

21 September 2016

**VOLVO TREASURY AB (publ) (the "Issuer")**

**Issue of EUR 150,000,000 Floating Rate Notes due September 2019 (the "Notes") to be consolidated and form a single Series with EUR150,000,000 Floating Rate Notes due September 2019 issued on 6 September 2016 (the "Existing Notes")**

**guaranteed by AB Volvo (publ) (the "Guarantor") issued pursuant to the U.S.\$15,000,000,000 Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Prospectus dated 6 November 2015 and the Supplements to the Prospectus dated 9 February 2016, 3 March 2016, 26 April 2016, 12 May 2016, 30 June 2016, 22 July 2016 and 29 August 2016 which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") as amended (which includes the amendments made by Directive 2010/73/EU. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus as so supplemented. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus as so supplemented. The Prospectus and the Supplements dated 9 February 2016, 3 March 2016, 26 April 2016, 12 May 2016, 30 June 2016, 22 July 2016 and 29 August 2016 have been published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and are available for viewing at, and copies may be obtained from, the registered office of the Issuer and from the specified offices of the Paying Agents in London and Luxembourg.

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|----|-------|--|--|
| 1. | (i)   | Series Number:   | 347  |
|    | (ii)  | Tranche Number:  | 2  |
|    | (iii) | Date on which the Notes will be consolidated and form a single Series: | The Notes will be consolidated and form a single Series with the Existing Notes on exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 20 below, which is expected to occur on or about 2 November 2016. |
| 2. |       | Specified Currency or Currencies:                                      | Euro ("EUR" or "€")  |
| 3. |       | Aggregate Nominal Amount:  |  |
|    | (i)   | Series:  | EUR 300,000,000  |
|    | (ii)  | Tranche:   | EUR 150,000,000  |
| 4. |       | Issue Price:   | 100.033 per cent. of the Aggregate Nominal Amount plus accrued interest amounting to EUR11,970.83 from and including 6 September 2016 to but excluding the Issue Date  |
| 5. | (i)   | Specified Denomination(s):   | €100,000   |
|    | (ii)  | Calculation Amount:  | €100,000   |
| 6. | (i)   | Issue Date:  | 23 September 2016  |
|    | (ii)  | Interest Commencement Date:  | 6 September 2016   |
| 7. |       | Maturity Date:   | Interest Payment Date falling on or nearest to 6 September 2019  |
| 8. |       | Interest Basis:  | 3 months EURIBOR + 0.47 per cent. Floating Rate  |

9. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount

10. Change of Interest Basis: Not Applicable

11. Put/Call Options: Not Applicable

**Provisions Relating to Interest (if any) Payable**

12. **Fixed Rate Note Provisions** Not Applicable

13. **Floating Rate Note Provisions** Applicable

(i) Specified Period(s)/Specified Interest Payment Dates: Quarterly on 6 March, 6 June, 6 September and 6 December in each year from and including 6 December 2016 up to and including the Maturity Date

(ii) Business Day Convention: Modified Following Business Day Convention

(iii) Additional Business Centre(s): Not Applicable

(iv) Manner in which the Rate of Interest and Interest Amount is to be determined: Screen Rate Determination

(v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): Not Applicable

(vi) Screen Rate Determination: Applicable

– Reference Rate and Relevant Financial Centre: Reference Rate: Three (3) month EURIBOR  
Relevant Financial Centre: Brussels

– Interest Determination Date(s): Two (2) TARGET2 Business Days prior to the first day of each Interest Period, at or around 11:00 am, Brussels time

– Relevant Screen Page: EURIBOR01 Reuters page

(vii) ISDA Determination: Not Applicable

(viii) Linear Interpolation: Not Applicable

(ix) Margin(s): + 0.47 per cent. per annum

(x) Minimum Rate of Interest: 0.00 per cent. per annum

(xi) Maximum Rate of Interest: Not Applicable

(xii) Day Count Fraction: Actual/360

14. **Zero Coupon Note Provisions** Not Applicable

**Provisions Relating to Redemption**

15. Issuer Call: Not Applicable

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|-----|--|---|
| 16. | Make-whole Redemption by the Issuer  | Not Applicable  |
| 17. | Investor Put:  | Not Applicable  |
| 18. | Final Redemption Amount:   | Subject to any purchase or cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount |
| 19. | Early Redemption Amount payable on redemption for taxation reasons or on event of default: | € 100,000 per Calculation Amount  |

**General Provisions Applicable to the Notes**

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|-----|---|---|
| 20. | Form of Notes:  |   |
| (a) | Form of Notes:  | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event |
| (b) | New Global Note:  | Yes   |
| 21. | Additional Financial Centre(s):                               | Not Applicable  |
| 22. | Talons for future Coupons to be attached to Definitive Notes: | No  |

Signed on behalf of the Issuer:

By: \_\_\_\_\_

*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

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|------|---|--|
| (i)  | Listing and admission to trading:                           | Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market, <i>Bourse de Luxembourg</i> , with effect from the Issue Date. The Existing Notes were so listed and admitted to trading on 6 September 2016. |
| (ii) | Estimate of total expenses related to admission to trading: | €1885  |

### 2. RATINGS

Ratings:

The Notes to be issued have been rated:

BBB by Standard & Poor's Credit Market Service Europe Limited (“**S&P**”)

Baa2 by Moody's Investors Services Ltd. (“**Moody's**”)

S&P and Moody's are each established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended). As such each of S&P and Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Dealer, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Dealer and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantor and their affiliates in the ordinary course of business.

4. **YIELD** Not Applicable

### 5. DISTRIBUTION

- |       |   |  |
|-------|---|--|
| (i)   | If syndicated, names of Managers:                       | Not Applicable   |
| (ii)  | Date of Subscription Agreement:                         | Not Applicable   |
| (iii) | Stabilising Manager(s) (if any):                        | Not Applicable   |
| (iv)  | If non-syndicated, name and address of relevant Dealer: | The Royal Bank of Scotland plc<br>135 Bishopsgate, London EC2M 3UR |
| (v)   | TEFRA:  | TEFRA D  |

### 6. OPERATIONAL INFORMATION

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|-------|---|---|
| (i)   | ISIN Code:  | Temporary ISIN Code: XS1494691337<br><br>Permanent ISIN Code applicable on consolidation with the Existing Notes: XS1485660895  |
| (ii)  | Common Code:  | Temporary Common Code: 149469133<br><br>Permanent Common Code applicable on consolidation with the Existing Notes: 148566089  |
| (iii) | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> and the relevant identification number(s): | Not Applicable  |
| (iv)  | Delivery:   | Delivery against payment  |
| (v)   | Names and addresses of additional Paying Agent(s) (if any):   | Not Applicable  |
| (vi)  | Intended to be held in a manner which would allow Eurosystem eligibility:   | Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. |

7. **THIRD PARTY INFORMATION**

Not Applicable