

# **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 Prospectus dated 9<sup>th</sup> November 2010, as supplemented by a supplement thereto dated 8<sup>th</sup> February 2011 (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 on Prospectuses for Securities implementing Directive 2003/71/EC (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 incorporating by reference the document mentioned below and to incorporate into the Prospectus a press release made by AB Volvo relating to the impact of the recent events in Japan on the Volvo Group ("Appendix 1").

The following document has been filed with the CSSF and by virtue of this Supplement such document shall be deemed to be incorporated by reference into and form part of the Prospectus:

- The audited annual report of the Parent and the Volvo Group for the financial year 2010 ended on 31<sup>st</sup> December 2010 (the "**Volvo Group Annual Report 2010**")

Copies of this Supplement and the document incorporated by reference 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](http://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 the Prospectus (including the documents incorporated by reference) and in this Supplement, there has been:

- (i) no significant change in the financial or trading position of the Issuer since 30<sup>th</sup> June 2010;
- (ii) no significant change in the financial or trading position of the Parent or the Volvo Group since 31<sup>st</sup> December 2010; and
- (iii) no material adverse change in the prospects of the Issuer since 31<sup>st</sup> December 2009; and
- (iv) no material adverse change in the prospects of the Parent or the Volvo Group since 31<sup>st</sup> December 2010.

In accordance with Article 13 paragraph 2 of the Luxembourg Law on Prospectuses for Securities, investors who have already agreed to purchase or subscribe for the securities before this Supplement is published have the right, exercisable within a time limit of minimum two working days after the publication of this Supplement, to withdraw their acceptances.

Save as disclosed in this Supplement, 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 Volvo Group Annual Report 2010 is incorporated by reference as set out above, in compliance with Article 5.1 of the Prospectus Directive. The following table sets out the principal disclosure requirements which are satisfied by the information and is not exhaustive. Each page reference refers to the corresponding page in the report.*

## **VOLVO GROUP ANNUAL REPORT 2010**

<i>CEO Comment</i>	<i>pages 1-3</i>
<i>Significant events</i>	<i>pages 24-25</i>
<i>Financial performance</i>	<i>pages 58-60</i>
<i>Financial position</i>	<i>pages 62-63</i>
<i>Cash-flow statement</i>	<i>pages 64-65</i>
<i>Proposed disposition of unappropriated earnings</i>	<i>page 127</i>
<i>Risk and uncertainties</i>	<i>pages 53-55</i>
<i>Legal proceedings</i>	<i>page 77 and 99</i>

### ***Cross reference list to the audited annual consolidated financial statement of the Parent***

<i>Consolidated balance sheet</i>	<i>page 68</i>
<i>Consolidated income statement</i>	<i>page 67</i>
<i>Consolidated cash-flow statement</i>	<i>page 70</i>
<i>Notes to the consolidated financial statements</i>	<i>pages 71- 113</i>
<i>Audit report</i>	<i>page 128</i>

### ***Cross reference list to the audited annual non-consolidated financial statements of the Parent***

<i>Balance sheet</i>	<i>page 115</i>
<i>Income statement</i>	<i>page 114</i>
<i>Cash-flow statement</i>	<i>page 117</i>
<i>Notes and comments</i>	<i>pages 118-125</i>
<i>Audit report</i>	<i>page 128</i>

*Any other information not listed above but contained in the incorporated document is incorporated by reference for informational purposes only.*

# VOLVO

AB Volvo

## Press release

### Update on the situation in Japan

A little more than a week after the devastating earthquake and the resulting tsunami in Japan, the Volvo Group has been able to shape a preliminary impression of the consequences for the Group. The fatalities after the catastrophe include two Japanese co-workers, while a third remains missing.

"This is a devastating catastrophe that has hit Japan and I know I'm speaking on behalf of everyone in the Group when I say that our thoughts go to those who have lost their lives, to our missing colleague and to all their families, as well as to the thousands of others who have been affected in Japan," says Leif Johansson, Volvo's President and CEO.

