

VOLVO

Volvo Treasury AB (publ)

(Incorporated with limited liability under the laws of Sweden)

under the guarantee of

AB Volvo (publ)

(Incorporated with limited liability under the laws of Sweden)

U.S.\$15,000,000,000

Euro Medium Term Note Programme

This Prospectus Supplement (the "**Supplement**") constitutes a supplement to and must be read in conjunction with the base prospectus dated 6 November 2015, as supplemented by a first supplement thereto dated 9 February 2016, a second supplement thereto dated 3 March 2016, a third supplement thereto dated 26 April 2016 and a fourth supplement thereto dated 12 May 2016 (together, the "**Prospectus**") prepared by Volvo Treasury AB (publ) (the "**Issuer**") and guaranteed by AB Volvo (publ) (the "**Parent**") with respect to the U.S.\$15,000,000,000 Euro Medium Term Note Programme (the "**Programme**"). Terms defined in the Prospectus have the same meaning when used in this Supplement.

Application has been made to the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), as competent authority for the purposes of the Luxembourg Law dated 10 July 2005 on prospectuses for securities as amended by the Luxembourg Law dated 3 July 2012 (the "**Prospectus Law**") implementing Directive 2003/71/EC, as amended (the "**Prospectus Directive**"), to approve this Supplement.

Each of the Issuer and the Parent accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer and the Parent (each having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and contains no omission likely to affect its import.

This Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive for the purposes of updating the "Recent Developments – Significant Events" section of the Prospectus by including the press release dated 25 June 2016 relating to the EU competition investigation (the "**June 2016 Press Release**").

Copies of this Supplement will be available (i) without charge from the specified offices of the paying agents and (ii) on the website of the Luxembourg Stock Exchange (www.bourse.lu).

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in or incorporated in the Prospectus, the statements in (a) above will prevail.

Except as disclosed in this Supplement and the Prospectus, there has been:

- (i) no significant change in the financial or trading position of the Issuer since 31 December 2015;
- (ii) no significant change in the financial or trading position of the Parent or the Volvo Group, in each case, since 31 March 2016;
- (iii) no material adverse change in the prospects of the Issuer since 31 December 2015; and
- (iv) no material adverse change in the prospects of the Parent or the Volvo Group, in each case, since 31 December 2015.

There has been no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus which is material in the context of the Programme since the publication of the Prospectus.

The following will be added at the end of the "Recent Developments – Significant Events" section at page 58 of the Prospectus:

"Volvo makes additional provision in connection with EU competition investigation"

The Volvo Group has decided to make an additional provision of EUR 250 million (SEK 2.3 billion) in connection with the ongoing investigation, in which the Commission's preliminary standpoint is that Volvo and other companies in the truck industry may have violated EU antitrust laws in the period prior to January 18, 2011. The provision will have an impact on operating income in the second quarter of 2016.

In January 2011, the Volvo Group and a number of other companies in the truck industry became part of an investigation by the European Commission regarding a possible violation of EU antitrust rules. In the fourth quarter of 2014, the Volvo Group made an initial provision of EUR 400 million (SEK 3.8 billion) since it was likely that the Group's financial results and cash flow would be adversely impacted by the Commission's investigation. At the same time, Volvo announced that the company would reassess the size of the provision on a continuous basis as the Commission's investigation continued. The provision made by the Volvo Group total EUR 650 million (SEK 6.1 billion) and is based on the company's best assessment of the financial impact of the investigation at the present time. The investigation is ongoing and the Volvo Group is cooperating fully with the authorities involved."