New Flyer Announces Fourth Quarter and Fiscal Year 2015 Results

Summary (U.S. Dollars except as noted):

- **2015 Q4 Adjusted EBITDA was $44.6 million, compared to $35.0 million in 2014 Q4.**
- **Fiscal 2015 Adjusted EBITDA and net earnings were $151.4 million and $53.9 million, compared to $107.4 million and $26.7 million, respectively in Fiscal 2014.**
- **Fiscal 2015 earnings per share of $0.97 increased compared to $0.48 in Fiscal 2014.**
- **Free Cash Flow earned in Fiscal 2015 increased by 65.3% to $108.3 million compared to Fiscal 2014, resulting in a Fiscal 2015 Free Cash Flow payout ratio of 31.2%.**
- **The first quarterly dividend was declared on March 15, 2016 and is payable on April 15, 2016. The annual dividend rate has increased 12.9% from C$0.62 to C$0.70 per common share.**
- **Fiscal 2015 operating results include acquisition of Motor Coach Industries ("MCI") for the nine day period from December 18, 2015 to December 27, 2015.**
- **Total backlog of 9,664 EUs (valued at $4.95 billion) increased 38.0% during 2015 Q4 which included acquisition of MCI's backlog values at approximately $1.1 billion.**

WINNIPEG, March 23, 2016 - New Flyer Industries Inc. (TSX:NFI) (TSX:NFI.DB.U), (the "Company"), the largest transit bus and motor coach manufacturer and parts distributor in North America, today announced its results for the 13-week period ended December 27, 2015 ("2015 Q4") and the 52-week period ended December 27, 2015 ("Fiscal 2015"). Full audited financial statements and Management's Discussion and Analysis (the "MD&A") are available at the Company's web site at: www.newflyer.com/index/financialreport. Unless otherwise indicated all monetary amounts in this press release are expressed in U.S. dollars.

Operating Results

Bus and Coach Deliveries (U.S. dollars in thousands)	**2015 Q4**	**2014 Q4**	**change**	**2015 Fiscal**	**2014 Fiscal**	**change**
Number of equivalent units (“EUs”) delivered	692	680	1.8%	2,483	2,437	1.9%
Average EU selling price	$ 501.7	$ 495.0	1.4%	$ 490.0	$ 464.5	5.5%

- 2015 Q4 and Fiscal 2015 operating results include deliveries of 32 EUs by MCI during the period December 18, 2015 to December 27, 2015.

Consolidated Revenue (U.S. dollars in millions)	**2015 Q4**	**2014 Q4**	**change**	**2015 Fiscal**	**2014 Fiscal**	**change**
Bus and coach manufacturing	$ 347.2	$ 336.6	3.1 %	$ 1,216.7	$ 1,132.1	7.5%
Aftermarket	71.7	83.4	(14.0)%	322.2	319.0	1.0%
Total Revenue	$ 418.9	$ 420.0	(0.3)%	$ 1,538.9	$ 1,451.1	6.1%

- The increase in 2015 Q4 bus and coach revenue primarily resulted from a 1.8% increase in total bus and coach deliveries and a 1.4% increase in average selling price. The increase in average selling price is the result of a more favourable product sales mix of bus and coach types and pricing during 2015 Q4. The average selling price can be volatile when comparing two fiscal quarters as a result of sales mix.

- Similarly, bus and coach revenue for Fiscal 2015 increased 7.5%. Bus and coach deliveries increased 1.9% compared to 52-week period ended December 28, 2014 (“Fiscal 2014”) and the average selling price per EU in Fiscal 2015 increased 5.5% compared to Fiscal 2014. The increase in average selling price is the result of changes in the product sales mix and pricing.

- The decrease in revenue from aftermarket operations during 2015 Q4 as compared to the 13 week period ended December 28, 2014 ("2014 Q4") is primarily a result of the completion of the Chicago Transit Authority (“CTA”) mid-life overhaul program revenue stream. Excluding the CTA mid-life overhaul program, the revenue from aftermarket operations for 2015 Q4 of $71.7 million increased compared to $66.8 million in 2014 Q4.

- The increase in revenue from aftermarket operations during Fiscal 2015 compared to Fiscal 2014 is primarily a result of improved aftermarket parts market fundamentals. Excluding the CTA mid-life overhaul program, the revenue from aftermarket operations of $288.2 million in Fiscal 2015 increased compared to $271.8 million in Fiscal 2014.

