



NEW FLYER

North America's #1 Transit Bus Manufacturer and Parts Supplier



New Flyer Industries

TSX: NFI and NFI.DB.U

Forward Looking Statements: May contain forward-looking statements relating to New Flyer Industries Inc. and related companies or to the environment in which they operate, which are based on their operations, estimates, forecasts and projections. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict, or are beyond New Flyer's control. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. These factors include those set forth in New Flyer's Annual Information Form which is available on SEDAR at www.sedar.com. New Flyer assumes no obligation to update or revise any forward-looking statements to reflect new events or circumstances, except as required by applicable securities laws. All figures are in U.S. dollars unless otherwise noted.

Non-GAAP Measures: For the definition and explanation of EBITDA, ADJUSTED EBITDA and FREE CASH FLOW please refer to Appendix A.



Executive Summary

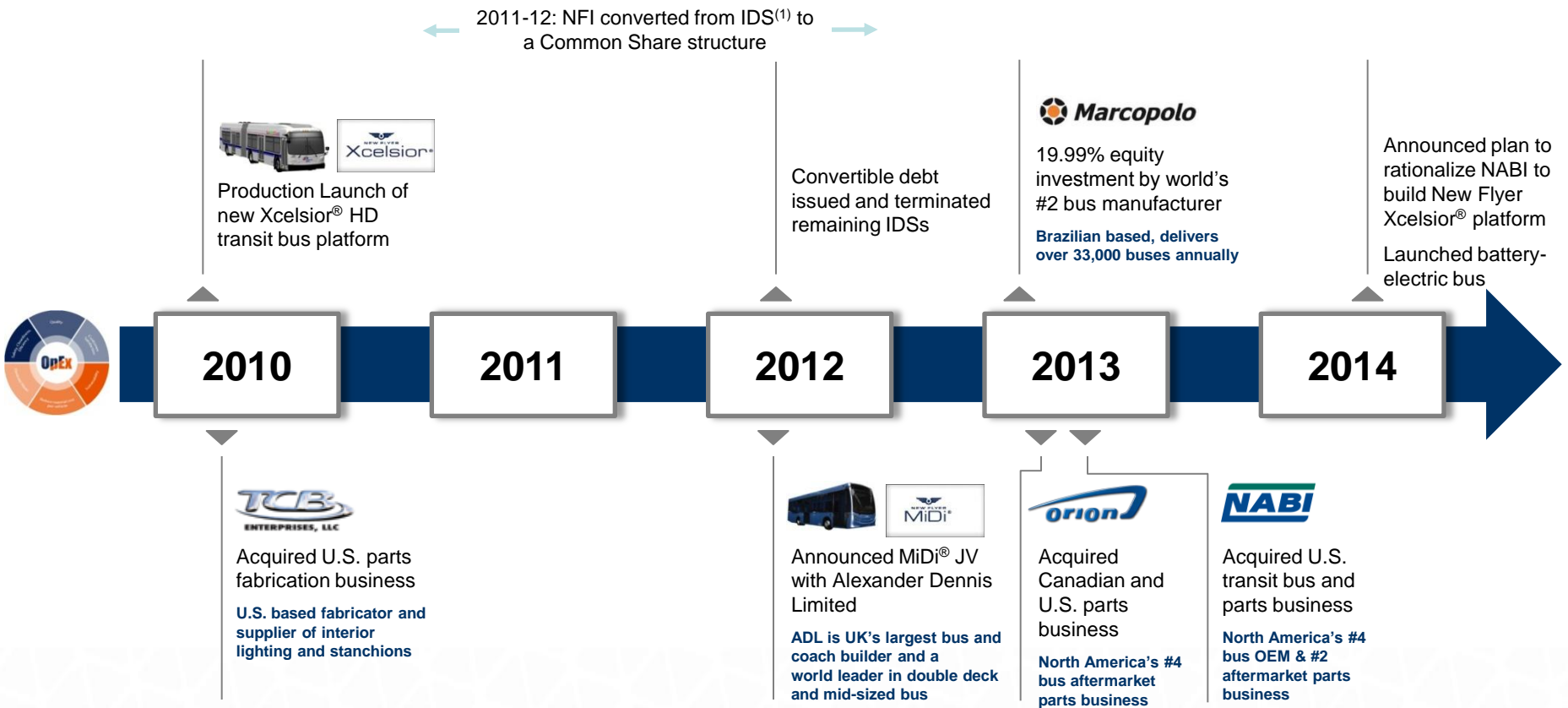
New Flyer Investment Highlights

Leading North American Market Share	<ul style="list-style-type: none"> ▪ Largest Installed base. Approximately 80,000 heavy-duty transit buses in operation of which over 50% are New Flyer, NABI or Orion ▪ Approximately 50% heavy-duty bus market share in 2013 based on deliveries (equivalent units) ▪ Approximately 34% aftermarket parts market share based on 2013 sales with the next closest competitor having less than a 10% market share
Deep Relationships with High Quality Customer Base	<ul style="list-style-type: none"> ▪ Established relationships with well over 300 North American transit authorities operating approximately 75% of heavy-duty transit buses in the U.S. and Canada ▪ 24 out of 25 largest transit agencies operate New Flyer, NABI or Orion buses
