New Flyer Industries (NFI) acquisition of Motor Coach Industries (MCI)

+

NEW FLYER North America's leading Transit Bus Manufacturer and Parts Supplier

MCI North America's leading Motor Coach Manufacturer and Parts Supplier

November 10, 2015

Built to RELY ON.

NEW FLYER

Forward Looking Statements

This investor presentation contains forward-looking statements relating to expected future events, including the completion of the Transaction and the new credit facilities and the timing thereof, the availability of funds from the new credit facilities for the funding of the purchase price and related expenses, Motor Coach Industries International, Inc. ("MCI") expected Adjusted EBITDA for 2015, the expected total leverage at closing, the integration of the acquired business into New Flyer's existing business and expected synergies, the diversification and growth of the combined bus and aftermarket parts businesses, the accretive effects of the transaction to revenue, earnings and cash flow of New Flyer and the intended increase in the annual amount of dividends paid by the Company. Although the forward-looking statements contained in this investor presentation 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. Actual results may differ materially from management expectations as reflected in such forward-looking statements for a variety of reasons, including risks related to the satisfaction of the relevant closing conditions for and the completion of the Transaction and the new credit facilities (and that the reverse break fee under the acquisition agreement for the Transaction will not be triggered), the achievement of MCI's business plan and budget for the remainder of 2015, working capital and earnings fluctuations prior to closing, the ability to implement the operational changes necessary to achieve the intended synergies, acquisitions, joint ventures and other strategic relationships with third parties (including liabilities relating thereto), the covenants contained in the Company's new senior credit facilities could impact the ability of the Company to fund dividends, market and general economic conditions and economic conditions of and funding availability for customers to purchase buses and to purchase parts or services, customers may not exercise options to purchase additional buses, the ability of customers to terminate contracts for convenience and the other risks and uncertainties discussed in the materials filed with the Canadian securities regulatory authorities and available on SEDAR at www.sedar.com. Due to the potential impact of these factors, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

All figures are in U.S. dollars unless otherwise noted.

NEW FLYER

MCI

Acquisition is well aligned with New Flyer's Strategy

1. **Offer North American operators the best buses, services and value in the industry**
   - Migrate from selling buses to providing solutions…that deliver best bus value & support for life
   - Provide complete offering: Bus ("Workhorse of the Fleet") supported by Parts & Service
   - Lead market innovation with an increased focus on Aftermarket Parts & Service

   ✓

2. **Operate as a world class OEM using LEAN Principles (OpEx) & Quality Roadmap**
   - Be recognized as an Employer of Choice
   - Excel in supply chain, strategic sourcing and appropriate in-sourcing
   - Continuous pursuit of eliminating waste and cost reduction to improve competitiveness
   - Excel at customer support, response and follow-up
   - Operate as a responsible, sustainable and environmentally conscious business

   ✓

3. **Perform while seeking Diversification and Growth**
   - Deliver solid returns to shareholders through capital appreciation and dividends
   - Operate with a prudent capital structure with flexibility to grow the business
   - Seek to diversify beyond single product/market (Heavy Duty Transit buses) to compete in more markets: Product (type of bus) and/or Market (Public vs. Private) and/or Geography (N.A. vs. International)

   ✓

Optimize, Defend, Diversify and Grow

OpEx: Quality & Competitiveness ↗ #1 Position in NA Bus, Coach & Parts ↗ Products and Markets ↗ Earnings and Cashflow ↗

NEW FLYER

MCI

Acquisition Highlights

Transaction Highlights	▪ US$455 million[1], all cash consideration ▪ Implies purchase multiple of approximately 6x estimated calendar year 2015 Adjusted EBITDA ▪ Highly accretive to earnings per share and free cash flow per share (before synergies) ▪ Targeting annual synergies of approximately US$10 million ▪ 12.9% increase in dividend from C$0.62 to C$0.70 per share annually and move to quarterly payment schedule. Intended implementation following transaction close

Committed Financing	▪ Fully committed financing for purchase price and refinancing of existing credit facilities:
	  ▪ New US$825 million senior secured credit facilities maturing in 2019
	    – US$482 million term loan and US$343 million revolver
	  ▪ Pro forma total indebtedness to combined Adjusted EBITDA of approximately 3.0x[2] at closing (assuming transaction closes on December 31, 2015)
	    – Approximately US$135 million expected to be drawn on revolver at close

Key Conditions and Closing	▪ Customary closing conditions including regulatory approvals: ▪ U.S. antitrust and Canadian Competition Act approvals ▪ Expected to close by the end of 2015

