive by having one or both of the following conditions: a) it has an insufficient amount of equity for it to finance its activities without receiving additional subordinated financial support or b) its owners do not hold the typical risks and rights of equity owners. This determination is made upon the creation of a variable interest and can be re-assessed should certain changes in the operations of a VIE, or its relationship with the primary beneficiary trigger a reconsideration under the provisions of FIN 46(R). After a triggering event occurs the most recent facts and circumstances are utilized in determining whether or not a company is a variable interest entity, which other company(s) have a variable interest in the entity, and whether or not the company's interest is such that it is the primary beneficiary.

The consolidated financial statements for the first quarters of fiscal 2007 and fiscal 2006 and the balance sheet as of March 31, 2006, include the accounts of AMERCO and its wholly-owned subsidiaries and SAC Holding II Corporation and its subsidiaries.

In fiscal 2003 and fiscal 2002, SAC Holding Corporation and SAC Holding II (together, "SAC Holdings") were considered special purpose entities and were consolidated based on the provisions of Emerging Issues Task Force (EITF) Issue No. 90-15. In fiscal 2004, the Company applied FIN 46(R) to its interests in SAC Holdings. Initially, the Company concluded that SAC Holdings were variable interest entities (VIE's) and that the Company was the primary beneficiary. Accordingly, the Company continued to include SAC Holdings in its consolidated financial statements.

In February, 2004, SAC Holding Corporation restructured the indebtedness of three subsidiaries and then distributed its interest in those subsidiaries to its sole shareholder. This triggered a requirement to reassess AMERCO's involvement with those subsidiaries, which led to the conclusion that based on current contractual and ownership interests between AMERCO and this entity, AMERCO ceased to have a variable interest in those three subsidiaries at that date.

Separately, in March 2004, SAC Holding Corporation restructured its indebtedness, triggering a similar reassessment of SAC Holding Corporation that led to the conclusion that SAC Holding Corporation was not a VIE and that AMERCO ceased to be the primary beneficiary of SAC Holding Corporation and its remaining subsidiaries. This conclusion was based on SAC Holding Corporation's ability to fund its own operations and execute its business plan without any future subordinated financial support.

Accordingly, at the dates AMERCO ceased to have a variable interest and ceased to be the primary beneficiary of SAC Holding Corporation and its current or former subsidiaries, it deconsolidated those entities. The deconsolidation was accounted for as a distribution of SAC Holding Corporation's interests to the sole shareholder of the SAC entities. Because of AMERCO's continuing involvement with SAC Holding Corporation and its current and former subsidiaries, the distributions do not qualify as discontinued operations as defined by SFAS No. 144.

It is possible that SAC Holding Corporation could take actions that would require us to re-determine whether SAC Holding Corporation has become a VIE or whether we have become the primary beneficiary of SAC Holding Corporation. Should this occur, we could be required to consolidate some or all of SAC Holding Corporation with our financial statements.

Similarly, SAC Holding II could take actions that would require us to re-determine whether it is a VIE or whether we continue to be the primary beneficiary of our variable interest in SAC Holding II. Should we cease to be the primary beneficiary, we would be required to deconsolidate some or all of our variable interest in SAC Holding II from our financial statements.

Recoverability of Property, Plant and Equipment

Property, plant and equipment are stated at cost. Interest cost incurred during the initial construction of buildings and rental equipment is considered part of cost. Depreciation is computed for financial reporting purposes using the straight-line or an accelerated method based on a declining balance formula over the following estimated useful lives: rental equipment 2-20 years and buildings and non-rental equipment 3-55 years. Major overhauls to rental equipment are capitalized and are amortized over the estimated period benefited. Routine maintenance costs are charged to operating expense as they are incurred. Gains and losses on dispositions of property, plant and equipment are netted against depreciation expense when realized. Equipment depreciation is recognized in amounts expected to result in the recovery of estimated residual values upon disposal, i.e., no gains or losses. In determining the depreciation rate, historical disposal experience, holding periods and trends in the market for vehicles are reviewed.

We regularly perform reviews to determine whether facts and circumstances exist which indicate that the carrying amount of assets, including estimates of residual value, may not be recoverable or that the useful life of assets is shorter or longer than originally estimated. Reductions in residual values (i.e., the price at which we ultimately expect to dispose of revenue earning equipment) or useful lives will result in an increase in depreciation expense over the life of the equipment. Reviews are performed based on vehicle class, generally subcategories of trucks and trailers. We assess the recoverability of our assets by comparing the projected undiscounted net cash flows associated with the related asset or group of assets over their estimated remaining lives against their respective carrying amounts. We consider factors such as current and expected future market price trends on used vehicles and the expected life of vehicles included in the fleet. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. If assets are determined to be recoverable, but the useful lives are shorter or longer than originally estimated, the net book value of the assets is depreciated over the newly determined remaining useful lives.

Fiscal 2006 marked the first time in ten years that the Company has acquired a significant number of new trucks via purchase rather than lease. Management performed an analysis of the expected economic value of new rental trucks and determined that additions to the fleet resulting from purchase should be depreciated on an accelerated method based upon a declining formula. The salvage value and useful life assumptions of the rental truck fleet remain unchanged. Under the declining balances method (2.4 times declining balance) the book value of a rental truck is reduced 16% at the end of its first year, 70% by the end of its seventh year, and 80% at the end of year fifteen.

We typically sell our used vehicles at one of our sales centers throughout North America, on our web site at trucksales.uhaul.com or by calling 1-866-404-0355. Although we attempt to sell our used vehicles for prices approximating book value, the extent to which we are able to realize a gain on the sale of used vehicles is dependent upon various factors including the general state of the used vehicle market, the age and condition of the vehicle at the time of its disposal and depreciation rates with respect to the vehicle .

Insurance Reserves

Liabilities for life insurance and certain annuity and health policies are established to meet the estimated future obligations of policies in force, and are based on mortality, morbidity and withdrawal assumptions from recognized actuarial tables which contain margins for adverse deviation. In addition, liabilities for health, disability and other policies include estimates of payments to be made on insurance claims for reported losses and estimates of losses incurred, but not yet reported. Liabilities for annuity contracts consist of contract account balances that accrue to the benefit of the policyholders, excluding surrender charges.

Insurance reserves for RepWest and U-Haul take into account losses incurred based upon actuarial estimates. These estimates are based on past claims experience and current claim trends as well as social and economic conditions such as changes in legal theories and inflation. Due to the nature of underlying risks and the high degree of uncertainty associated with the determination of the liability for future policy benefits and claims, the amounts to be ultimately paid to settle liabilities cannot be precisely determined and may vary significantly from the estimated liability.

A consequence of the long tail nature of the assumed reinsurance and the excess workers compensation lines of insurance that were written by RepWest is that it takes a number of years for claims to be fully reported and finally settled. Also, the severity of the commercial transportation and the commercial multiple peril programs can fluctuate unexpectedly.

Investments

For investments accounted for under SFAS No. 115, in determining if and when a decline in market value below amortized cost is other than temporary, management makes certain assumptions or judgments in its assessment including but not limited to: ability and intent to hold the security, quoted market prices, dealer quotes or discounted cash flows, industry factors, financial factors, and issuer specific information. Other-than-temporary impairment in value is recognized in the current period operating results.

Income Taxes

The Company records deferred tax assets and liabilities based upon the differences between the tax basis of assets and liabilities and the financial statement carrying amounts. Management reviews any deferred tax assets for realization and establishes a valuation allowance in relation to such assets should we believe they may not be ultimately realized. As part of this assessment, management makes certain assumptions regarding future taxable income, timing of the reversals of timing differences, and implementation of tax planning strategies. A change in any of these assumptions can alter our valuation allowance and cause an increase or decrease in our effective tax rate that could materially impact our financial results.

The Company's tax returns are periodically reviewed by various taxing authorities. Despite our belief that all of our tax treatments are supportable, the final outcome of these audits may cause changes in our valuation allowance should we not prevail. These changes could materially impact our financial results. Our current tax rate is approximately 39.6%.

AMERCO files a consolidated tax return with all of its legal subsidiaries, except for CFLIC and DGLIC which will file on a stand alone basis. SAC Holding Corporation and its legal subsidiaries and SAC Holding II Corporation and its legal subsidiaries file consolidated tax returns, which are in no way associated with AMERCO's consolidated returns.

Recent Accounting Pronouncements

In June 2006, the Financial Accounting Standards Board (FASB) issued a standard that addresses accounting for income taxes: FIN 48, *Accounting for Uncertainty in Income Taxes*. Among other things, FIN 48 requires applying an audit sustainability standard of “more likely than not” related to the recognition and de-recognition of tax positions. The new guidance will be effective for us in fiscal 2008. We are currently evaluating the requirements of FIN 48 and the impact this interpretation may have on our consolidated financial statements.

Results of Operations

AMERCO and Consolidated Entities

Quarter Ended June 30, 2006 compared with the Quarter Ended June 30, 2005

Listed below on a consolidated basis are revenues for our major product lines for the first quarter of fiscal 2007 and the first quarter of fiscal 2006:

	Quarter Ended June 30,	
	2006	2005
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 407,234	\$ 401,260
Self-storage revenues	30,431	28,768
Self-moving and self-storage products and service sales	67,451	66,563
Property management fees	3,847	4,440
Life insurance premiums	30,919	29,589
Property and casualty insurance premiums	5,382	4,824
Net investment and interest income	13,830	13,714
Other revenue	7,933	10,300
Consolidated revenue	<u>\$ 567,027</u>	<u>\$ 559,458</u>

During the first quarter of fiscal 2007, self-moving equipment rentals increased \$6.0 million, compared with the first quarter of fiscal 2006, primarily due to increases in trailer rentals.