Leadership in Product Offering and Technology	<ul style="list-style-type: none"> ▪ Market leader in propulsion options including: clean diesel, natural gas, electric trolley, diesel-electric hybrid and battery-electric ▪ Leading in-house engineering and New Product Development capabilities
Well Positioned Against Competitors	<ul style="list-style-type: none"> ▪ Long established track record with various transit authorities and manufacturing supply chain ▪ Integrated aftermarket parts and services operation supporting over 50% of in-service heavy-duty transit buses in the U.S. and Canada ▪ Compliance with Buy-American legislation and provincial policies regarding Canadian content
Multi-Faceted Growth Strategy	<ul style="list-style-type: none"> ▪ Complete full integration of NABI into New Flyer providing overhead and supply synergies ▪ Growth of “clean technology” aligned with New Flyer product offering and engineering capabilities ▪ Robust pipeline of acquisition and joint venture opportunities to diversify product offerings and geographic footprint
Experienced Executive Team	<ul style="list-style-type: none"> ▪ Deep industry experience and track record of positioning business for growth and increased profitability ▪ Proven ability to complete and integrate strategic acquisitions
Strong Free Cash Flow Generation	<ul style="list-style-type: none"> ▪ Strong and predictable free cash flow generation supported by attractive EBITDA margin and high cash conversion ratio ▪ Low operating leverage with fixed costs representing approximately 10% of total bus manufacturing cost structure



Strategically executed transformation

NFI positioned for Sustainability, Diversification and Growth



Recent activities position New Flyer to capitalize on opportunities going forward



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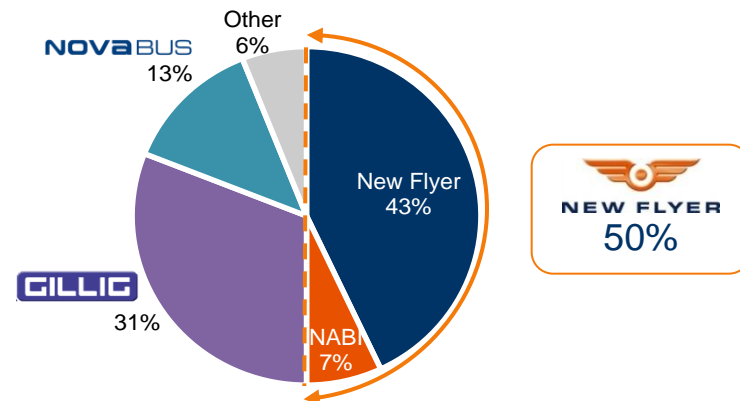
Bus Manufacturing Overview