1. Subject to certain purchase price adjustments.
2. Within the meaning of the new senior credit facilities.

NEW FLYER

MCI

Strategic Rationale for Acquisition

Growth	▪ Provides leading position in North American transit bus and coach platforms ▪ Both private and public markets ▪ Materially expands aftermarket parts and service business
Diversification	▪ Significantly diversifies New Flyer's product offering and customer base ▪ Meaningful exposure to private coach industry including charter and tour operators
Potential Synergies	▪ Targeted annual synergies of approximately US$10 million ▪ To be realized through implementation of New Flyer's operational excellence (OpEx), information technologies, engineering expertise and rationalization of corporate costs
Collaboration and Sharing of Technology & Best Practices	▪ Combined entity will employ approx 4,800 people with a like-minded commitment to excellence in bus and coach manufacturing ▪ Combined teams support installed base of over 42,000 transit buses (New Flyer, Orion and NABI) and 28,000 motor coaches (MCI) across North America
Global Relationships	▪ MCI provides exclusive sales and service organization for Daimler's SETRA coaches in North America ▪ ***Marcopolo*** (an almost 20% shareholder in New Flyer) has significant expertise in bus and coach design, sourcing and manufacturing

A strategic diversification opportunity for New Flyer with significant growth and synergy potential

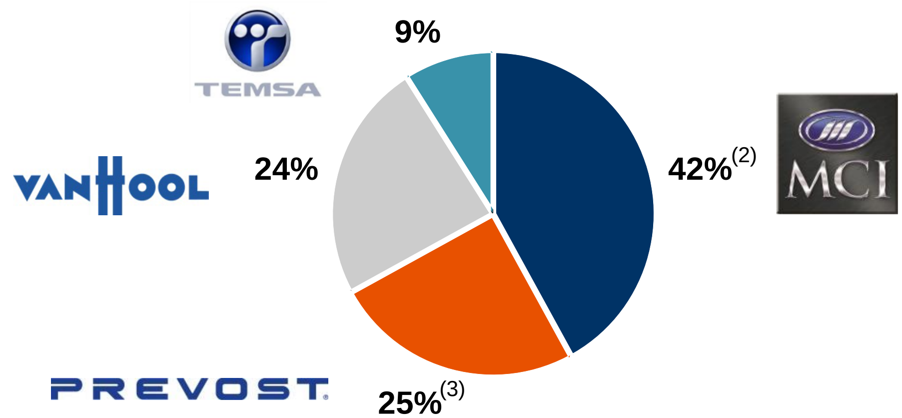
NEW FLYER

Business Overview

Business Description

- Leading manufacturer of motor coaches and distributor of coach aftermarket parts in North America
- Manufacturing operations in Winnipeg, MB and Pembina, ND with 6 service centers, and 3 distribution facilities
- Largest installed base of coaches in North America (~2x nearest competitor) and the #1 coach provider for both the public and private sectors
- Leading aftermarket presence and support with a comprehensive portfolio of proprietary and aftermarket parts

Motor Coach Market Share[1]

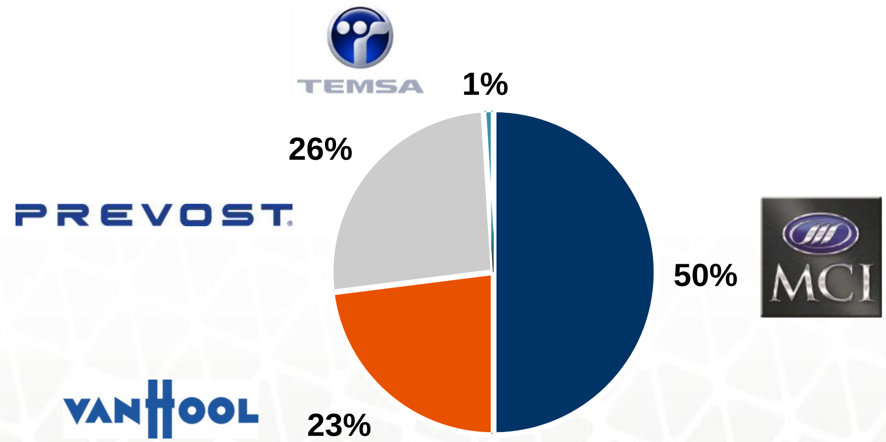


Total: ~1,920 units

Key Stats

Number of Employees	(#)	1,500
Coaches in Service	(#)	28,000
Parts Inventory	(# sku's)	145,000
Manufacturing Facilities	(#)	3
Parts, Service, and Distribution Locations	(#)	9

Installed Base[4]