Self-storage revenues increased \$1.7 million for the first quarter of fiscal 2007, compared with the first quarter of fiscal 2006 due to increases in occupancy levels. During the first quarter of fiscal 2007, the Company has increased rooms available through build-outs at existing facilities.

Sales of self-moving and self-storage products and service sales increased \$0.9 million for the first quarter of fiscal 2007, compared with the first quarter of fiscal 2006. Towing accessories and propane sales experienced first quarter increases.

Premiums at RepWest increased \$0.6 million due to increases in U-Haul related business.

Oxford's premium revenues increased approximately \$1.3 million primarily as a result of additional life insurance premiums and the acquisition of DGLIC.

As a result of the items mentioned above, revenues for AMERCO and its consolidated entities were \$567.0 million for the first quarter of fiscal 2007, compared with \$559.5 million for the first quarter of fiscal 2006.

Listed below are revenues and earnings from operations at each of our four operating segments for the first quarter of fiscal 2007 and the first quarter of fiscal 2006; for the insurance companies the first quarter ended March 31, 2006 and 2005.

	Quarter Ended June 30,	
	2006	2005
	(Unaudited)	
	(In thousands)	
Moving and storage		
Revenues	\$ 514,638	\$ 507,563
Earnings from operations	106,921	108,965
Property and casualty insurance		
Revenues	8,068	8,309
Earnings from operations	1,701	1,582
Life insurance		
Revenues	38,137	38,073
Earnings from operations	1,951	3,440
SAC Holding II		
Revenues	12,479	12,059
Earnings from operations	4,123	4,051
Eliminations		
Revenues	(6,295)	(6,546)
Earnings from operations	(4,530)	(5,478)
Consolidated results		
Revenues	567,027	559,458
Earnings from operations	110,166	112,560

Total costs and expenses increased \$10.0 million for the first quarter of fiscal 2007, compared with the first quarter of fiscal 2006. This is due primarily to increases in lease and depreciation expense associated with the fleet rotation. Reductions in maintenance and repair costs and insurance expenses were partially offset by increases in other fleet related expenses.

As a result of the above mentioned changes in revenues and expenses, earnings from operations decreased to \$110.2 million in the first quarter of fiscal 2007, compared with \$112.6 million for the first quarter of fiscal 2006.

Interest expense for the first quarter of fiscal 2007 was \$18.5 million, compared with \$55.3 million in the first quarter of fiscal 2006. The first quarter of fiscal 2006 results included a one-time, non-recurring charge of \$35.6 million before taxes which includes fees for early extinguishment of debt of \$21.2 million and the write-off of \$14.4 million of debt issuance costs. The refinancing costs had the effect of decreasing, on a non-recurring basis, earnings for the quarter ended June 30, 2005 by \$1.71 per share before taxes, in which the tax effect was approximately \$0.63 per share.

Income tax expense was \$36.3 million in the first quarter of fiscal 2007, compared with \$22.2 million in first quarter of fiscal 2006 and reflects higher pretax earnings for the first quarter of fiscal 2006.

Dividends accrued on our Series A preferred stock were \$3.2 million in first quarter of fiscal 2007, unchanged from the first quarter of fiscal 2006.

As a result of the above mentioned items, earnings available to common shareholders were \$52.2 million in the first quarter of fiscal 2007, compared with \$31.8 million in the first quarter of fiscal 2006.

The weighted average common shares outstanding basic and diluted were 20,897,688 in first quarter of fiscal 2007 and were 20,836,458 in the first quarter of fiscal 2006.

Basic and diluted earnings per share in the first quarter of fiscal 2007 were \$2.50, compared with \$1.53 for the first quarter of fiscal 2006.

Moving and Storage

Quarter Ended June 30, 2006 compared with the Quarter Ended June 30, 2005

Listed below are revenues for the major product lines at our Moving and Storage operating segment for the first quarter of fiscal 2007 and the first quarter of fiscal 2006:

	Quarter Ended June 30,	
	2006	2005
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 407,234	\$ 401,260
Self-storage revenues	25,589	24,248
Self-moving and self-storage products and service sales	62,699	61,798
Property management fees	4,596	5,168
Net investment and interest income	7,788	6,154
Other revenue	6,732	8,935
Moving and Storage revenue	<u>\$ 514,638</u>	<u>\$ 507,563</u>

During the first quarter of fiscal 2007, self-moving equipment rentals increased \$6.0 million, compared with the first quarter of fiscal 2006, primarily due to increases in trailer rentals.

Self-storage revenues increased \$1.3 million for the first quarter of fiscal 2007, compared with the first quarter of fiscal 2006. The Company has increased the number of room's available period over period through the expansion of existing facilities and maintained its occupancy rates.

Sales of self-moving and self-storage products and service increased \$0.9 million for the first quarter of fiscal 2007, compared with the first quarter of fiscal 2006. Propane and towing accessories have increased period over period. U-Haul is the largest single retail provider of propane and towing accessories in the United States through our Company owned and managed locations. The Company continues to improve its visibility as a provider of propane, moving supplies and towing accessories.

The Company owns and manages self-storage facilities. Self-storage revenues reported in the consolidated financial statements for Moving and Storage represent Company-owned locations only. Self-storage data for our owned storage locations is as follows:

	Quarter Ended June 30,	
	2006	2005
	(Unaudited)	
	(In thousands, except occupancy rate)	
Room count as of June 30	124	122
Square footage as of June 30	9,734	9,492
Average number of rooms occupied	109	108
Average occupancy rate based on room count	87.8%	88.5%
Average square footage occupied	8,643	8,528

Total costs and expenses increased \$7.9 million for the first quarter of fiscal 2007, compared with the first quarter of fiscal 2006. Variable expenses including rental commissions and cost of goods sold increased in proportion to their related revenues. Additionally, increases in fleet rotation-related expenses including depreciation, lease, licensing and freight costs were partially offset by reductions in maintenance and repair. The first quarter of fiscal 2007 included costs associated with re-imaging portions of the existing rental truck fleet.

As a result of the above mentioned changes in revenues and expenses, earnings from operations decreased to \$106.9 million in first quarter of fiscal 2007, compared with \$109.0 million for first quarter of fiscal 2006.

U-Haul International, Inc.

Quarter Ended June 30, 200 6 compared with the Quarter Ended June 30, 2005

Listed below are revenues for the major product lines at U-Haul International, Inc. for the first quarter of fiscal 2007 and the first quarter of fiscal 2006:

	Quarter Ended June 30,	
	2006	2005
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 407,234	\$ 401,260
Self-storage revenues	25,179	23,793
Self-moving and self-storage products and service sales	62,699	61,798
Property management fees	4,596	5,168
Net investment and interest income	6,568	4,738
Other revenue	8,127	10,016
U-Haul International, Inc. revenue	\$ 514,403	\$ 506,773

During the first quarter of fiscal 2007, self-moving equipment rentals increased \$6.0 million, compared with the first quarter of fiscal 2006, primarily due to increases in trailer rentals. New truck additions over the past fifteen months have been largely offset by sales of older trucks.

Self-storage revenues increased \$1.4 million for the first quarter of fiscal 2007, compared with the first quarter of fiscal 2006. The Company has increased the number of room's available period over period through the expansion of existing facilities and maintained its occupancy rates.

Sales of self-moving and self-storage products and services increased \$0.9 million for the first quarter of fiscal 2007, compared with the first quarter of fiscal 2006. Propane and towing accessories have increased period over period. U-Haul is the largest single retail provider of propane and towing accessories in the United States through our Company owned and managed locations. The Company continues to improve its visibility as a provider of propane, moving supplies and towing accessories.

Total costs and expenses increased \$9.2 million for the first quarter of fiscal 2007, compared with the first quarter of fiscal 2006. This is primarily due to increases in variable expenses related to revenue increases as well as lease and depreciation expenses related to the rotation of the rental fleet. Reductions in maintenance and repair expense were partially offset by the cost of re-imaging portions of the fleet. As a result of the above mentioned changes in revenues and expenses, earnings from operations decreased to \$94.1 million in the first quarter of fiscal 2007, compared with \$95.8 million in the first quarter of fiscal 2006.

Republic Western Insurance Company

Quarter Ended March 31, 2006 compared with the Quarter Ended March 31, 2005

Premium revenues were \$5.4 million and \$4.8 million for the quarters ended March 31, 2006 and 2005, respectively. U-Haul related premiums were \$4.5 million and \$3.9 million for the quarters ended March 31, 2005 and 2004, respectively.

Net investment income was \$2.7 million and \$3.5 million for the quarters ended March 31, 2006 and 2005, respectively. The reduction is due primarily to a decrease in our invested asset base combined with lower rates on reinvested assets.

Benefits and losses incurred were \$4.2 million and \$3.5 million for the quarters ended March 31, 2006 and 2005, respectively. The increase is due to an increase in U-Haul related premiums resulting in additional liabilities from reserves added to the discontinued lines.