Highlights & Competitive Advantage

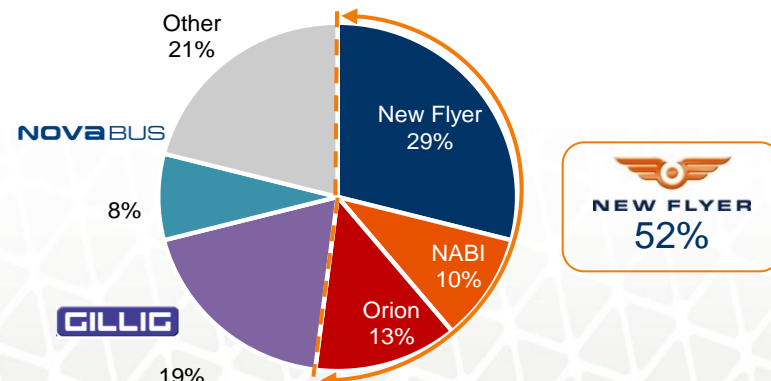
Long History	<ul style="list-style-type: none"> Founded in 1930. Exclusively focused on transit bus manufacturing since 1971 First manufacturer to introduce the low floor bus platform in North America which has become the industry standard
Premier Customer Base	<ul style="list-style-type: none"> Active relationships with over 300 transit authorities in North America, that collectively, operate approximately 75% of the heavy-duty bus fleet⁽¹⁾
Repeat Business	<ul style="list-style-type: none"> Over the last 5 years, over two-thirds of bus revenue derived from repeat customers Customers are increasingly looking to simplify operations by reducing the number of platforms for new bus purchases and aftermarket support
Broadest Product Offering	<ul style="list-style-type: none"> Broadest and most advanced product offering in the combined U.S. and CAN heavy-duty transit buses In-house capabilities to bid on virtually any heavy-duty transit order in North America
Exceeding Content Requirements	<ul style="list-style-type: none"> Supply chain setup to exceed all material content legislated by U.S. and CAN provincial governments
Leader in Product Innovation	<ul style="list-style-type: none"> Introduced the 60' articulated bus to North American market in 1996 Broadest propulsion options in industry: diesel, hybrid, CNG, trolley, fuel cell and battery-electric

Estimated Market Share

2013 Heavy-Duty Transit Bus Deliveries⁽¹⁾



Installed Fleet: U.S. and CAN Bus Fleet⁽²⁾



Source: Company filings, management estimates

1. 2013 market share based on delivered EU in U.S. and Canada.

2. December 2014 Company estimate.



Company Overview

Current Bus Models

New Flyer Xcelsior®



- Production launch in 2009 based on over 20 years experienced with low floor bus design
- 35', 40', and 60' bus
- 12-year, 500,000 miles estimated life
- Multiple propulsion systems options: diesel, hybrid, natural gas, trolley and battery-electric
- Targets metropolitan and urban markets
- Typical sale price of approx \$450,000 for 35/40' and \$700,000 for 60' articulated bus

New Flyer MiDi®



- Joint venture with ADL to bring MiDi® to North American market
- Production launch in 2014
- 30' and 35' low-floor bus
- 12-year, 500,000 miles estimated life
- Clean diesel propulsion and currently investigating CNG and electric
- Targets municipal and commercial shuttle markets
- Typical sale price approx \$300,000

NABI BRT & LFW⁽¹⁾



LFW



BRT

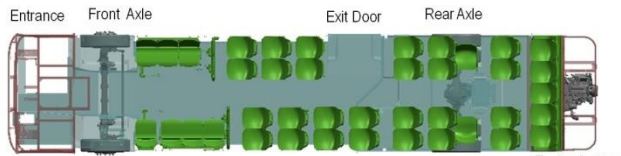
- 31' and 40' (LFW) and 42' and 60' (BRT) buses
- Propulsion using clean diesel, hybrid, or natural gas
- Estimated installed fleet: 10,000
- LFW & BRT to be phased out in 2015 and replaced by NFI Xcelsior® platform