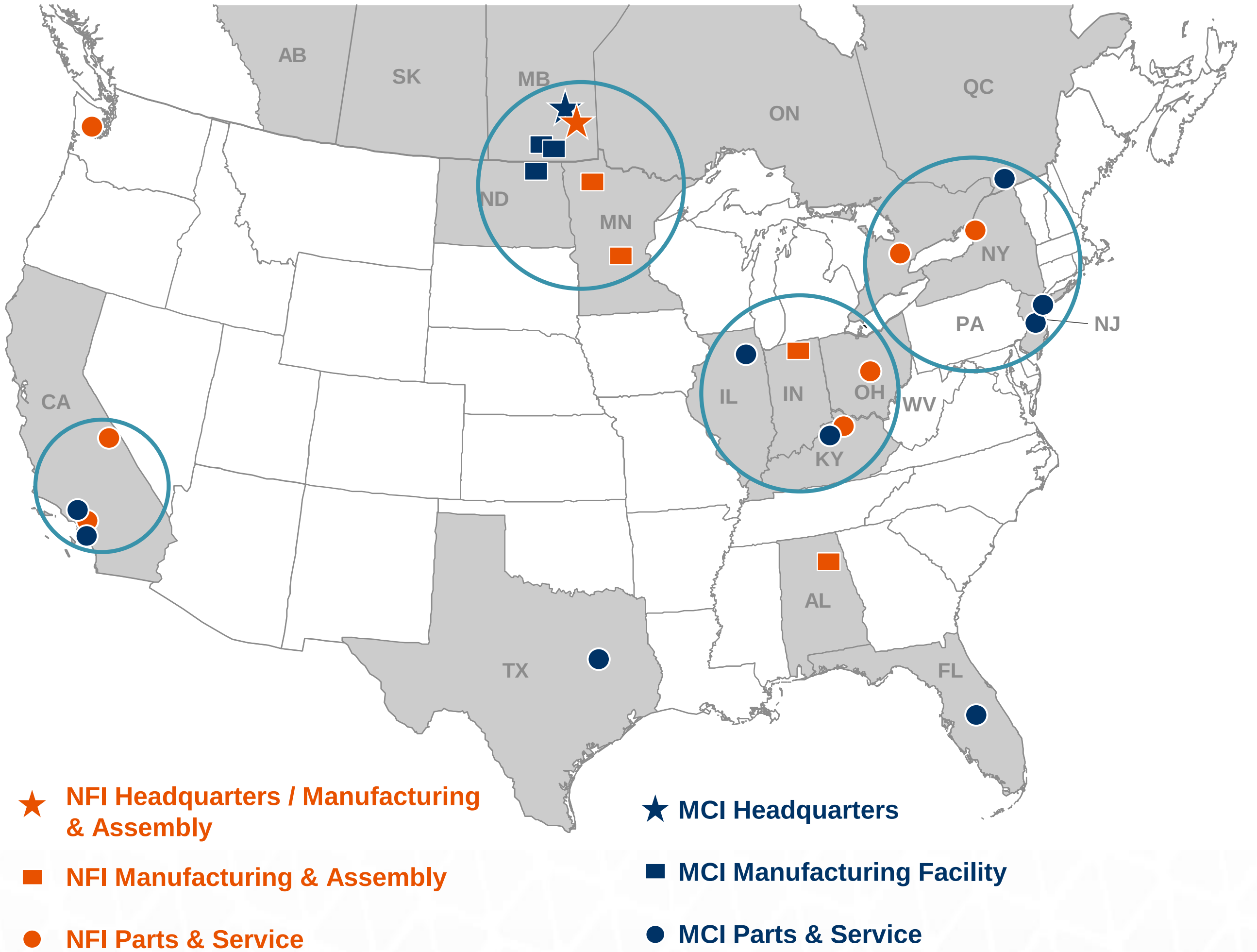


Total: ~55,500 units

Note: All metrics as at YE 2014
1. Per MCI management.
2. MCI includes Setra
3. Prevost includes Volvo
4. Per Denneen and Company

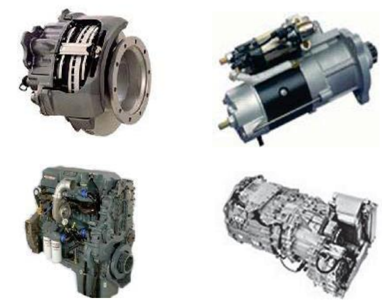
Combined Manufacturing, Parts & Service Footprint

- Manufacturing locations closely aligned with New Flyer on both sides of the border
- Complementary geographic parts footprint
- Strategically located service centers to provide best-in-class response times
- MCI also has over 3,000 approved independent Service Locations to support their fleet



World-class manufacturing and distribution operations with expansive geographic coverage across major centers in North America