Amortization of deferred acquisition costs were \$0.6 million and \$0.9 million for the quarters ended March 31, 2006 and 2005, respectively. The decrease is due to decreased premium writings.

Operating expenses were \$1.6 million and \$2.4 million for the quarters ended March 31, 2006 and 2005, respectively. The decrease is primarily due to decreased commissions and administrative expenses.

Pretax earnings from operations were \$1.7 million and \$1.6 million for the quarters ended March 31, 2006 and 2005, respectively.

Oxford Life Insurance Company

Quarter Ended March 31, 2006 compared with the Quarter Ended March 31, 2005

Net premiums were \$31.3 million and \$30.0 million for the quarters ended March 31, 2006 and 2005, respectively. Increases in annuity and life premiums of \$1.6 million and \$0.6 million, respectively were largely offset by a decrease of \$1.1 million in credit premiums. Annuity premiums increased as a result of additional annuitizations during the period. The increase in life premiums is primarily due to increased sales relating to a newly introduced final expense product. The Company is no longer pursuing credit insurance and further attrition is expected over the next several years. Other income of \$1.3 million declined slightly in the current quarter.

Net investment income was \$5.5 million and \$6.7 million for the first quarters of 2006 and 2005, respectively. The decrease was primarily due to a negative variance of \$1.5 million in capital gains and losses offset by a slightly higher return on invested assets.

Benefits incurred were \$24.4 million and \$21.9 million for the first quarters of 2006 and 2005, respectively. Annuities, life, Medicare supplement and other health all had increased benefits in the current quarter as compared to the prior year quarter. These increases were partially offset by a decrease of \$0.8 million in credit insurance benefits that was due to the net result of decreased exposure and an increased loss ratio. The increase in annuity benefits of \$1.6 million resulted from the increase in annuitizations as discussed above. The \$0.7 million increase in life benefits resulted from increased sales. The increases in Medicare supplement and other health resulted from higher loss ratios in the current period compared to the prior year period.

Amortization of deferred acquisition costs (DAC) and the value of business acquired (VOBA) was \$5.0 million and \$5.3 million for the first quarters of 2006 and 2005, respectively. These costs are amortized for life and health policies as the premium is earned over the term of the policy; and for deferred annuities in relation to interest spreads. Annuity amortization decreased \$0.4 million from 2005 primarily due to reduced surrender activity. Increases in Medicare supplement and life amortization were offset by a decrease in credit amortization.

Operating expenses were \$6.7 million and \$7.4 million for the first quarters of 2006 and 2005, respectively. Non-deferrable commissions decreased \$0.7 million from 2005 primarily due to decreases in the credit line of business.

Earnings from operations were \$2.0 million and \$3.4 million for the first quarters of 2006 and 2005, respectively. Excluding the capital gains and losses, earnings from operations were consistent for the first quarters of 2006 and 2005.

SAC Holding II

Quarter Ended June 30, 2006 compared with the Quarter Ended June 30, 2005

Listed below are revenues for the major product lines at SAC Holding II for the first quarter of fiscal 2007 and the first quarter of fiscal 2006:

	Quarter Ended June 30,	
	2006	2005
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 2,556	\$ 2,488
Self-storage revenues	4,842	4,520
Self-moving and self-storage products and service sales	4,752	4,765
Other revenue	329	286
Segment revenue	<u>\$ 12,479</u>	<u>\$ 12,059</u>

Revenues for the first quarter of fiscal 2007 grew \$0.4 million, primarily as a result of improved occupancy and pricing.

Total costs and expenses were \$8.4 million in the first quarter of fiscal 2007, compared with \$8.0 million in the first quarter of fiscal 2006.

Earnings from operations were \$4.1 million in the first quarter of fiscal 2007, compared with \$4.1 million in the first quarter of fiscal 2006.

Liquidity and Capital Resources

We believe our current capital structure will allow us to achieve our operational plans and goals, and provide us with sufficient liquidity for the next three to five years. The majority of the debt obligations currently in place mature either at the end of fiscal 2010 or 2015. This allows us to focus on our operations and business to further improve liquidity in the long term. We believe these improvements will enhance our access to capital markets. However, there is no assurance that future cash flows will be sufficient to meet our outstanding obligations or our future capital needs.

Our financial condition remains strong. At June 30, 2006, cash and cash equivalents totaled \$241.9 million, compared with \$155.5 million on March 31, 2006. Total short-term and long-term debts were \$1,045.6 million at June 30, 2006, compared with \$965.6 million at March 31, 2006, and represented 1.4 times stockholders' equity for both periods. At June 30, 2006 our cash availability under existing credit facilities was \$467.0 million.

Cash provided by operating activities improved \$98.5 million in the first quarter of fiscal 2007, compared with fiscal 2006. Operating cash flows for the Moving and Storage segment included a \$34.2 million interest repayment from SAC Holdings in fiscal 2007, while fiscal 2006 included payments related to the refinancing of debt. The insurance company operating cash flows increased due to fiscal 2006 including Oxford's \$12.8 million lawsuit settlement.

Net cash used in investing activities increased \$87.4 million in the first quarter of fiscal 2007, compared with fiscal 2006 due primarily to higher capital expenditures in the Moving and Storage segment. Net capital expenditures increased \$78.0 million in fiscal 2007 due to planned manufacturing of rental vehicles to rotate our rental fleet. Insurance company investing cash flows decreased \$9.8 million as business volume declined.

Cash provided by financing activities decreased \$100.3 million in the first quarter of fiscal 2007, compared with fiscal 2006. Fiscal 2006 included the Company's refinancing while fiscal 2007 contained routine financing.

Liquidity and Capital Resources and Requirements of Our Operating Segments

Moving and Storage

To meet the needs of our customers, U-Haul maintains a large fleet of rental equipment. Capital expenditures have primarily reflected new rental equipment acquisitions and the buyouts of existing fleet from TRAC leases. The capital to fund these expenditures has historically been obtained internally from operations and the sale of used equipment, and externally from lease financing. In the future we anticipate that our internally generated funds will be used to service the existing debt and support operations. U-Haul estimates that during the next three fiscal years, at least \$340.0 million each year will be reinvested in the truck and trailer rental fleet. This investment will be funded through external lease financing, debt financing and internally from operations and sales of used equipment. Management considers several factors including cost and tax consequences when selecting a method to fund capital expenditures. Because the Company has utilized all of its net operating loss carry forwards, there will be more of a focus on financing the fleet through asset-backed debt. Net capital expenditures were \$138.0 million and \$60.1 million for the first quarter of fiscal 2007 and 2006, respectively.

Real Estate has traditionally financed the acquisition of self-storage properties to support U-Haul's growth through debt financing and funds from operations and sales. U-Haul's growth plan in self-storage is focused on eMove, which does not require significant capital, and in developing several existing locations for use as storage centers. The Company is funding these development projects through construction loans and internally generated funds.

Property and Casualty Insurance

At March 31, 2006, RepWest had no notes and loans due in less than one year and its accounts payable and accrued expenses were \$4.2 million. RepWest financial assets (cash, receivables, short-term investments, other investments, fixed maturities and related party assets) at March 31, 2005, were \$429.6 million. State insurance regulations restrict the amount of dividends that can be paid to stockholders of insurance companies. As a result, RepWest's assets are generally not available to satisfy the claims of AMERCO or its legal subsidiaries.

Stockholder's equity was \$137.6 million and \$137.4 million at March 31, 2006 and December 31, 2005, respectively. RepWest does not use debt or equity issues to increase capital and therefore has no exposure to capital market conditions.

Life Insurance

As of July 1, 2006, Oxford was due to make \$2.0 million of principal payments to AMERCO on an intercompany surplus note issued in 1998, as well as \$2.4 million in interest; Oxford had no other notes and loans payable. Oxford's accounts payable and accrued expenses total approximately \$4.6 million. Oxford manages its financial assets to meet policyholder and other obligations including investment contract withdrawals. Oxford's net withdrawals for the first quarter of fiscal 2007 were \$16.6 million. Oxford's financial assets (cash, receivables, short-term investments, other investments, fixed maturities and related party assets) at March 31, 2006 were approximately \$683.5 million. State insurance regulations restrict the amount of dividends that can be paid to stockholders of insurance companies. As a result, Oxford's funds are generally not available to satisfy the claims of AMERCO or its legal subsidiaries.

Oxford's stockholder's equity was \$126.9 million and \$127.3 million as of March 31, 2006, and December 31, 2005, respectively. Increases from earnings were offset by decreases in other comprehensive income.

SAC Holding II

SAC Holding II operations are funded by various mortgage loans and unsecured notes. SAC Holding II does not utilize revolving lines of credit to finance its operations or acquisitions. Certain of SAC Holding II loan agreements contain restrictive covenants and restrictions on incurring additional subsidiary indebtedness.

Cash Provided from Operating Activities by Operating Segments

Moving and Storage

Cash provided from operating activities were \$149.3 million and \$62.7 million in the first quarter of fiscal 2007 and 2006, respectively. Fiscal 2007 includes the receipt of \$34.2 million in interest due from SAC Holdings. Fiscal 2006 included outflows of \$44.0 million related to the refinancing.