Company Overview

Market Leadership in Technology and Propulsion Options

Single platform - multiple propulsion options

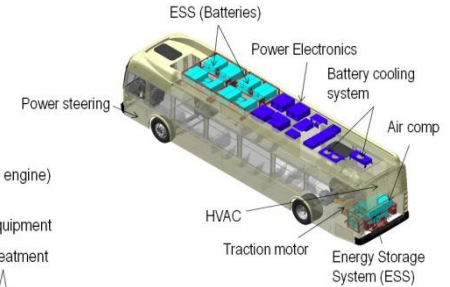


Typical Seating Layout: 40 passengers
 Typical Standee Layout: 40 passengers

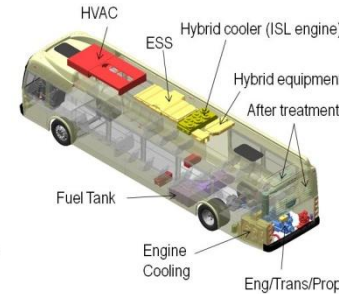
Engine/battery compartment

Passenger compartment is design for maximum size and simplicity for passenger circulation

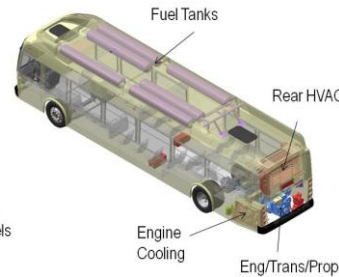
Battery-Electric



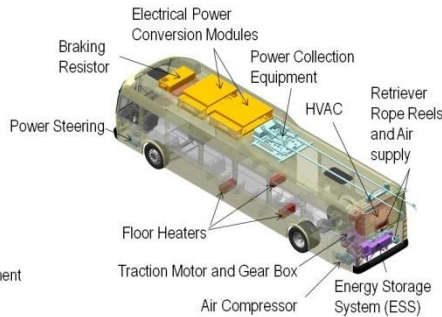
Hybrid-Electric



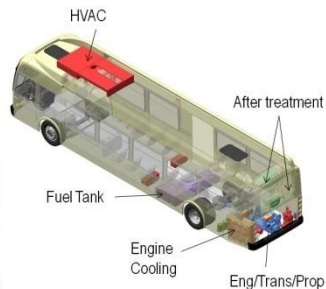
Natural Gas



Electric-Trolley



Clean Diesel



- NEW** New Flyer's battery-electric Xcelsior®
- Pilot bus testing complete and in service.
 - 2 electric buses delivered to Chicago in Q2-14
 - 4 buses delivered to Winnipeg in Q4-14
 - Electric 60' artic in development