Consolidated Adjusted EBITDA (U.S. dollars in millions)	2015 Q4	2014 Q4	change	2015 Fiscal	2014 Fiscal	change
Bus and coach manufacturing	$ 31.2	$ 23.2	34.6%	$ 90.0	$ 57.4	56.8%
Aftermarket	13.4	11.9	12.6%	61.5	50.0	23.0%
Total Adjusted EBITDA	$ 44.6	$ 35.0	27.2%	$151.4	$107.4	41.1%
Adjusted EBITDA % of revenue						
Bus and coach manufacturing	9.0%	6.9%	2.1%	7.4%	5.1%	2.3%
Aftermarket	18.6%	14.2%	4.4%	19.1%	15.7%	3.4%
Total	10.6%	8.3%	2.3%	9.8%	7.4%	2.4%

- The increase in 2015 Q4 and Fiscal 2015 bus and coach manufacturing operations Adjusted EBITDA compared to 2014 Q4 and Fiscal 2014 is primarily due to favourable sales mix, pricing, labour efficiencies and the cost savings achieved from transition to Xcelsior® in Anniston, Alabama. Management has continued its efforts to enhance margins during Fiscal 2015 through cost reductions, improved labour efficiency and price change orders. Profit margins can vary significantly between orders due to factors such as pricing, order size, propulsion system and product type and components specified by the customer. Adjusted EBITDA from bus and coach manufacturing operations per EU can be volatile on a quarterly basis and therefore management believes that a longer term view should be taken when comparing bus and coach manufacturing operations margins. Management had anticipated and previously provided guidance that on average, margins on orders planned for production throughout Fiscal 2015 were expected to be higher than the average margins achieved during Fiscal 2014.

- 2015 Q4 and Fiscal 2015 aftermarket operations Adjusted EBITDA increased compared to 2014 Q4 and Fiscal 2014 as profit margins have improved primarily as a result of improved market fundamentals and the benefits to the product mix that have resulted from a far broader portfolio of services and parts offerings to customers.

Net earnings (U.S. dollars in millions)	2015 Q4	2014 Q4	$ change	2015 Fiscal	2014 Fiscal	$ change
Earnings from operations	$ 24.0	$ 15.6	$ 8.4	$ 92.9	$ 50.6	$ 42.3
Non-cash (losses) gain	(0.9)	0.3	(1.2)	(3.0)	0.8	(3.8)
Interest expense	(3.5)	(3.5)	0.0	(14.2)	(13.9)	(0.3)
Income tax expense	(5.5)	(5.0)	(0.5)	(21.8)	(10.8)	(11.0)
Net earnings	$ 14.1	$ 7.4	$ 6.7	$ 53.9	$ 26.7	$ 27.2
Net earnings per share	$ 0.25	$ 0.13	$ 0.12	$ 0.97	$ 0.48	$ 0.49

- Net earnings during 2015 Q4 increased by 90.0% compared to 2014 Q4, primarily as a result of improved Earnings from Operations offset by the increase in income tax expense and non-cash losses. Similarly, Fiscal 2015 net earnings increased by 101.7% compared to Fiscal 2014.
- Fiscal 2015 net earnings were negatively impacted by a retroactive past pension service cost charge of $3.7 million and a $1.4 million impairment loss on equipment and intangible assets, whereas the Fiscal 2014 earnings were negatively impacted by a $4.8 million impairment loss on equipment and intangible assets.

Liquidity

Free Cash Flow (CAD dollars in millions)	**2015 Q4**	**2014 Q4**	**change**	**2015 Fiscal**	**2014 Fiscal**	**change**
Free Cash Flow	$ 47.4	$ 21.1	124.5%	$ 108.3	$ 65.5	65.3%
Declared dividends	8.6	8.1	6.0%	33.8	32.5	4.0%

- The Free Cash Flow payout ratio was 31.2% in Fiscal 2015 compared with 49.6% during Fiscal 2014.
- The Company's board of directors approved a 12.9% increase in the annual dividend rate from C$0.62 to C$0.70 per common share, and revised its policy to pay dividends on a quarterly basis. The first quarterly dividend on the common shares in the amount of C$0.175 per share is payable on April 15, 2016, to holders of record at the close of business on March 31, 2016.