Business Segment Overview

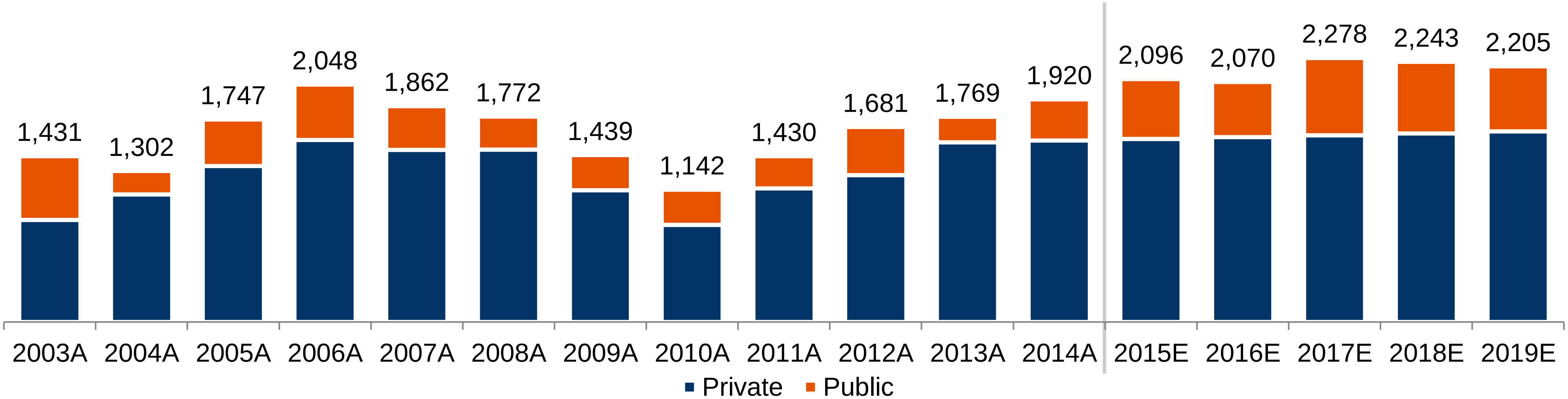
	New Coach – Private	New Coach – Public	Pre-Owned Coach	Aftermarket
				
Description	▪ Targets the mid-range to luxury segments ▪ J Model is the #1 selling coach in the N.A. private market ▪ N.A. Distributor of Daimler's Setra coaches	▪ Targets the mid-range segment ▪ "Buy America" compliant ▪ D Model is the #1 selling coach of all time in N.A.	▪ Trade-in option to support new coach sales ▪ Coaches are refurbished at MCI's service centers	▪ Nationwide footprint with 6 service centers, 3 distribution facilities and over 3,000 emergency response partners ▪ Supports 28,000 installed coach fleet
Target Customers	▪ Tour and charter operators ▪ Hotels and casinos ▪ Inter-city line-haul operators ▪ Contract carriers	▪ Transit authorities ▪ Universities ▪ The U.S. Federal Government ▪ Correctional facilities	▪ Value customers in the private market ▪ Small private fleets	▪ All public and private coach fleets

Source: Denneen and Company

NEW FLYER

Canada and US Motor Coach Market Overview

Canada and U.S. Motor Coach Industry – Annual Deliveries of New Coaches



- **Macroeconomic drivers increasing demand for private coaches**
  - Coach is a reliable low-cost travel alternative vs. rail or air
  - Retired leisure travelers utilize tours
  - Corporate use of coaches for urban movement of workers (eg. Google, Apple, Facebook, etc.)
- **Public sector volumes driven by:**
  - Population growth
  - Expanding urban sprawl
  - Need for cost-effective public transportation solutions. MCI is the only alternative fuel coach meeting demands for fuel efficient highway transportation

Strong fundamentals supporting future private and public customer demand

Source: MCI, National Bus Trader Trends Report, ABA, company press releases

NEW FLYER

MCI Long-standing, Diverse Customer Base with Strong Backlog

- Long-standing relationships with major operators in both the private and public sectors
- Customers include some of the largest fleet operators and transit authorities
- Limited customer concentration
  - The 10 largest customers accounted for approximately 44% of new coach volume in FY 2014A, with the largest customer contributing less than 12%
- Robust backlog of public and private coach orders
  - High visibility into public coach orders well in advance of scheduled delivery
  - Consistent pattern of private coach orders that build throughout the year; however less visibility than public sector

	Key Customers	Start of Relationship	Installed Base	Other Major Customers
Public	NJ TRANSIT The Way To Go.	1982	1,500	MTA
	GO (Toronto)	1995	450	GOLDEN GATE BRIDGE HIGHWAY & TRANSPORTATION DISTRICT
	METRO Going Places (Houston)	2000	300	massDOT Massachusetts Department of Transportation
	RTD (Denver)	1991	100	GSA
	LADOT (Los Angeles)	2009	95	Department of Justice Federal Bureau of Prisons
Private	Coach USA[1]	1960s	2,200	Silverado Stages
	Academy	1970s	700	Arrow Stage Lines
	Peter Pan	1950s	250	Cline Tours
	Roberts Hawaii	1980s	200	Greyhound
	Martz Trailways	1950s	197	Google