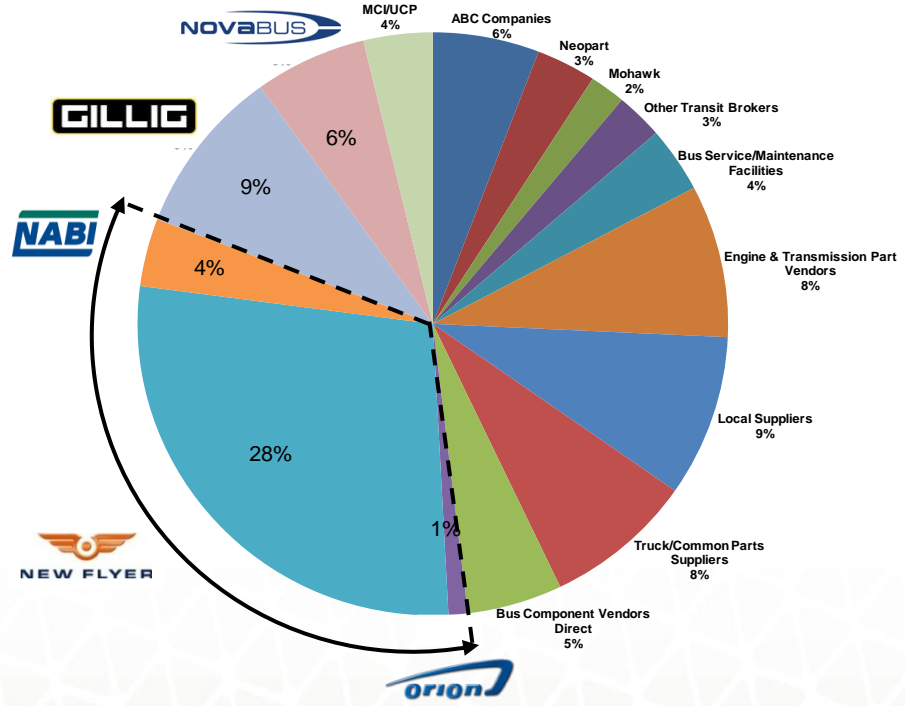
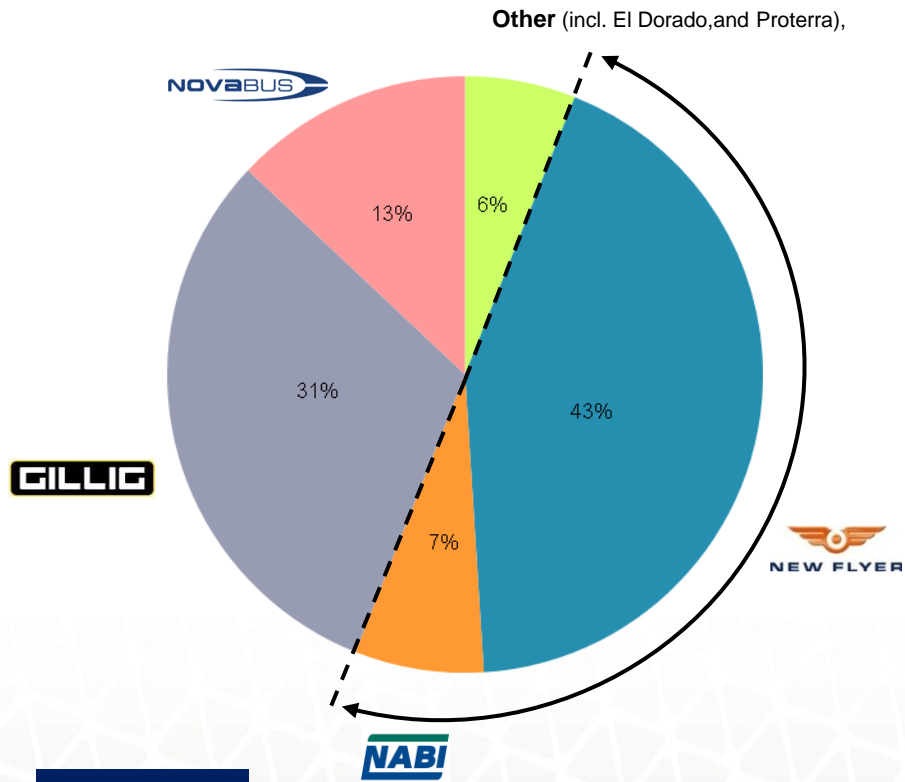
Focused on New Flyer's optimized and robust Xcelsior® platform