Liquidity Position (U.S. dollars in millions)	**December 27 2015**	**September 27 2015**	**$ change**
Cash	$ 24.9	$ 6.5	$ 18.4
Available funds from revolving credit facility	149.0	61.5	87.5
Total liquidity position	$ 173.9	$ 68.0	$ 105.9

- The increased liquidity relates to financing of the MCI acquisition and the decision to refinance $142.0 million from term loan to the revolving credit facility as a means to increase the Company's overall operating flexibility to temporarily draw upon in the future if required by the combined businesses.

Outlook

The Company's annual operating plan for the 53-weeks ending January 1, 2017 ("Fiscal 2016") is focused on completing the integration of the New Flyer and NABI aftermarket parts businesses, defending and growing the leading market position in the heavy-duty transit bus and motor coach markets, and developing a combination and integration plan for the acquired MCI business.

Management continues to pursue cost and overhead savings in operations through its Operational Excellence initiatives at New Flyer, and the Quality at Source program at MCI. The Company's master production schedule combined with current backlog and orders anticipated to be awarded by customers under new procurements is expected to enable the Company to deliver new buses and coaches of approximately 3,450 EUs during Fiscal 2016 (53 week period), which compares to 3,265 EUs (New Flyer plus pro-forma MCI) in Fiscal 2015 (52 week period).

Management expects the core aftermarket revenue will grow by approximately 5% in Fiscal 2016.

With respect to the integration of MCI, the Company has targeted annual synergies of approximately $10 million through the rationalization of certain corporate costs, further deployment of LEAN operational techniques, and leveraged sourcing expertise across the company. Management is taking the necessary time to evaluate the market and the Company and is assessing strategic opportunities for overall business optimization. Similar to the previous acquisition of NABI, management will provide investors with combination and integration plans and investments in due course.

Conference Call

A conference call for analysts and interested listeners will be held on Thursday March 24, 2016 at 9:00 a.m. (ET). The call-in number for listeners is 888-231-8191, 647-427-7450 or 403-451-9838. A live audio feed of the call will also be available at:

http://event.on24.com/r.htm?e=1155179&s=1&k=EEFEC0A62F08C906AB405BF49DC722D0

A replay of the call will be available from 11:00 a.m. (ET) on March 24, 2016 until 11:59 p.m. (ET) on March 31, 2016. To access the replay, call 855-859-2056 or 416-849-0833 and then enter pass code number 67967462. The replay will also be available on New Flyer's web site at www.newflyer.com.

Non-IFRS Measures

"Earnings from Operations" refer to earnings before interest, income taxes and unrealized foreign exchange losses or gains on non-current monetary items. "Adjusted EBITDA" consists of earnings before interest, income taxes, depreciation, amortization and other non-cash charges and certain other non-recurring charges as set out in the MD&A. "Free Cash Flow" means net cash generated by operating activities adjusted for changes in non-cash working capital items, interest paid, interest expense, income taxes paid, current income tax expense, effect of foreign currency rate on cash, past service costs, defined benefit funding, non-recurring transitional costs relating to business acquisitions, costs associated with assessing strategic and corporate initiatives, product rationalization costs, defined benefit expense, cash capital expenditures, realized ITCs, fair value adjustment to MCI's inventory and principal payments on capital leases. Management believes Earnings from Operations, Adjusted EBITDA and Free Cash Flow are useful measures in evaluating the performance of the Company. However, Earnings from Operations, Adjusted EBITDA and Free Cash Flow are not recognized earnings measures and do not have standardized meanings prescribed by International Financial Reporting Standards ("IFRS") and may not be comparable to similarly titled measures used by other issuers. Readers are cautioned that Earnings from Operations and Adjusted EBITDA should not be construed as an alternative to net earnings or loss determined in accordance with IFRS as an indicator of the Company's performance, and Free Cash Flow should not be construed as an alternative to cash flows from operating, investing and financing activities determined in accordance with IFRS, as a measure of liquidity and cash flows. A reconciliation of Adjusted EBITDA and Free Cash Flow to net earnings and cash flow from operations, respectively, is provided in the MD&A.

About the Company

The Company employs approximately 5,000 team members and is the largest transit bus and motor coach manufacturer and parts distributor in North America with fabrication, manufacturing, distribution and service centers in Canada and the United States.

