

FINAL TERMS

15 February 2012

VOLVO TREASURY AB (publ)
Issue of EUR 100,000,000 Fixed Rate Notes 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 10 November 2011 and the Supplement to the Prospectus dated 8 February 2012 which together 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”) to the extent that such amendments have been implemented in a relevant Member State). 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 Supplement dated 8 February 2012 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. The Prospectus, the Supplement dated 8 February 2012 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: | 281 |
| | (ii) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | EURO (EUR) |
| 4. | | Aggregate Nominal Amount: | |
| | (i) | Series: | EUR 100,000,000 |
| | (ii) | Tranche: | EUR 100,000,000 |
| 5. | | Issue Price: | 100 per cent of the aggregate Nominal Amount |
| 6. | (i) | Specified Denomination(s): | EUR 100,000 |
| | (ii) | Calculation Amount: | EUR 100,000 |
| 7. | (i) | Issue Date: | 17 February 2012 |
| | (ii) | Interest Commencement Date: | 17 February 2012 |
| 8. | | Maturity Date: | 17 February 2020, subject to adjustment in accordance with the Business Day Convention |
| 9. | | Interest Basis: | 4.125 per cent Fixed Rate (further particulars specified below) |
| 10 | | Redemption/Payment Basis: | Redemption at par |
| . | | | |
| 11 | | Change of Interest Basis or | Not Applicable |

- . Redemption/ Payment Basis:
- 12 Put/Call Options: Not Applicable
- .
- 13 Method of distribution: Non-syndicated
- .

Provisions Relating to Interest (if any) Payable

- 14 **Fixed Rate Note Provisions** Applicable
- .
- (i) Rate(s) of Interest: 4.125 per cent. per annum
- (ii) Interest Payment Date(s): 17 February in each year commencing 17 February 2013 and ending on the Maturity Date, subject to adjustment in accordance with the Business Day Convention
- Fixed Coupon Amount(s): EUR 4,125 per Calculation Amount
- (iii) *(Applicable to Notes in definitive form)*
- Broken Amount(s): Not Applicable
- (iv) *(Applicable to Notes in definitive form)*
- (v) Day Count Fraction: 30/360 (Following Unadjusted)
- Determination Date(s): Not Applicable
- (vi)
- Other terms relating to the Business Day Convention is Following Unadjusted
- (vii method of calculating interest) for Fixed Rate Notes:

- 15 **Floating Rate Note Provisions** Not Applicable
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- 16 **Zero Coupon Note Provisions** Not Applicable
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- 17 **Index Linked Interest Note Provisions** Not Applicable
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- 18 **Dual Currency Interest Note Provisions** Not Applicable
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Provisions Relating to Redemption

- 19 Issuer Call: Not Applicable
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- 20 Investor Put: Not Applicable
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- 21 Final Redemption Amount: EUR 100,000 per Calculation Amount
- .
- 22 Early Redemption Amount payable As per condition 7(e)

- 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)):

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: Yes
- 24. Additional Financial Centre(s) or other special provisions relating to Payment Days: TARGET
- 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 | Not Applicable |
| | (ii) Date of Subscription Agreement: | Not Applicable |
| | (iii) Stabilising Manager(s) (if any): | Not Applicable |
| 31. | If non-syndicated, name of relevant Dealer: | UBS Limited |
| 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 Regulated Market of the Bourse de Luxembourg, and admission to 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 4,080.00 -

2. RATINGS

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 Dealer, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer Not Applicable
- (ii) Estimated net proceeds: Not Applicable
- (iii) Estimated total expenses: Not Applicable

5. YIELD (*Fixed Rate Notes only*)

Indication of yield:

4.167 per cent per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. PERFORMANCE OF INDEX/FORMULA AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index-Linked Notes only*)

Not Applicable

7. PERFORMANCE OF RATE[S] OF EXCHANGE (*Dual Currency Notes only*)

Not Applicable

8. DERIVATIVE SECURITIES

Not Applicable

9. OPERATIONAL INFORMATION

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|-------|---|--|
| (i) | ISIN Code: | XS0747337516 |
| (ii) | Common Code: | 074733751 |
| (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 satisfaction of the Eurosystem eligibility criteria. |