

6 December 2011

VOLVO TREASURY AB (publ)
Issue of SEK 1,150,000,000 Floating Rate Notes due December 2016 guaranteed by AB Volvo
(publ) 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 10th of November 2011 which constitutes 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 (the “2010 PD Amending 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 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. The Prospectus and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms, will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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| 1. | (i) | Issuer: | Volvo Treasury AB (publ) |
| | (ii) | Guarantor: | AB Volvo (publ) |
| 2. | (i) | Series Number: | 278 |
| | (ii) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | Swedish Krona (“ SEK ”) |
| 4. | | Aggregate Nominal Amount: | |
| | (i) | Series: | SEK 1,150,000,000 |
| | (ii) | Tranche: | SEK 1,150,000,000 |
| 5. | | Issue Price: | 100.00 per cent. of the Aggregate Nominal Amount |
| 6. | (i) | Specified Denomination(s): | SEK 500,000 and integral multiples of SEK 100,000 in excess thereof up to and including SEK 900,000. No Notes in definitive form will be issued with a denomination above SEK 900,000 |
| | (ii) | Calculation Amount: | SEK 100,000 |
| 7. | (i) | Issue Date: | 8 December 2011 |
| | (ii) | Interest Commencement Date: | Issue Date |
| 8. | | Maturity Date: | Interest Payment Date falling in or nearest to December 2016 |

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| 9. | Interest Basis: | 3 months STIBOR + 3.15 per cent. Floating Rate (further particulars specified below) |
| 10. | Redemption/Payment Basis: | Redemption at par |
| 11. | Change of Interest Basis or Redemption/
Payment Basis: | Not Applicable |
| 12. | Put/Call Options: | Not Applicable |
| 13. | Method of distribution: | Syndicated |

Provisions Relating to Interest (if any) Payable

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| 14. | Fixed Rate Note Provisions | Not Applicable |
| 15. | Floating Rate Note Provisions | Applicable |

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| (i) | Specified Period(s)/Specified Interest Payment Dates: | The period beginning on (and including) the Issue Date and ending on (but excluding) the first Specified Interest Payment Date and each subsequent period beginning on (and including) a Specified Interest Payment Date and ending on (but excluding) the next following Specified Interest Payment Date is herein called a “ Specified Period ”. |
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Interest will be payable quarterly in arrears on 8th of March, 8th of June, 8th of September and 8th of December in each year, from and including 8th of March 2012 up to and including the Maturity Date (each a “**Specified Interest Payment Date**”)

A reference to an Interest Payment Date shall also be deemed to include a Specified Interest Payment Date.

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| (ii) | Business Day Convention: | Modified Following Business Day Convention |
| (iii) | Additional Business Centre(s): | Stockholm |
| (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: | |

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| – | Reference Rate: | 3 months STIBOR where “STIBOR” means the |
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		rate for deposits in SEK for a period which appears on the Reuters Screen SIDE page under the caption "FIXING" as of 11 a.m. Stockholm time on the relevant Interest Determination Date as defined below.
	– Interest Determination Date(s):	Second Stockholm business day prior to the start of each Specified Period
	– Relevant Screen Page:	Reuters Screen SIDE page
(vii)	ISDA Determination:	Not Applicable
(viii)	Margin(s):	+ 3.15 per cent. per annum
(ix)	Minimum Rate of Interest:	Not Applicable
(x)	Maximum Rate of Interest:	Not Applicable
(xi)	Day Count Fraction:	Actual/360
(xii)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	If the Reference Rate is not quoted on the Relevant Screen Page or if the Relevant Screen Page is not available the Reference Rate shall be determined in accordance with 8.2 (b) in the Agency Agreement. However, the reference to Reference Banks shall mean, when determining STIBOR, the Stockholm offices of SEB, Handelsbanken, Swedbank and Danske Bank. The quotes shall be provided at 11.00 a.m. Stockholm time.
16.	Zero Coupon Note Provisions	Not Applicable
17.	Index Linked Interest Note Provisions	Not Applicable
18.	Dual Currency Interest Note Provisions	Not Applicable
Provisions Relating to Redemption		
19.	Issuer Call:	Not Applicable
20.	Investor Put:	Not Applicable
21.	Final Redemption Amount:	SEK 100,000 per Calculation Amount

22. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)): As per Condition 7(e)

General Provisions Applicable to the Notes

23. 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: No
24. Additional Financial Centre(s) or other special provisions relating to Payment Days: Stockholm
25. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No
26. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences or failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable
27. Details relating to Instalment Notes:
- (a) Instalment Amount(s): Not Applicable
- (b) Instalment Date(s): Not Applicable
28. Redenomination applicable: Redenomination not applicable
29. Other final terms: Not Applicable

Distribution

30. (i) If syndicated, names of Managers: Nordea Bank Danmark A/S
Skandinaviska Enskilda Banken AB (publ)
Svenska Handelsbanken AB (publ)
- (ii) Date of Subscription Agreement: 6 December 2011
- (iii) Stabilising Manager (s) (if any): Not Applicable

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| 31. | If non-syndicated, name of relevant Dealer: | Not Applicable |
| 32. | U.S. Selling Restrictions: | Reg. S Compliance Category 2, TEFRA D |
| 33. | Additional selling restrictions: | Not Applicable |

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the Luxembourg Stock Exchange's *Bourse de Luxembourg* and listing on the Official List of the Luxembourg Stock Exchange of the Notes described herein pursuant to the U.S.\$15,000,000,000 Euro Medium Term Note Programme of Volvo Treasury AB (publ) as issuer and AB Volvo (publ) as guarantor.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: _____
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's *Bourse de Luxembourg*, and listed on the Official List of the Luxembourg Stock Exchange with effect from the Issue Date.
- (ii) Estimate of total expenses related to admission to trading: EUR 2,875.00 -

2. RATINGS

The Notes to be issued have been rated:

S&P: BBB
Moody's: Baa2

Each of Moody's Investors Service Ltd ("**Moody's**") and Standard & Poor's Credit Market Services Europe Limited ("**S&P**") is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).

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

Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

4. YIELD (*Fixed Rate Notes Only*)

Indication of yield: Not Applicable

5. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND OTHER INFORMATION CONCERNING THE UNDERLYING

Not Applicable

6. PERFORMANCE OF RATES OF EXCHANGE

Not Applicable

7. DERIVATIVE SECURITIES

Not Applicable

8. OPERATIONAL INFORMATION

- (i) ISIN Code: XS0716704068
- (ii) Common Code: 071670406

- (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: No