Property and Casualty Insurance

Cash flows used by operating activities were \$1.5 million and \$5.8 million for the quarters ended March 31, 2006 and 2005, respectively.

RepWest's cash and cash equivalents and short-term investment portfolio were \$89.3 million and \$106.2 million at March 31, 2006 and December 31, 2005, respectively. This balance includes funds in transition from maturity proceeds to long term investments. This level of liquid assets, combined with budgeted cash flow, is adequate to meet periodic needs. Capital and operating budgets allow RepWest to schedule cash needs in accordance with investment and underwriting proceeds.

Life Insurance

Cash flows provided (used) by operating activities were \$2.0 million and (\$6.0) million, for the first quarter of 2006 and 2005, respectively. Included in the operating cash out-flow for the first quarter of 2005 was a \$12.8 million litigation settlement, net of a \$2.2 million recovery from Oxford's E&O insurance carrier.

In addition to cash flows from operating activities and financing activities, a substantial amount of liquid funds is available through Oxford's short-term portfolio. At March 31, 2006 and December 31, 2005, short-term investments amounted to \$15.8 million and \$33.0 million, respectively. Management believes that the overall sources of liquidity will continue to meet foreseeable cash needs.

SAC Holding II

Cash provided by operating activities at SAC Holding II was \$0.4 million and \$0.9 million for the first quarter of fiscal 2007 and 2006, respectively.

Liquidity and Capital Resources-Summary

We believe we have the financial resources needed to meet our business requirements including capital expenditures for the investment in and expansion of our rental fleet, rental equipment and storage space, working capital requirements and our preferred stock dividend program.

For a more detailed discussion of our long-term debt and borrowing capacity, please see Note 3 “Borrowings” to the “Notes to the Condensed Consolidated Financial Statements.”

Disclosures about Contractual Obligations and Commercial Commitments

Our estimates as to future contractual obligations have not materially changed as to the disclosure included under the subheading “Contractual Obligations” in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our Annual Report on Form 10-K for fiscal year ending March 31, 2006, except for the BTMU Rental Truck Amortizing Loan (see Note 3 “Borrowings” to the “Notes to the Condensed Consolidated Financial Statements”).

Off Balance Sheet Arrangements

The Company uses off-balance sheet arrangements where the economics and sound business principles warrant their use.

AMERCO utilizes operating leases for certain equipment and facilities with terms expiring substantially through 2010, with the exception of one land lease expiring in 2034. In the event of a shortfall in proceeds from the sales of the underlying rental equipment assets, AMERCO has guaranteed approximately \$195.7 million of residual values at June 30, 2006 for these assets at the end of their respective lease terms. AMERCO has been leasing rental equipment since 1987. Thus far, we have experienced no residual value shortfalls.

AMERCO has used off-balance sheet arrangements in connection with the expansion of our self-storage business. The Company currently manages the self-storage properties of SAC Holdings (see Note 8 “Related Party Transactions” to the “Notes to the Condensed Consolidated Financial Statements”).

The Company currently manages the self-storage properties owned or leased by SAC Holdings, Mercury, 4 SAC, 5 SAC, 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 expenses, of \$4.4 million, and \$4.0 million from the above mentioned entities during the first quarter of fiscal 2007 and 2006, 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.

At June 30, 2006, 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. During the first quarter of fiscal 2007 and 2006, the Company paid the above mentioned entities \$10.1 million and \$9.3 million, respectively in commissions pursuant to such dealership contracts.

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 \$0.7 million and \$0.7 million in the first quarter of fiscal 2007 and 2006, 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.

During the first quarter of fiscal 2007 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, 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, except for minority investments made by RepWest and Oxford in a SAC Holdings-controlled limited partnership which holds Canadian self-storage properties. The Company recorded interest income of \$5.3 million and \$5.4 million, and received cash interest payments of \$34.2 million and \$4.9 million, from SAC Holdings during the first quarter of fiscal 2007 and 2006, respectively. The \$34.2 million payment in the first quarter of fiscal 2007 reduced the outstanding interest receivable from SAC Holdings to \$21.5 million. The largest aggregate amount of notes receivable outstanding during the first quarter of fiscal 2007 and the aggregate notes receivable balance at June 30, 2006 was \$203.7 million, of which \$75.1 million is with SAC Holding II and has been eliminated in the consolidating financial statements.

These agreements with subsidiaries of SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini, excluding dealer agreements, provided revenue of \$9.3 million, expenses of \$0.7 million and cash flows of \$37.5 million during the first quarter of fiscal 2007. Revenues and commission expenses related to the Dealer Agreements were \$46.5 million and \$10.1 million, respectively.

Fiscal 2007 Outlook

We have many developments which we believe should positively affect performance in fiscal 2007. We believe the momentum in our Moving and Storage Operations will continue.

In fiscal 2007 we are working towards increasing transaction volume, product mix and utilization for self-moving equipment rentals. Investing in our truck fleet is a key initiative to reach this goal. Over the past fifteen months we have placed over 17,400 of our large and mid-size rental trucks in service, along with approximately 4,700 new trailers. We continue to manufacture our mid-size rental trucks and expect to produce approximately 12,000 additional vehicles and 2,500 additional trailers during the next nine months. This investment is expected to increase the number of rentable equipment days available to meet our customer demands and to reduce future spending on repair costs and equipment downtime. In fiscal 2007 we are working towards increasing our storage occupancy at existing sites, adding new eMove Storage Affiliates and building new locations. We believe that additional occupancy gains in our current portfolio of locations can be realized in fiscal 2007.

At RepWest, our plans to exit non U-Haul related lines of business are progressing well. Additionally, RepWest will continue to provide loss adjusting and claims handling for U-Haul and underwrite components of the Safemove, Safetow and Safestor protection packages to U-Haul customers.

At Oxford, the recent acquisition of DGLIC is expected to increase Medicare supplement premium revenues and expand Oxford's presence in key markets. Additional direct marketing programs for life and annuity products are underway.

Cautionary Statements Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q, including the documents incorporated by reference herein, contains “forward-looking statements” regarding future events and our future results. We may make additional written or oral forward-looking statements from time to time in filings with the Securities and Exchange Commission (the “SEC”) or otherwise. We believe such forward-looking statements are within the meaning of the safe-harbor provisions of Section 27A of the Securities Act of 1933, as amended, and section 21E of the Securities Exchange Act of 1934, as amended. Such statements may include, but are not limited to, projections of revenues, earnings or loss; estimates of capital expenditures, plans for future operations, products or services; financing needs and plans; our perceptions of our legal positions and anticipated outcomes of government investigations and pending litigation against us; liquidity; goals and strategies; plans for new business; growth rate assumptions, pricing, costs, and access to capital and leasing markets as well as assumptions relating to the foregoing. The words “believe,” “expect,” “anticipate,” “estimate,” “project” and similar expressions identify forward-looking statements, which speak only as of the date the statement was made.

Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Factors that could significantly affect results include, without limitation, the risks set forth in Item 1A. “Risk Factors” section of our Annual Report on Form 10-K for the fiscal year ending March 31, 2006, as well as the following: the Company’s ability to operate pursuant to the terms of its credit facilities; the Company’s ability to maintain contracts that are critical to its operations; the costs and availability of financing; the Company’s ability to execute its business plan; the Company’s ability to attract, motivate and retain key employees; general economic conditions; fluctuations in our costs to maintain and update our fleet and facilities; our ability to refinance our debt; changes in government regulations, particularly environmental regulations; our credit ratings; the availability of credit; changes in demand for our products; changes in the general domestic economy; the degree and nature of our competition; the resolution of pending litigation against the Company; changes in accounting standards and other factors described in this report or the other documents we file with the SEC. The above factors, the following disclosures, as well as other statements in this report and in the Notes to our Condensed Consolidated Financial Statements, could contribute to or cause such differences, or could cause our stock price to fluctuate dramatically. Consequently, the forward-looking statements should not be regarded as representations or warranties by the Company that such matters will be realized. The Company disclaims any intent or obligation to update or revise any of the forward-looking statements, whether in response to new information, unforeseen events, changed circumstances or otherwise.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to financial market risks, including changes in interest rates and currency exchange rates. To mitigate these risks, we may utilize derivative financial instruments, among other strategies. We do not use derivative financial instruments for speculative purposes. We do not believe that inflation has or will have a unique impact on our operations.

Interest Rate Risk

The exposure to market risk for changes in interest rates relates primarily to our variable rate debt obligations. We have used interest rate swap and cap agreements to reduce our exposure to changes in interest rates.

	Notional Amount	Effective Date	Expiration Date	Fixed Rate	Floating Rate
\$	100,000,000(a)	6/8/2005	6/8/2008	3.97%	3 Month LIBOR
	100,000,000(a)	6/8/2005	6/8/2010	4.09%	3 Month LIBOR
	142,264,071(a), (c)	5/10/2006	4/10/2012	5.06%	1 Month LIBOR
	144,871,327(a), (c)	10/10/2006	10/10/2012	5.57%	1 Month LIBOR
	49,973,960(a), (c)	7/10/2006	7/10/2013	5.67%	1 Month LIBOR
	50,000,000(b)	5/17/2004	5/17/2007	3.00%	3 Month LIBOR

(a) interest rate swap agreement

(b) interest rate cap agreement

(c) forward swap

As of June 30, 2006, the Company had approximately \$516.3 million of variable rate debt obligations. If LIBOR were to increase or decrease 100 basis points, the increase or decrease in interest expense on the variable rate debt would increase or decrease future earnings and cash flows by approximately \$5.2 million annually (before consideration of the effect of the above derivative contracts).

