

FINAL TERMS

8 December 2016

VOLVO TREASURY AB (publ) (the "Issuer")
Issue of EUR 500,000,000 Floating Rate Notes due December 2018
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 8 November 2016 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU (the "**Prospectus Directive**"). 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. 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. The Prospectus has been published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and is 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: | 348 |
| | (ii) | Tranche Number: | 1 |
| | (iii) | Date on which the Notes will be consolidated and form a single Series: | Not Applicable |
| 2. | | Specified Currency or Currencies: | EUR ("EUR") |
| 3. | | Aggregate Nominal Amount: | |
| | (i) | Series: | EUR 500,000,000 |
| | (ii) | Tranche: | EUR 500,000,000 |
| 4. | | Issue Price: | 100.00 per cent. of the Aggregate Nominal Amount |
| 5. | (i) | Specified Denomination(s): | EUR 100,000 |
| | (ii) | Calculation Amount: | EUR 100,000 |
| 6. | (i) | Issue Date: | 12 December 2016 |
| | (ii) | Interest Commencement Date: | Issue Date |
| 7. | | Maturity Date: | Interest Payment Date falling in or nearest to 12 December 2018 |

8.	Interest Basis:	3 Months EURIBOR + 0.35 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 12 March, 12 June, 12 September and 12 December in each year, from and including 12 March 2017 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: 3 months EURIBOR Relevant Financial Centre: Brussels
	- Interest Determination Date(s):	Second day on which TARGET2 system is open prior to the start of each Interest Period at or around 11.00 am.
	- Relevant Screen Page:	Reuters screen "EURIBOR01"
(vii)	ISDA Determination:	Not Applicable
(viii)	Linear Interpolation:	Not Applicable

- (ix) Margin(s): + 0.35 per cent. per annum
- (x) Minimum Rate of Interest: 0 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
- 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: EUR 100,000 per Calculation Amount

General Provisions Applicable to the Notes

- 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

Ulf Niklasson
President

Sune Martinsson
Chief Financial Officer

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: Application is expected to be 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, *Bourse de Luxembourg*, with effect from the Issue Date.
- (ii) Estimate of total expenses related to admission to trading: EUR 1,470

2. RATINGS

Ratings: The Notes to be issued have been rated:
Baa2 by Moody's
BBB by S&P

Each of Moody's and S&P is established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended). As such each of Moody's and S&P 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 its 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: BNP Paribas, 10 Harewood Avenue, London NW1 6AA, United Kingdom

(v) TEFRA: TEFRA D

6. **OPERATIONAL INFORMATION**

(i) ISIN Code: XS1531355177

(ii) Common Code: 153135517

(iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* 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