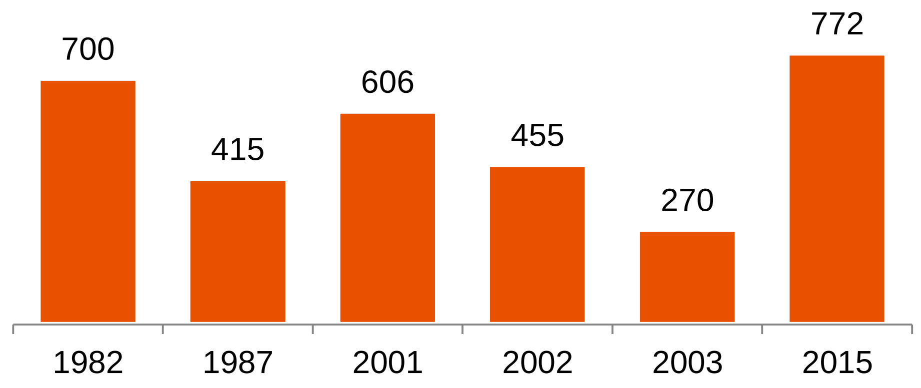
Deep relationships with loyal customer base

1. Includes Coach America and American Coach.

Relationship with New Jersey Transit Authority

- Long term relationship with New Jersey Transit Authority (NJTA)
  - MCI has delivered over 2,000 commuter coaches to NJTA since the first order in 1982
  - MCI is an Integrated parts and services supplier
- In 2000, NJTA awarded MCI the largest public transit order in North American industry history with a 1,400 coach contract (ultimately delivered 1,331 coaches)
- In July 2015, MCI was awarded a ~US$395 million contract to deliver 772 coaches over a 5 year period starting in 2016
  - First procurement of a larger program to replace the majority of NJTA's existing fleet
  - Contract also has options for an additional 75 coaches per year
  - MCI is ideally positioned to win additional volume from NJTA

MCI – NJTA Major Procurement Wins (Units)



Over 2,000 MCI Coaches delivered to NJTA since 1982

Long term relationship with NJTA is excellent example of the quality of MCI customer base