Additionally, our insurance subsidiaries' fixed income investment portfolio's expose the Company to interest rate risk. This interest rate risk is the price sensitivity of a fixed income security to change in interest rates. As part of our insurance companies' asset and liability management, actuaries estimate the cash flow patterns of our existing liabilities to determine their duration. These outcomes are compared to the characteristics of the assets that are currently supporting these liabilities assisting management in determining an asset allocation strategy for future investments that management believes will mitigate the overall effect of interest rates.

Foreign Currency Exchange Rate Risk

The exposure to market risk for changes in foreign currency exchange rates relates primarily to our Canadian business. Approximately 2.5% and 2.6% of our revenue in the first quarter of fiscal 2007 and 2006, respectively, is generated in Canada. The result of a 10.0% change in the value of the U.S. dollar relative to the Canadian dollar would not be material. We typically do not hedge any foreign currency risk since the exposure is not considered material.

Item 4. Controls and Procedures

Attached as exhibits to this Form 10-Q are certifications of the registrants' Chief Executive Officer (CEO), Chief Accounting Officer (CAO) and Chief Financial Officer (CFO), which are required in accordance with Rule 13a-14 of the Securities Exchange Act of 1934, as amended (the Exchange Act). This "Controls and Procedures" section includes information concerning the controls and controls evaluation referred to in the certifications and it should be read in conjunction with the certifications for a more complete understanding of the topics presented in Evaluation of Disclosure Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the CEO, CAO, and CFO, conducted an evaluation of the effectiveness of the design and operation of the Company's "disclosure controls and procedures" (as such term is defined in the Exchange Act Rules 13a-15(e) and 15d-15(e)) (Disclosure Controls) as of the end of the period covered by this Form 10-Q. Our Disclosure Controls are designed to reasonably assure that information required to be disclosed in our reports filed under the Exchange Act, such as this Form 10-Q, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Our disclosure Controls are also designed to reasonably assure that such information is accumulated and communicated to our management, including the CEO, CAO and CFO, as appropriate to allow timely decisions regarding required disclosure. Based upon the controls evaluation, our CEO, CAO and CFO have concluded that as of the end of the period covered by this Form 10-Q, our Disclosure Controls were effective.

Inherent Limitations on the Effectiveness of Controls

The Company's management, including the CEO, CAO and CFO, does not expect that our Disclosure Controls or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

Changes in Internal Control over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15 (f) and 15d-15(f) under the Exchange Act) during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Information regarding our legal proceedings can be found under Note 7 “Contingencies” to the “Notes to the Condensed Consolidated Financial Statements”.

Item 1A. Risk Factors

We refer you to documents filed by us with the SEC, specifically “Item 1A. Risk Factors” of our most recent annual report on Form 10-K for the year ending March 31, 2006, which identify important risk factors that could materially affect our business, financial condition and future results. We also refer you to the factors and cautionary language set forth in the section entitled “Cautionary Statements Regarding Forward-Looking Statements” in Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) of this quarterly report on Form 10-Q. MD&A and the consolidated financial statements and related notes should be read in conjunction with such risks and other factors for a full understanding of our operations and financial conditions. The risks described in our Form 10-K and herein are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Below we set forth material updates to the risk factors contained in “Item 1A. Risk Factors” of our most recent Form 10-K:

We are controlled by a small contingent of stockholders.

As of June 30, 2006, Edward J. Shoen, Chairman of the Board of Directors and President of AMERCO, James P. Shoen, a director of AMERCO, and Mark V. Shoen, an executive officer of AMERCO, collectively are beneficial owners of 8,967,665 shares (approximately 42.1%) of the outstanding common shares of AMERCO. In addition, on June 30, 2006, Edward J. Shoen, James P. Shoen, Mark V. Shoen, Rosemarie T. Donovan (Trustee of the Shoen Irrevocable Trusts) and Southwest Fiduciary, Inc. (Trustee of the Irrevocable “C” Trusts) (collectively, Reporting Persons) entered into a Stockholder Agreement in which the Reporting Persons agreed to vote as one block in a manner consistent with the Stockholder Agreement and in furtherance of their interests. Pursuant to the Stockholder Agreement, the Reporting Persons appointed James P. Shoen as proxy to vote their collective 10,642,388 shares (approximately 50.0004%) of the Company’s common stock as provided for in the agreement. For additional information, see the Schedule 13D filed on July 13, 2006 with the SEC.

As a result of their stock ownership and the Stockholder Agreement, Edward J. Shoen, Mark V. Shoen and James P. Shoen will be in a position to significantly influence the business affairs and policies of the Company, including the approval of significant transactions, the election of the members of the Board of Directors and other matters submitted to our stockholders. There can be no assurance that the interests of the Reporting Persons will not conflict with the interest of our other stockholders. Furthermore, as a result of the Reporting Persons’ voting power, the Company is a “controlled company” as defined in the Nasdaq listing rules and, therefore, may avail itself of certain exemptions under Nasdaq Marketplace Rules, including rules that require the Company to have (i) a majority of independent directors on the Board; (ii) a compensation committee composed solely of independent directors; (iii) a nominating committee composed solely of independent directors; (iv) compensation of our executive officers determined by a majority of the independent directors or a compensation committee composed solely of independent directors; and (v) director nominees selected, or recommended for the Board’s selection, either by a majority of the independent directors or a nominating committee composed solely of independent directors.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 3. Defaults upon Senior Securities

Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders

No matter was submitted to a vote of the security holders of AMERCO or U-Haul during the first quarter of the fiscal year covered by this report, through the solicitation or proxies or otherwise.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

The following documents are filed as part of this report:

Exhibit Number	Description	Page or Method of Filing
2.1	Joint Plan of Reorganization of AMERCO and Amerco Real Estate Company	Incorporated by reference to AMERCO's Current Report on Form 8-K filed October 20, 2003, file no. 1-11255
2.2	Disclosure Statement Concerning the Debtors' Joint Plan of Reorganization	Incorporated by reference to AMERCO's Current Report on Form 8-K filed October 20, 2003, file no. 1-11255
2.3	Amended Joint Plan of Reorganization of AMERCO and Amerco Real Estate Company	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended December 31, 2003, file No. 1-11255
2.4	Disclosure Statement Concerning the Debtor's First Amended Joint Plan of Reorganization	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended December 31, 2003, file No. 1-11255
3.1	Restated Articles of Incorporation of AMERCO	Incorporated by reference to AMERCO's Registration Statement on form S-4 filed March 30, 2004, file number 1-11255
3.2	Restated By-Laws of AMERCO	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996, file No. 1-11255
3.3	Restated Articles of Incorporation of U-Haul International, Inc.	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2003, file no. 1-11255
3.4	Bylaws of U-Haul International, Inc.	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2003, file no. 1-11255
10.1	Stockholder Agreement dated June 30, 2006 between Edward J. Shoen, James P. Shoen, Mark V. Shoen, Rosemarie T. Donovan, as Trustee, and Southwest Fiduciary, Inc., as Trustee	Incorporated by reference to Exhibit 99.2 filed with the Schedule 13-D filed on July 13, 2006, file number 5-39669
31.1	Rule 13a-14(a)/15d-14(a) Certificate of Edward J. Shoen, President and Chairman of the Board of AMERCO and U-Haul International, Inc.	Filed herewith
31.2	Rule 13a-14(a)/15d-14(a) Certificate of Jason A. Berg, Chief Accounting Officer of AMERCO	Filed herewith
31.3	Rule 13a-14(a)/15d-14(a) Certificate of Robert T. Peterson, Chief Financial Officer of U-Haul International, Inc.	Filed herewith
32.1	Certificate of Edward J. Shoen, President and Chairman of the Board of AMERCO and U-Haul International, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith
32.2	Certificate of Jason A. Berg, Chief Accounting Officer of AMERCO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith
32.3	Certificate of Robert T. Peterson, Chief Financial Officer of U-Haul International, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMERCO

Date: August 8, 2006

/s/ Edward J. Shoen

Edward J. Shoen
President and Chairman of the Board
(Duly Authorized Officer)

Date: August 8, 2006

/s/ Jason A. Berg

Jason A. Berg
Chief Accounting Officer
(Principal Accounting Officer)

U-HAUL INTERNATIONAL, INC.

Date: August 8, 2006

/s/ Edward J. Shoen

Edward J. Shoen
President and Chairman of the Board
(Duly Authorized Officer)

Date: August 8, 2006

/s/ Robert T. Peterson

Robert T. Peterson
Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.1

EXECUTION COPY

STOCKHOLDER AGREEMENT

THIS STOCKHOLDER AGREEMENT (this "Agreement") is entered on June 30, 2006, among the direct and indirect holders signatory hereto (the "Stockholders") of certain shares of common stock of AMERCO, a Nevada corporation (the "Company") As used in this Agreement, the term "Shares" shall refer to all shares of common stock, \$0.25 par value, of the Company held or acquired by each Stockholder at any time during the term of this Agreement, and of any other type, class, or series of voting stock of the Company which may be issued at any time by the Company and acquired by any Stockholder at any time during the term of this Agreement, including, but not limited to, any shares of any type, class, or series of voting stock of the Company into which Shares held pursuant to this Agreement may be and are converted, and shall also include all powers or rights to vote any shares of common or other voting stock of the Company that are owned or controlled, directly or indirectly, by a Stockholder individually, or as a fiduciary, partner, joint venturer, stockholder, or director of a holder of such shares, or otherwise.

