

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 base prospectus dated 8 November 2016, (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 dated 10 July 2005 on prospectuses for securities as amended by the Luxembourg Law dated 3 July 2012 (the "**Prospectus Law**") implementing Directive 2003/71/EC as amended by Directive 2010/73/EU (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 (i) incorporating by reference the document mentioned below.

Document incorporated by reference

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 in the section entitled "Documents Incorporated by Reference" at page 10 of the Prospectus and shall form part of the Prospectus:

The consolidated report on the fourth quarter and full year 2016 of the Parent (the "**Volvo Group Report 2016**")

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).

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 this Supplement and the Prospectus, there has been:

- (i) no significant change in the financial or trading position of the Issuer since 30 June 2016;
- (ii) no significant change in the financial or trading position of the Parent or the Volvo Group, in each case, since 31 December 2016;
- (iii) no material adverse change in the prospects of the Issuer since 31 December 2015, and

- (iv) no material adverse change in the prospects of the Parent or the Volvo Group, in each case, since 31 December 2015.

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 following Table of Cross References 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.

Table of Cross References

Volvo Group Report 2016

<i>Comments by the CEO</i>	<i>page 2</i>
<i>Financial summary of the 4th quarter and full year</i>	<i>pages 3-4</i>
<i>Business segment overview</i>	<i>pages 5-13</i>
<i>Important events</i>	<i>page 13</i>
<i>Quarterly figures</i>	<i>pages 21-23</i>
<i>Notes 1-6</i>	<i>pages 24-26</i>
<i>Events after the balance sheet date, proposed dividend</i>	<i>page 28</i>

Cross reference list to the consolidated financial statement of the Parent

<i>Income statement, Volvo Group Q4</i>	<i>page 14</i>
<i>Income statement, Volvo Group year 2016</i>	<i>page 15</i>
<i>Balance sheet, Volvo Group</i>	<i>page 16</i>
<i>Cash flow statement, Volvo Group Q4</i>	<i>page 17</i>
<i>Cash flow statement, Volvo Group year 2016</i>	<i>page 18</i>
<i>Net financial position, Volvo Group</i>	<i>page 19</i>
<i>Changes in total equity</i>	<i>page 20</i>

Cross reference list to the non-consolidated financial statements of the Parent

<i>Income statement, AB Volvo (publ)</i>	<i>page 27</i>
<i>Balance sheet, AB Volvo (publ)</i>	<i>page 28</i>

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of Commission Regulation (EC) No 809/2004.