Source: Press releases

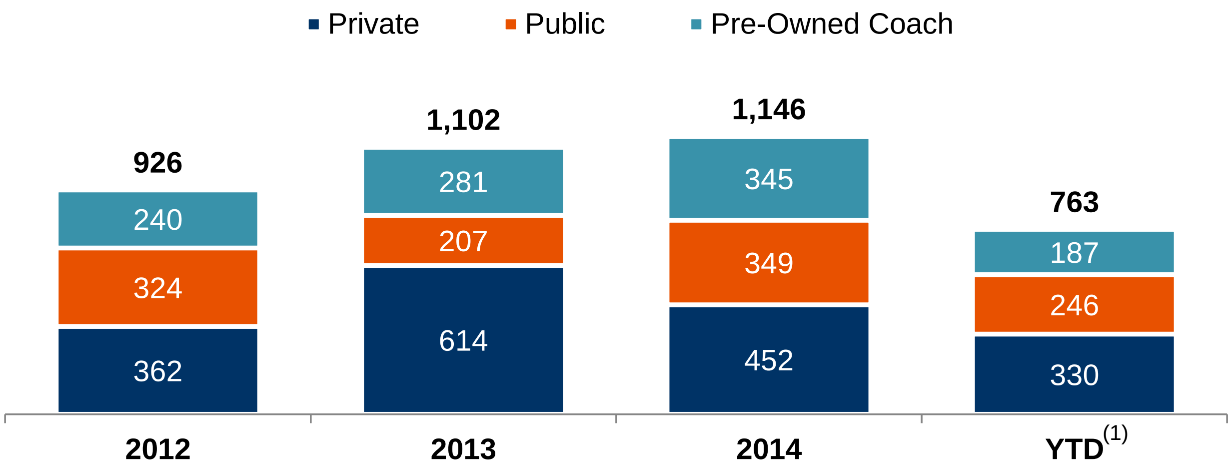
NEW FLYER

MCI

Strong Financial Profile

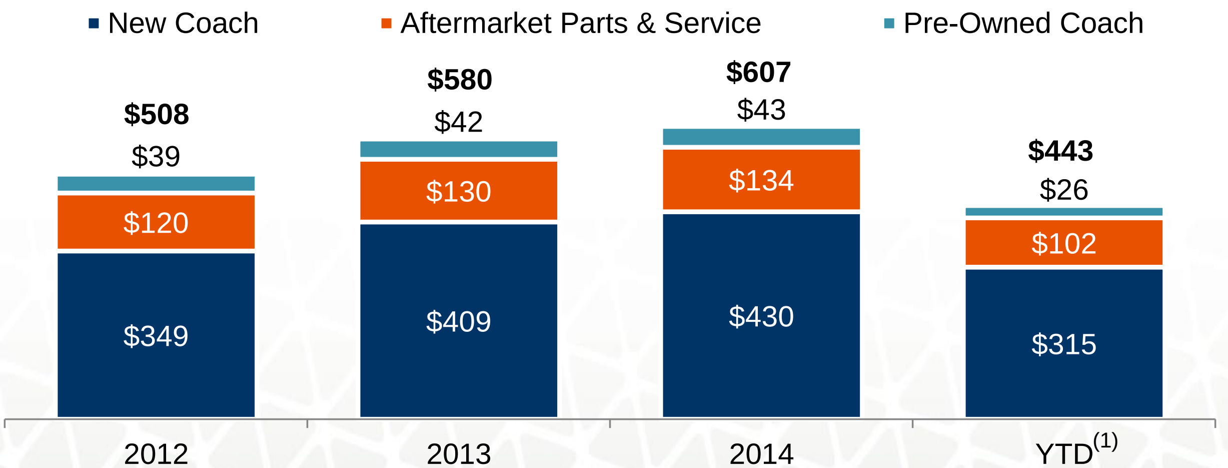
Total Coach Units Sold

- Coach volumes have shown improvement since 2012
- NJTA procurement expected to contribute to 2016 volume and beyond



Segmented Revenue(2) (US$ mm)

- Balanced revenue comprised of new coach sales, aftermarket parts & services, and pre-owned coach sales



Source: MCI financial statements

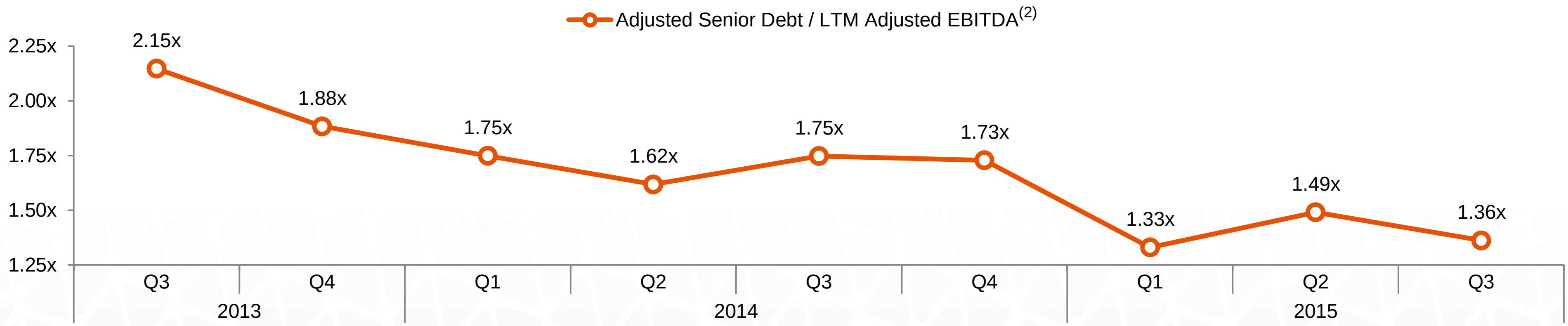
1. YTD through October 3, 2015.
2. Revenue figures prepared in accordance with U.S. GAAP.

Built to RELY ON.

New Flyer Maintaining a Strong Balance Sheet

Senior Secured Credit Facilities	
	▪ **New US$825 million Senior Secured Credit Facilities to be comprised of:** ▪ **US$343 million Revolver with US$75 million accordion option** – 4-year term – US$135 million expected to be drawn at close (assuming transaction closes on December 31, 2015) – Will provide significant financial flexibility going forward ▪ **US$482 million Term Loan** – 4-year term – No amortization over life of loan, bullet maturity, fully pre-payable without penalty
Pro Forma	▪ Expected pro forma total indebtedness to combined Adjusted EBITDA of approximately 3.0x[1] at closing (assuming transaction closes on December 31, 2015) ▪ Strong near-term cash flow generation supports rapid de-leveraging