WITNESSETH :

WHEREAS, the Stockholders desire to combine their voting power in order to further its interests; and

WHEREAS, the Stockholders believe that this Agreement will advance this goal by facilitating (1) corporate stability, (2) evaluation of strategies to maximize the value and liquidity of the Company's securities, and (3) other matters of interest to the Stockholders;

NOW, THEREFORE, the Stockholders, for and in consideration of the mutual promises and covenants herein made, do hereby agree to and with each other as follows:

1. Duration . The term of this Agreement shall commence on the date first set forth above (the "Commencement Date") and the restrictions and obligations described herein shall be effective and remain in force between the parties until July 1, 2007, or until terminated as provided for herein, whichever occurs first. This Agreement shall automatically renew on July 1, of each successive year, unless a Stockholder provides written notice by June 1, to all other Stockholders of its intent to withdraw from the Agreement.

2. Voting the Shares; Limitations Thereon: Proxy . Unless otherwise provided for herein, in voting on all matters that may come before any meeting of the stockholders of the Company (a "Company Stockholders Meeting") occurring during the term of this Agreement, the Shares shall be voted as one block in the manner and upon the conditions and restrictions set forth below:

A. Majority Voting. Except as otherwise specifically provided herein all voting with respect to the Shares shall be at the direction of “a majority in interest of the Stockholders” (defined below) in accordance with this Section 2. For purposes of this Agreement and unless otherwise provided for herein, with respect to any voting of the Shares requiring the direction or vote of a majority in interest of the Stockholders, each Stockholder (whether an individual or an entity) shall be entitled to one vote for each Share subject to this Agreement; provided, however, that if any Shares are entitled to more or less than one vote per Share in any matter to be voted on at a Company Stockholders Meeting, then for purposes of any vote taken hereunder with respect to such matter, such Shares shall have the same voting entitlement under this Agreement. For purposes of this Agreement, a “majority in interest of the Stockholders” shall mean Stockholders holding greater than fifty percent (50%) of all Shares that are actually voted pursuant to this Agreement at a Stockholders Meeting (defined below) or at any other meeting of the Stockholders hereunder in person or by proxy by the Stockholders, or if any such Shares are entitled to more or less than one vote per Share in any matter to be voted on at a Company Stockholders Meeting, then for purposes of any vote taken hereunder with respect to such matter, a “majority in interest of the Stockholders” shall mean Stockholders holding greater than fifty percent (50%) of the votes that are actually voted pursuant to this Agreement at a Stockholders Meeting in person or by proxy by the Stockholders. When so voting or directing the manner in which the Shares shall be voted, Stockholders may vote at a Stockholders Meeting or at any other meeting of the Stockholders hereunder by written proxy. Stockholders may also participate in and vote at a Stockholders Meeting or at any other meeting of the Stockholders hereunder by means of conference telephone or similar communications equipment whereby all Stockholders participating in such meeting can hear one another, and such participation shall constitute presence in person at any such meeting. In addition, any action that may be taken hereunder by a majority in interest of the Stockholders at a Stockholders Meeting or at any other meeting of the Stockholders hereunder may be taken without a meeting upon the express written consent of all Stockholders.

B. Stockholders Meeting. Prior to voting the Shares with respect to any resolution or election which comes before any Company Stockholders Meeting, a meeting of the Stockholders for the purpose of directing the manner in which the Shares shall be voted (a “Stockholders Meeting”) shall be held no earlier than forty-eight (48) hours after the receipt by each of the Stockholders of a Stockholder Meeting Notice (defined below) and no later than the day preceding a Company Stockholders Meeting. The Stockholders hereby appoint the Proxy referenced in Section 2.C hereof, and such Proxy accepts such appointment, as the Stockholder responsible for giving written notice of each Stockholders Meeting (“Stockholder Meeting Notice”) to all Stockholders within seven (7) days after such Proxy receives notice of a Company Stockholders Meeting, which Stockholder Meeting Notice shall include:

(i) The matters to be submitted to the vote of the stockholders of the Company and the date on which such matter is to be submitted to the vote of the stockholders of Company or a reference to a particular notice of a Company Stockholders Meeting otherwise sent by the Company to its stockholders and received by all Stockholders hereunder; and

(ii) The place (unless such meeting is to be held among all of the Stockholders participating solely by conference telephone or similar communications equipment), day, and hour of the Stockholders Meeting to direct the manner in which the Shares shall be voted. The place of any such meeting shall be selected by the Proxy referenced in Section 2.C hereof, provided, however, that such place shall be within Maricopa County, Arizona and, provided further, that an “absolute majority of the Stockholders” may agree that such meeting shall be held elsewhere. Any Stockholder who desires to participate in any such meeting by conference telephone or similar communications equipment must give written notice, which notice must be received by the Proxy referenced in Section 2.C hereof no later than twenty-four (24) hours prior to such meeting, stating such desire and a telephone number at which such Stockholder can be reached on the day and hour of such meeting. If the meeting is to be held solely by means of conference telephone or similar communications equipment, the Stockholders Meeting Notice shall also describe the procedure pursuant to which the meeting shall be held and the method by which each Stockholder may participate therein. The term “absolute majority of the Stockholders” shall mean for purposes of this Agreement the Stockholders holding greater than fifty percent (50%) of all Shares held by all Stockholders pursuant to this Agreement, or if any such Shares are entitled to more or less than one vote per Share in any matter to be voted on at a Company Stockholders Meeting, that for purposes of any vote taken hereunder with respect to such matter, upon the express written consent of the Stockholders holding greater than fifty percent (50%) of the votes held by all Stockholders pursuant to this Agreement.

The obligation of the Proxy referenced in Section 2.C hereof to give notice to all Stockholders under this Section 2.B may be delegated by such Proxy to any other person. The provisions of this Section 2.B shall not apply when action is taken on any matter to be voted on at a Company Stockholders Meeting by written consent in accordance with the third to last sentence of Section 2.A hereof.

C. Appointment of Proxy . In addition to and in order to carry out the provisions and intentions set forth in this Section 2, the Stockholders hereby constitute and appoint James P. Shoen, and James P. Shoen accepts such appointment, as the Stockholders’ true and lawful attorney and agent in their name, place and stead to vote the Shares as their proxy in accordance with the direction as to voting such Shares as provided for in this Agreement (in his capacity as proxy for the Stockholders, James P. Shoen shall hereinafter be referred to as “Proxy,” which term shall include any successor proxy designated or selected in accordance with Section 9 hereof). The proxy granted herein shall be irrevocable and coupled with an interest and shall continue in force until this Agreement is terminated. The Stockholders, and each of them, and Proxy shall execute on the date hereof the form of proxy attached hereto as Exhibit A and made a part hereof. Proxy agrees to promptly file a copy of the fully executed proxy with the Secretary of the Company for notification purposes. If the Stockholders fail, for whatever reason, to direct Proxy as to the manner in which the Shares are to be voted, then, Proxy shall exercise his best judgment in voting the Shares. Proxy shall not have any liability to any person for any acts taken in good faith and that do not constitute willful malfeasance.

D. Limitations. Notwithstanding any other provision of this Agreement, to the extent any Stockholder is prohibited by applicable law, rule, or regulation from allowing such Stockholder's Shares to be voted in accordance with the provisions of this Section 2, the remaining Stockholders' obligations and duties pursuant to this Section 2 shall not be affected or impaired in any manner.

3. Termination. This Agreement shall be effective on the Commencement Date and shall remain in full force and effect for the term set forth in Section 1 above; provided, however, that this Agreement may be terminated at any time upon

(i) the consent of Stockholders holding greater than 60% of all Shares held by all Stockholders pursuant to this Agreement.

4. Merger, Sale or Consolidation. In the event of a merger, sale or consolidation involving the Company and in which (a) the Company is not the surviving entity or (b) the Company becomes the subsidiary of another corporation, the termination date hereof shall be accelerated to the effective date of said consolidation, sale or merger unless Stockholders holding greater than 60% of all Shares held by all Stockholders pursuant to this Agreement elect or consent to continue this Agreement for its full term, substituting where appropriate the voting shares issued pursuant to said consolidation, sale or merger for the Shares.

5. Additional Shares. During the term of this Agreement, any and all additional shares of the common stock or other voting stock of the Company which may be acquired by or issued to the Stockholders in any transaction with any party shall be subject to the terms, restrictions, and conditions of this Agreement and shall be considered Shares for all purposes of this Agreement.