Through its Canadian and U.S. subsidiaries, NFI ULC and NFAI, the Company is North America's heavy-duty transit bus leader and offers a high quality transit bus product line (Xcelsior® and MiDi® models), incorporating the broadest range of drive systems available, including: clean diesel, natural gas, diesel-electric hybrid, electric-trolley and now battery-electric. New Flyer actively supports over 42,000 heavy-duty transit buses (New Flyer, NABI and Orion) currently in service.

Through its Canadian and U.S. subsidiaries, Motor Coach Industries Limited and Motor Coach Industries, Inc., the Company is North America's leader in motor coaches, A "motor coach" or "coach" is a 40-foot or 45-foot over-the-highway bus typically used for intercity transportation and longer distances than heavy-duty transit buses, and is typically characterized by (i) two axles in the rear (which allows higher speeds), (ii) high deck floor, (iii) baggage compartment under the floor, (iv) high-backed seats with a coach-style interior (often including a lavatory and underfloor baggage compartments), and (v) no room for standing passengers.

MCI offers a J-Series which is the industry's best-selling intercity coach for 11 consecutive years, and the D-Series, the industry's best-selling coach line in North American motor coach history. MCI is also the exclusive distributor of the Setra S417 and S407 in the United States and Canada. MCI actively supports over 28,000 MCI motor coaches currently in service and offers 24-hour roadside assistance 365 days a year.

The Company also operates North America's most sophisticated aftermarket parts organization providing support for all types of transit buses and motor coaches. All buses and coaches are supported by an industry-leading comprehensive warranty, service and support network.

The common shares and convertible unsecured subordinated debentures of the Company are traded on the Toronto Stock Exchange under the symbols NFI and NFI.DB.U, respectively.

Forward-Looking Statements

Certain statements in this press release are "forward-looking statements", which reflect the expectations of management regarding the Company's future growth, results of operations, performance and business prospects and opportunities. The words "believes", "anticipates", "plans", "expects", "intends", "projects", "forecasts", "estimates" and similar expressions are intended to identify forward-looking statements. These forward-looking statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this press release. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not or the times at or by which such performance or results will be achieved.

A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements. Such differences may be caused by factors which include, but are not limited to, availability of funding to the Company's customers to purchase buses and to exercise options and to purchase parts or services at current levels or at all, aggressive competition and reduced pricing in the industry, material losses and costs may be incurred as a result of product warranty issues and product liability claims, changes in Canadian or United States tax legislation, the absence of fixed term customer contracts and the termination of contracts by customers for convenience, the current U.S federal "Buy-America" legislation, certain states' U.S. content bidding preferences and certain Canadian content purchasing policies may change and/or become more onerous, production delays may result in liquidated damages under the Company's contracts with its customers, the Company's ability to execute its planned production targets as required for current business and operational needs, currency fluctuations could adversely affect the Company's financial results or competitive position in the industry, the Company may not be able to maintain performance bonds or letters of credit required by its existing contracts or obtain performance bonds and letters of credit required for new contracts, third party debt service obligations may have important consequences to the Company, the covenants contained in the Company's senior credit facility and the indenture governing its Debentures could impact the ability of the Company to fund dividends and take certain other actions, interest rates could change substantially and materially impact the Company's profitability, the dependence on limited sources of supply, the timely supply of materials from suppliers, the possibility of fluctuations in the market prices of the pension plan investments and discount rates used in the actuarial calculations will impact pension expense and funding requirements, the Company's profitability and performance can be adversely affected by increases in raw material and component costs, the availability of labour could have an impact on production levels, new products must be tested and proven in operating conditions and there may be limited demand for such new products from customers, the ability of the Company to successfully execute strategic plans and maintain profitability, risks related to acquisitions, joint ventures, and other strategic relationships with third parties and the ability to successfully integrate acquired businesses and assets into the Company's existing business and to generate accretive effects to income and cash flow as a result of integrating these acquired businesses and assets. The Company cautions that this list of factors is not exhaustive. These factors and other risks and uncertainties are discussed in its press releases and materials filed with the Canadian securities regulatory authorities and available on SEDAR at www.sedar.com.

Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, investors cannot be assured that actual results will be consistent with these forward-looking statements, and the differences may be material. These forward-looking statements are made as of the date of this press release and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by applicable securities laws.

For further information:

Jon Koffman
Investor Relations
Tel: (204) 224-6672
E-mail: investor@newflyer.com