Historical New Flyer Leverage Profile



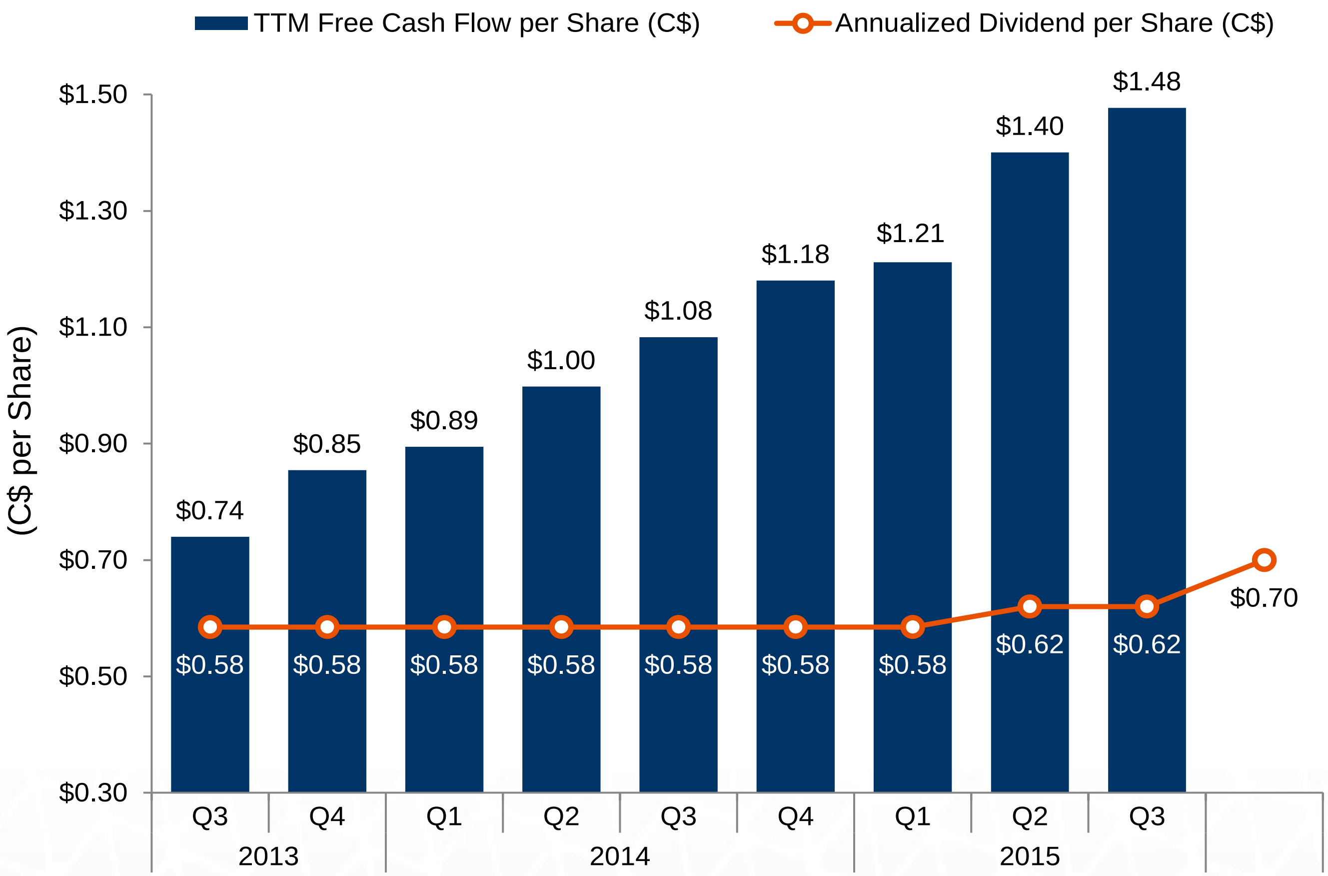
Following the acquisition of Orion and NABI, New Flyer has significantly reduced leverage

Source: Company filings
1. Within the meaning of the new senior credit facilities.
2. Adjusted Debt assumes treatment of convertibles as equity.

NEW FLYER

NFI has demonstrated Prudent Capital Management

Historical Free Cash Flow & Dividend Profile



- New Flyer has paid dividends for over 120 consecutive months since IPO in 2005
- Annualized dividend intended to be increased to $0.70 post close supported by robust FCFPS
- Transitioning to quarterly payment schedule post close