6. Additional Stockholders. From time to time after the execution of this Agreement by the Stockholders who are the initial parties to this Agreement, additional holders of certain shares of common stock or any other type of voting stock that may be issued by the Company may become parties to this Agreement subject to the terms hereof upon the consent of Stockholders holding greater than 60% of all Shares held by all stockholders pursuant to this Agreement and upon the execution of a counterpart signature page by each such holder

7. Stockholders Representations and Warranties. The Stockholders, and each of them, by signing this Agreement, or a counterpart hereof, represent and warrant:

(i) That they (A) are the legal and equitable owners of, (B) are the legal owners of and hold in trust for the equitable owners, or (C) otherwise have the legal right to enter into this Agreement on behalf of the legal and equitable owners of, the number of Shares listed beside their respective signatures;

(ii) That such Shares so listed constitute all of the Shares which they legally or beneficially own or control, directly or indirectly;

(iii) That they have the right and power to vote the number of Shares listed beside their respective signatures;

(iv) That they have the right and power to enter into this Agreement, and to perform the undertakings set forth herein; and

(v) Except as may be provided in the Company's Articles of Incorporation or By-Laws, there are no prior binding agreements to which any of the Stockholders are a party or to which the Shares are subject that affect or restrict the voting rights of the Shares or the manner in which the Shares shall be voted and, to the extent any such purported agreement or agreements exist, have existed or are claimed to exist, they are hereby released, discharged, cancelled, terminated and rendered null and void, provided, however, that the Stockholders acknowledge and agree that the Stockholders may execute agreements solely between and with, or for the benefit of, other Stockholders which further restrict the voting or the transferability of the Shares, such additional restrictive agreements being subject to all of the terms and conditions of this Agreement

(vi) Stockholders shall have the right to pledge shares as collateral on any transaction.

8. Compensation and Reimbursement. Proxy shall not be entitled to any compensation for his services as Proxy, but the Stockholders, jointly and severally, shall reimburse him and hold him harmless for any expenses (including attorneys' fees) and disbursements reasonably incurred by Proxy in connection with any litigation that may arise in respect of this Agreement or in respect of the Company, to which Proxy is a party as a consequence of his acting as Proxy pursuant to this Agreement.

9. Removal and Replacement of Proxy. Proxy may be removed and replaced as Proxy for any reason by an affirmative vote of an absolute majority of the Stockholders (as defined in Section 2.A) at a meeting called by any Stockholder for the purpose of considering the replacement of Proxy. Such meeting shall require seven (7) days advance written notice to all Stockholders. If Proxy is removed, the Stockholders shall cause a written notice to that effect to be sent to the removed Proxy effective as of the date set forth in said notice. Upon the disability, removal, or resignation of Proxy or any successor Proxy, the vacancy shall be filled by appointment by an absolute majority of the Stockholders voting on such issue. Until the appointment of a new Proxy in accordance with this Section 9, Edward J. Shoen shall serve as interim Proxy hereunder. At any time that a proxy is removed or replaced hereunder and a new Proxy is appointed, including the interim Proxy contemplated in this Section 9, the Stockholders will execute a new proxy in substantially the form of Exhibit A hereto but with the name of the new or interim Proxy substituted for James P. Shoen each time such name appears in such proxy.

10. Knowing Covenants. The parties hereby represent to each other that the covenants and agreements provided for in this Agreement have been knowingly and voluntarily granted after thorough consultation with counsel as to the binding and irrevocable effect thereof. Based upon consultation with counsel, the parties hereby represent and warrant to each other that this Agreement is binding and enforceable in accordance with its terms.

11. Exhibits. All Exhibits attached to this Agreement are fully incorporated herein and are made part of this Agreement whether or not the Exhibits are executed by any or all of the parties.

12. Incorporation of Prefatory Language . The prefatory language made and stated hereinabove is hereby incorporated by reference into, and made a part of, this Agreement.

13. No Other Parties to Benefit . This Agreement is made for the sole benefit of the parties hereto and their successors and assigns. Except as expressly provided herein, no other person or entity is intended to or shall have any rights or benefits hereunder, whether as third party beneficiaries or otherwise.

14. Notice . All notices provided for herein shall be hand delivered or sent by Federal Express or other reputable overnight courier or by registered or certified mail, postage prepaid, addressed to all parties hereto at the address designated for each party in the signature pages hereto or at such other address as the party who is to receive such notice may designate in writing delivered to all other parties hereto. Notice shall be deemed received upon: (i) such hand delivery, (ii) one (1) day after the day such notice is delivered to Federal Express or other reputable overnight courier for next day delivery, or (iii) three (3) days after the deposit of same in a letter box or other means provided for the posting of mail, properly addressed in accordance with the first sentence of this Section 14 and with the proper amount of postage affixed thereto or other delivery charge paid or otherwise provided for. Actual receipt of notice shall not be required to effect notice hereunder. Each party shall promptly notify each other of any change of address.

15. Governing Law; Construction . The substantive laws of the State of Nevada shall govern the interpretation and enforcement of this Agreement. This Agreement is intended to express the mutual intent of the parties hereto, irrespective of the party preparing or causing the preparation of any document, and no rule of construction shall be applied against any party. Except as otherwise provided herein, this Agreement shall be binding upon and shall inure to the benefit of the parties, their heirs, successors, and assigns.

16. Modification and Waiver . No provision of this Agreement shall be amended, waived, or modified except by an instrument in writing signed by all of the parties hereto who have executed this Agreement or a counterpart hereof.

17. Materiality . All covenants, agreements, representations, and warranties made herein shall be deemed to be material and to have been relied on by the parties in entering into this Agreement and shall survive the execution and delivery of this Agreement.

18. Headings . All sections and descriptive headings of sections and subsections in this Agreement are inserted for convenience only and shall not affect the construction or interpretation hereof.

19. Integration . This Agreement constitutes and embodies the full and complete understanding and agreement of the parties hereto and supersedes all prior understandings, whether oral or written. No representation, promise, inducement, or statement of intention has been made by any party hereto which is not embodied in this Agreement, and no party hereto shall be bound by or liable for any alleged misrepresentation, promise, inducement, or statement of intention not so set forth.

20. Time of the Essence. Time is of the essence in all matters associated with this Agreement.

21. Assignability. Except upon a merger, sale or transfer of Shares in accordance with Section 4 hereof, no party shall assign this Agreement or any part hereof or rights hereunder without the prior written consent of a majority in interest of the Stockholders. Any assignment in violation of this paragraph shall be null and void and vest no rights in the purported assignee.

22. Meetings of Stockholders; Notice. Whenever this Agreement requires or allows the vote of Stockholders on any matter other than a matter to be voted on at a Company Stockholders Meeting, as described in Section 2.B, or as provided in Section 11 hereof in connection with the removal and replacement of Proxy, a meeting may be called by any Stockholder for the purpose of voting on such matter. Such meeting shall require seven (7) days advance written notice to all Stockholders. Action on any such matter may also be taken by written consent in accordance with the third to last sentence of Section 2.A hereof.

23. Indulgences Not Waivers. Neither the failure nor any delay on the part of any party to exercise any right, remedy, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege preclude any other or further exercise of the same or of any other right, remedy, power, or privilege, nor shall any waiver of any right, remedy, power, or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power, or privilege with respect to any other occurrence.

24. Additional Instruments and Acts. The parties to this Agreement shall execute (with acknowledgment or in affidavit form, if required) any further or additional instruments, and shall perform any acts, which are or may become necessary to effectuate and carry out the purposes of this Agreement or as may be required by law.

25. Interpretation. In this Agreement the singular includes the plural, and the plural the singular; words importing any gender include the other genders; references to "writing" include printing, typing, lithography, and other means of reproducing words in a tangible visible form.

26. Enforcement; Attorneys' Fees. Should any proceeding be commenced or dispute arise between the parties hereto concerning the terms of this Agreement, or the rights and duties of the parties hereto, the prevailing party in such proceeding or dispute shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for the prevailing party's attorneys' fees.

27. Remedies. In the event of a breach of this Agreement or any term hereof by any party hereto, each Stockholder shall have all rights and remedies available at law, in equity, or under the terms of this Agreement, including, without limitation, the right to seek injunctive relief and specific performance of any party's obligations hereunder. All rights and remedies of the Stockholders shall be cumulative and the exercise of any right or remedy by any Stockholder shall not be deemed a waiver, relinquishment, or abandonment of any other right or remedy, and shall not affect or limit in any way the future assertion of the same, or any other right or remedy.

28. Authority. By execution of this Agreement, the signatories hereto represent and warrant their authority to act in the capacity represented. By execution of this Agreement each party represents and warrants its right, power, and authority to perform its obligations under this Agreement.

29. Counterparts; Effectiveness. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement, binding among the parties hereto who have executed a counterpart hereof.

30. Severability; Invalid Provision. To the extent that any provision of this Agreement is determined to be invalid, illegal, or otherwise unenforceable as to any Stockholder, such determination shall have no effect upon the remaining provisions of this Agreement or upon the duties and obligations of the other Stockholders. Further, in lieu of each such invalid, illegal, or unenforceable provision, a valid, legal, and enforceable provision as similar in terms to such invalid, illegal, or unenforceable provision shall be automatically added to this Agreement and this Agreement shall be deemed reformed so as to incorporate such substitute provision. Additionally, to the extent any Stockholder is an employee benefit plan subject to ERISA, or other laws, rules, or regulations render any Section (or any provision of any Section) invalid, illegal, or unenforceable, as to such Stockholder, such determination shall have no effect upon the remaining provisions of this Agreement or upon the duties or obligations of the other Stockholders.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands as of the date set forth beside their signature.

Name & Sig.