Following the inspections and repairs that have been implemented, it is estimated that production at UD Trucks' facilities in the Tokyo area should be able to resume on a limited scale on March 28.

As regards sub-suppliers, intensive efforts are in progress aimed at surveying all stages of the supplier chain. At this moment in time, it is estimated that the production of trucks outside Japan will not be impacted to any major extent; however, Volvo Construction Equipment's production of primarily excavators in Korea and China is expected to be affected due to a shortage of key hydraulic components.

UD Trucks has devoted considerable effort to assisting its employees and starting up production amid the very difficult conditions existing in Japan. Among other measures, the company has arranged aid shipments of food and other necessities for the affected sections of the workforce, as well as arranging evacuation sites on the plant area for its employees and their relatives. UD Trucks/Volvo Group has offered the Japanese Government assistance in the form of equipment (mainly trucks) and funds in a total amount of JPY 100 million (about SEK 8 million). The Group's employees worldwide are showing considerable willingness to assist the victims of the earthquake. Accordingly, the Volvo Group has arranged a global collection for the Red Cross to which employees can donate money. The Volvo Group will match the total amount collected with an equally large donation.

In conjunction with the production stoppage at UD Trucks' three production facilities in the Tokyo area last week, a review was conducted of the plants in question, which confirmed that the damage was relatively limited. The current plan is to resume production to a limited extent on March 28.

# VOLVO

During the earthquake, parts of the office buildings were also damaged, including the building that houses R&D activities; however, this facility has also been surveyed and it is expected that work can resume today Tuesday. Six of UD Trucks' 150 proprietary service and dealer facilities in Japan have been hit, three of which were seriously damaged.

During the past week, UD Trucks has worked intensively with its sub-suppliers to clarify when they can resume their deliveries to UD Trucks. As part of efforts to assist sub-suppliers to commence production, UD Trucks has set up six teams among its workforce to work with sub-suppliers. Currently, however, it is difficult to assess the degree to which production disruptions among sub-suppliers will impact on UD Trucks. At the moment, it appears that truck production outside Japan will not be affected to any significant extent due to the problems facing Japanese sub-suppliers.

The problems among Japanese sub-suppliers will, however, affect Volvo Construction Equipment, which sources key hydraulic components from Japan. The disruptions are expected to impact on VCE's production of primarily excavators in Korea and China from April onwards.

The Volvo Group has some 9,500 employees in Japan and three production plants outside Tokyo. Sales in Japan accounted for some 7 percent of the Group's total sales in 2010, with about half deriving from new product sales and the remainder from the aftermarket.

Under the news section at [volvogroup.com](http://volvogroup.com), the Volvo Group continuously updates its information regarding developments in Japan.

March 22, 2011

*Reporters who want more information, please contact Mårten Wikforss, +46 31 66 11 27 or +46 705 59 11 49.*

Visit <http://www.thenewsmarket.com/volvogroup> to access broadcast-standard video from Volvo Group. You can preview and request video, and choose to receive as a MPEG2 file or by Beta SP tape. Registration and video is free to the media.

AB Volvo (publ) may be required to disclose the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 10.30 a.m CET, March 22, 2011.

The Volvo Group is one of the world's leading manufacturers of trucks, buses and construction equipment, drive systems for marine and industrial applications and aerospace components. The Group also provides complete solutions for financing and service. The Volvo Group, which employs about 100,000 people, has production facilities in 19 countries and sells their products in more than 180 markets. In 2010 annual sales of the Volvo Group amounted to about SEK 265 billion. The Volvo Group is a publicly-held company headquartered in Göteborg, Sweden. Volvo shares are listed on OMX Nordic Exchange Stockholm. For more information, please visit [www.volvogroup.com](http://www.volvogroup.com) or [www.volvogroup.mobi](http://www.volvogroup.mobi) if you are using your mobile phone

AB Volvo (publ)  
Media Relations  
SE-405 08 Göteborg  
Sweden

Telephone  
+46 31 66 11 27

Telefax  
+46 31 66 12 71

Web  
[www.volvogroup.com](http://www.volvogroup.com)