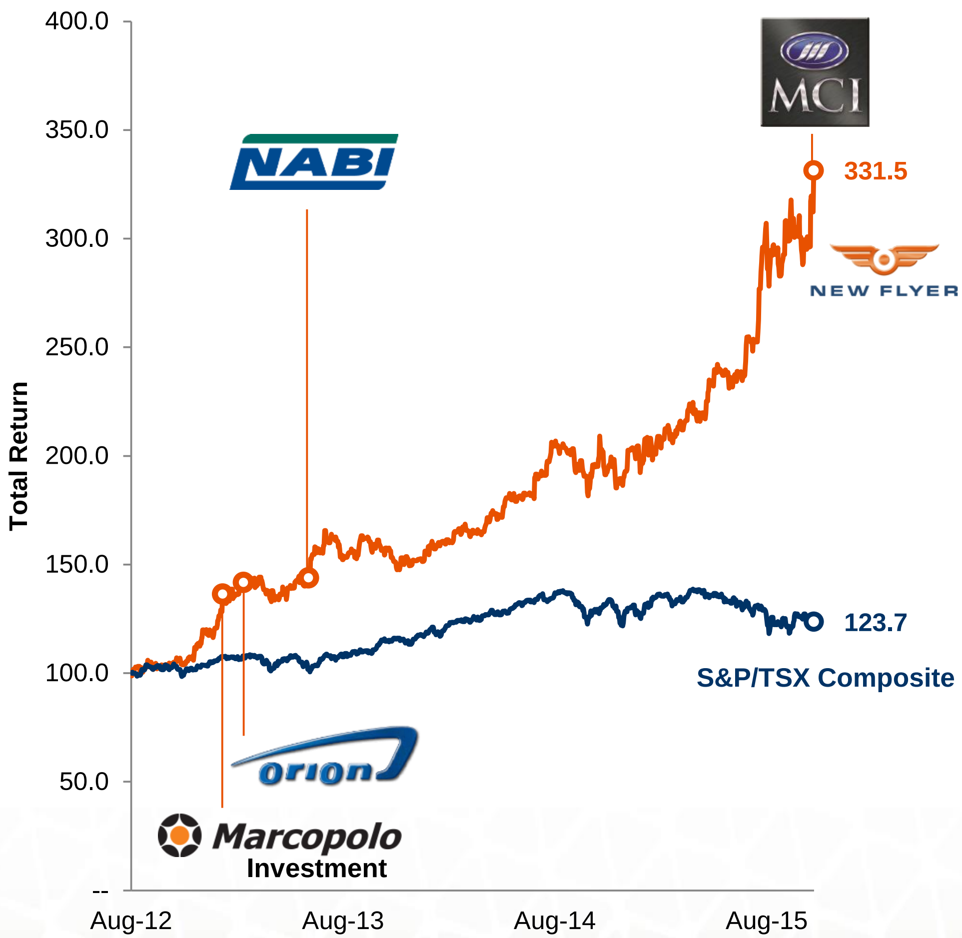
New Flyer has demonstrated strong free cash flow generation and dividend growth

Source: Company filings
1. Please reference Appendix for definition of FCFPS and other metrics.

Built to RELY ON.

NFI Strategy and Execution that has delivered Results

Total Return(1)



Key Milestones

TCB ENTERPRISES, LLC	NFI`s first acquisition, in 2010, enhanced part fabrication capability and capacity
Marcopolo	19.9% equity investment in NFI by a global bus and coach body manufacturer
orion	Acquisition of Orion's parts business from Daimler
NABI	Acquired US manufacturer of heavy-duty transit buses and parts distributor
MCI	Acquisition of the North America's leading manufacturer of motor coach and parts/service support

New Flyer shares have outpaced the S&P/TSX Composite almost threefold since conversion from its previous Income Deposit Security (IDS) structure in 2012

Source: FactSet, Company filings

1. Total return includes capital appreciation and dividends paid.

NEW FLYER

Investment Thesis Summary

Leading North American Market Share	▪ #1 heavy duty transit bus brand in North America ▪ #1 motor coach brand in North America ▪ Leading aftermarket parts and service supplier
Deep Relationships with High Quality Customer Base	▪ Established relationships with well over 380 transit authorities ▪ 24 out of 25 largest transit agencies operate New Flyer, NABI, Orion or MCI buses or coaches
Leadership in Product Offering and Technology	▪ Leading in-house engineering and new product development capabilities ▪ Market technology leader with a proven next generation Xcelsior heavy-duty transit bus platform ▪ Offer the most propulsion options: diesel, natural gas, electric trolley, diesel-electric hybrid & battery-electric
Well Positioned Against Competitors	▪ >70,000 vehicles (heavy-duty transit buses and motor coaches) currently in service across North America ▪ Integrated aftermarket parts and services operation ▪ Compliant with Buy-America regulations and provincial policies regarding Canadian content
Multi-Faceted Growth Strategy	▪ Proven ability to complete accretive acquisitions and achieve synergies ▪ Growth of “clean technology” aligned with New Flyer and MCI product offering and engineering capabilities
Experienced Executive Team	▪ Successful track record of positioning the business for growth and increased profitability ▪ Extensive LEAN transformation and OpEx experience ▪ Experience in strategic acquisitions and integration
Strong Financial Metrics	▪ Improved financial performance ▪ Strong/Predictable free cash flow to support rapid deleveraging and increasing dividends ▪ Highly accretive transaction even before synergies; 6x EBITDA valuation with dividend increase post closing

NEW FLYER

Financial Terms and Conditions

The financial information relating to MCI provided in this presentation is based on or derived from MCI's financial statements prepared in accordance with U.S. GAAP.

"Adjusted EBITDA" consists of earnings before interest, income taxes, depreciation, amortization and other non-cash charges and certain non-recurring charges as set out in the Company's management discussion and analysis dated November 4, 2015 ("MD&A") available on SEDAR at www.sedar.com. The Adjusted EBITDA of MCI described in this presentation has been calculated by management in a similar manner. "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 and certain other adjustments as set forth in the MD&A and the Company's historical public filings. Management believes Adjusted EBITDA and Free Cash Flow are useful measures in evaluating the performance of the Company and MCI. However, 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 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 or MCI'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.