Date of

of Stockholders

Execution

Edward J. Shoen,
an individual
and as Trustee of MVS 028 Trust
Suite 1100
2727 N. Central
Phoenix, AZ 85004

June 30,2006

/s/Edward J. Shoen
Edward J. Shoen

Mark V. Shoen
an individual
and as Trustee of EJS 028 Trust
Suite 1100
2727 N. Central
Phoenix, AZ 85004

June 30,2006

/s/Mark V. Shoen
Mark V. Shoen

James P. Shoen,
an individual
Suite 100
1325 Airmotive Way
Reno, NV 89502

June 30,2006

/s/James P. Shoen
James P. Shoen

JPS Partners LTD
A Limited Partnership

June 30, 2006

/s/James P. Shoen
James P. Shoen
General Partner

Rosmarie T. Donovan, Trustee,

Shoen Irrevocable Trust, dated November 2, 1998, fbo Rose S.Shoen

/s/Rosmarie T. Donovan
Rosmarie T. Donovan, Trustee

Shoen Irrevocable Trust, dated November 2, 1998, fbo Sarah K.Shoen

/s/Rosmarie T. Donovan
Rosmarie T. Donovan, Trustee

Shoen Irrevocable Trust, dated November 2, 1998, fbo Ann M. Shoen

/s/Rosmarie T. Donovan
Rosmarie T. Donovan, Trustee

Shoen Irrevocable Trust, dated November 2, 1998, fbo Mary C.Shoen

/s/Rosmarie T. Donovan
Rosmarie T. Donovan, Trustee

Shoen Irrevocable Trust, dated November 2, 1998, fbo James P.Shoen II

/s/Rosmarie T. Donovan
Rosmarie T. Donovan, Trustee

Mark V. Shoen as President of
Blackwater Investments, Inc.

/s/Mark V. Shoen
Mark V. Shoen, President

Southwest Fiduciary, Inc.
an Arizona Corporation,
Trustee under that "C"
Irrevocable Trust
dated December 20, 1982
(Mark V. Shoen, Grantor)

June 30, 2006

By /s/Greg Dovico
Its President

Southwest Fiduciary, Inc.
an Arizona Corporation,
Trustee under that "C"
Irrevocable Trust
dated December 20, 1982
(James P. Shoen, Grantor)

June 30, 2006

By /s/Greg Dovico
Its President

Southwest Fiduciary, Inc.
an Arizona Corporation,
Trustee under that "C"
Irrevocable Trust
dated December 20, 1982
(Edward J. Shoen, Grantor)

June 30, 2006

By /s/Greg Dovico
Its President

Exhibit A

AMERCO

PROXY

(Including Power of Attorney)

The undersigned stockholder of AMERCO, a Nevada corporation, does hereby appoint James P. Shoen agent and proxy of the undersigned, with full power of substitution and with full power to act as true and lawful attorney in fact, to vote, in accordance with the terms and conditions of that certain Stockholder Agreement dated as of June 30, 2006 (the "Stockholder Agreement"), at any meeting of the stockholders of AMERCO and upon all business as may properly come before the meeting, in the name and place as proxy of the undersigned and with all the powers which the undersigned would possess if personally present, all of the stock of AMERCO standing in the name of the undersigned or which the undersigned would be entitled to vote if personally present. James P. Shoen may exercise the rights granted under this proxy either in person at any meeting of the stockholders of AMERCO or by signing a proxy on behalf of the undersigned. This proxy shall be valid and irrevocable until July 1, 2007 or until termination of the Stockholder Agreement in accordance with the terms thereof, whichever occurs first.

Dated: As of June 30, 2006

Name & Sig.

Date of

of Stockholders

Execution

Edward J. Shoen,
an individual
and as Trustee of MVS 028 Trust
Suite 1100
2727 N. Central
Phoenix, AZ 85004

June 30,2006

/s/Edward J. Shoen
Edward J. Shoen

Mark V. Shoen
an individual
and as Trustee of EJS 028 Trust
Suite 1100
2727 N. Central
Phoenix, AZ 85004

June 30,2006

/s/Mark V. Shoen
Mark V. Shoen

James P. Shoen,
an individual
Suite 100
1325 Airmotive Way
Reno, NV 89502

June 30,2006

/s/James P. Shoen
James P. Shoen

JPS Partners LTD
A Limited Partnership

June 30, 2006

/s/James P. Shoen
James P. Shoen
General Partner

Rosmarie T. Donovan, Trustee,

Shoen Irrevocable Trust, dated November 2, 1998, fbo Rose S.Shoen

/s/Rosmarie T. Donovan
Rosmarie T. Donovan, Trustee

Shoen Irrevocable Trust, dated November 2, 1998, fbo Sarah K.Shoen

/s/Rosmarie T. Donovan
Rosmarie T. Donovan, Trustee

Shoen Irrevocable Trust, dated November 2, 1998, fbo Ann M. Shoen

/s/Rosmarie T. Donovan
Rosmarie T. Donovan, Trustee

Shoen Irrevocable Trust, dated November 2, 1998, fbo Mary C.Shoen

/s/Rosmarie T. Donovan
Rosmarie T. Donovan, Trustee

Shoen Irrevocable Trust, dated November 2, 1998, fbo James P.Shoen II

/s/Rosmarie T. Donovan
Rosmarie T. Donovan, Trustee

Mark V. Shoen as President of
Blackwater Investments, Inc.

/s/Mark V. Shoen
Mark V. Shoen, President



Southwest Fiduciary, Inc.
an Arizona Corporation,
Trustee under that "C"
Irrevocable Trust
dated December 20, 1982
(Mark V. Shoen, Grantor)

June 30, 2006

By /s/Greg Dovico
Its President

Southwest Fiduciary, Inc.
an Arizona Corporation,
Trustee under that "C"
Irrevocable Trust
dated December 20, 1982
(James P. Shoen, Grantor)

June 30, 2006

By /s/Greg Dovico
Its President

Southwest Fiduciary, Inc.
an Arizona Corporation,
Trustee under that "C"
Irrevocable Trust
dated December 20, 1982
(Edward J. Shoen, Grantor)

June 30, 2006

By /s/Greg Dovico
Its President

Rule 13a-14(a)/15d-14(a) Certification

I, Edward J. Shoen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AMERCO and U-Haul International, Inc. (together, the “Registrants”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrants as of, and for, the periods presented in this report;
4. The Registrants other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrants and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrants, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrants disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrants internal control over financial reporting that occurred during the Registrants most recent fiscal quarter (the Registrants fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrants internal control over financial reporting; and
5. The Registrants other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrants auditors and the audit committee of the Registrants board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrants ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrants internal control over financial reporting.

/s/ Edward J. Shoen

Edward J. Shoen
President and Chairman of the
Board of AMERCO and U-Haul
International, Inc.

Date: August 8, 2006

Rule 13a-14(a)/15d-14(a) Certification

I, Jason A. Berg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AMERCO (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrants as of, and for, the periods presented in this report;
4. The Registrants other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrants and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrants, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrants disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrants internal control over financial reporting that occurred during the Registrants most recent fiscal quarter (the Registrants fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrants internal control over financial reporting; and
5. The Registrants other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrants auditors and the audit committee of the Registrants board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrants ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrants internal control over financial reporting.

/ s/ Jason A. Berg

Jason A. Berg

Chief Accounting Officer of AMERCO

Date: August 8, 2006

Rule 13a-14(a)/15d-14(a) Certification

I, Robert T. Peterson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of U-Haul International, Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrants as of, and for, the periods presented in this report;
4. The Registrants other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrants and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrants, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrants disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrants internal control over financial reporting that occurred during the Registrants most recent fiscal quarter (the Registrants fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrants internal control over financial reporting; and
5. The Registrants other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrants auditors and the audit committee of the Registrants board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrants ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrants internal control over financial reporting.

/s/ Robert T. Peterson

Robert T. Peterson

Chief Financial Officer of U-Haul International, Inc.

Date: August 8, 2006

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Form 10-Q for the quarter ended June 30, 2006 of AMERCO and U-Haul International, Inc. (together, the "Company"), as filed with the Securities and Exchange Commission on August 8, 2006 (the "Report"), I, Edward J. Shoen, Chairman of the Board and President of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

AMERCO,
a Nevada corporation
/s/ Edward J. Shoen
Edward J. Shoen
President and Chairman of the Board

Date: August 8, 2006

U-HAUL INTERNATIONAL, INC.,
a Nevada corporation

/s/ Edward J. Shoen
Edward J. Shoen
President and Chairman of the Board

Date: August 8, 2006

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Form 10-Q for the quarter ended June 30, 2006 of AMERCO (the "Company"), as filed with the Securities and Exchange Commission on August 8, 2006 (the "Report"), I, Jason A. Berg, Chief Accounting Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

AMERCO,
a Nevada corporation
/s/ Jason A. Berg
Jason A. Berg
Chief Accounting Officer

Date: August 8, 2006

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

In connection with the Form 10-Q for the quarter ended June 30, 2006 of U-Haul International, Inc. (the "Company"), as filed with the Securities and Exchange Commission on August 8, 2006 (the "Report"), I, Robert T. Peterson, Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

U-HAUL INTERNATIONAL, INC.,
a Nevada corporation
/s/ Robert T. Peterson
Robert T. Peterson
Chief Financial Officer

Date: August 8, 2006