Leading Market Share for both HD Transit Bus & Parts

Heavy-Duty Transit Bus Share based on EUs delivered in 2013

Aftermarket Parts Share based on estimated parts sales in 2013



NF BUS Pro Forma Share ~50%

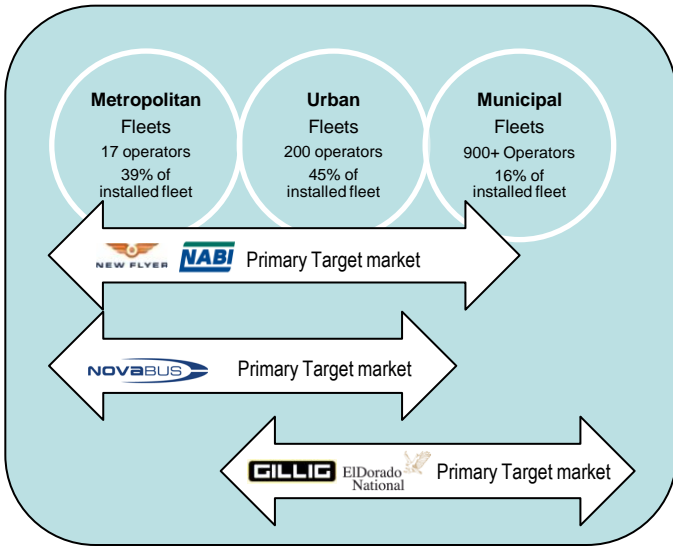
NF PARTS Pro Forma Share ~34%

Note: NABI and Orion market shares reflect share prior to NF acquisition in 2013. Source: 2013 New Flyer Database & Management Estimates



North American Transit Bus fleet estimated >80,000 buses

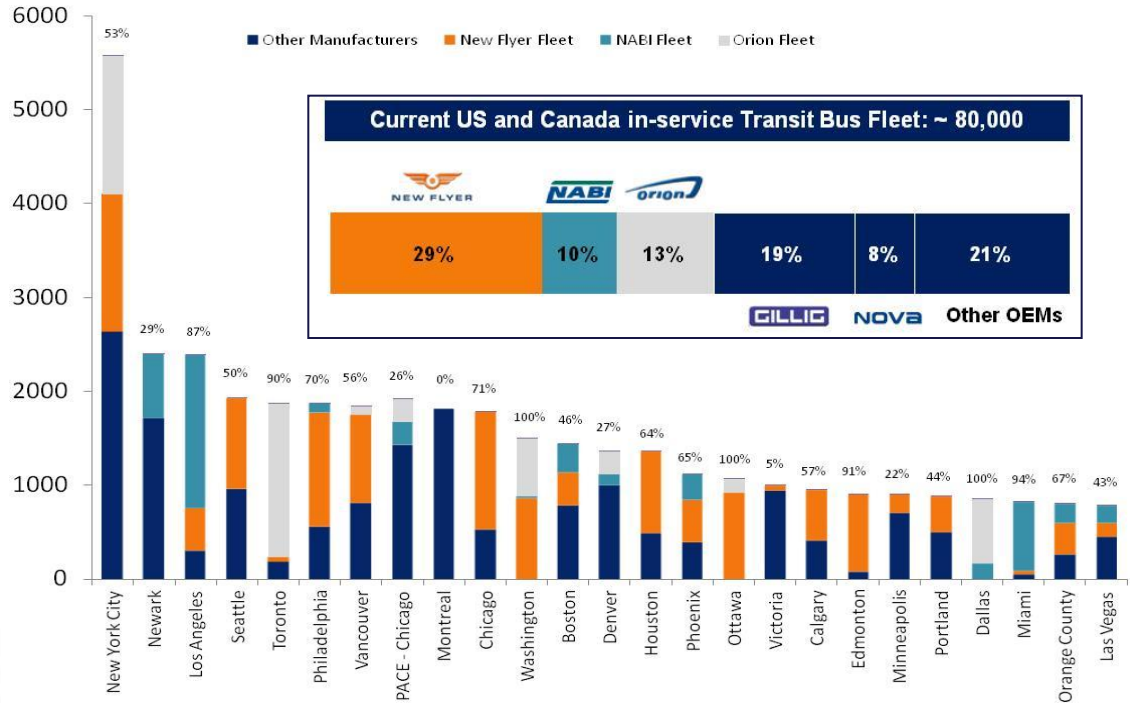
Market Segments and primary targets



New entrants focusing on battery-electric buses:



24 of NA's 25 largest Transit Agencies operate NF and/or NABI buses



52% of the installed HD Transit Bus fleet are New Flyer, NABI or Orion buses

Source: 2013 New Flyer Database & Management Estimates



NEW FLYER

Company Overview

New Flyer Bus and Aftermarket Locations

3,300 team members with approx 1,300 covered by CBA



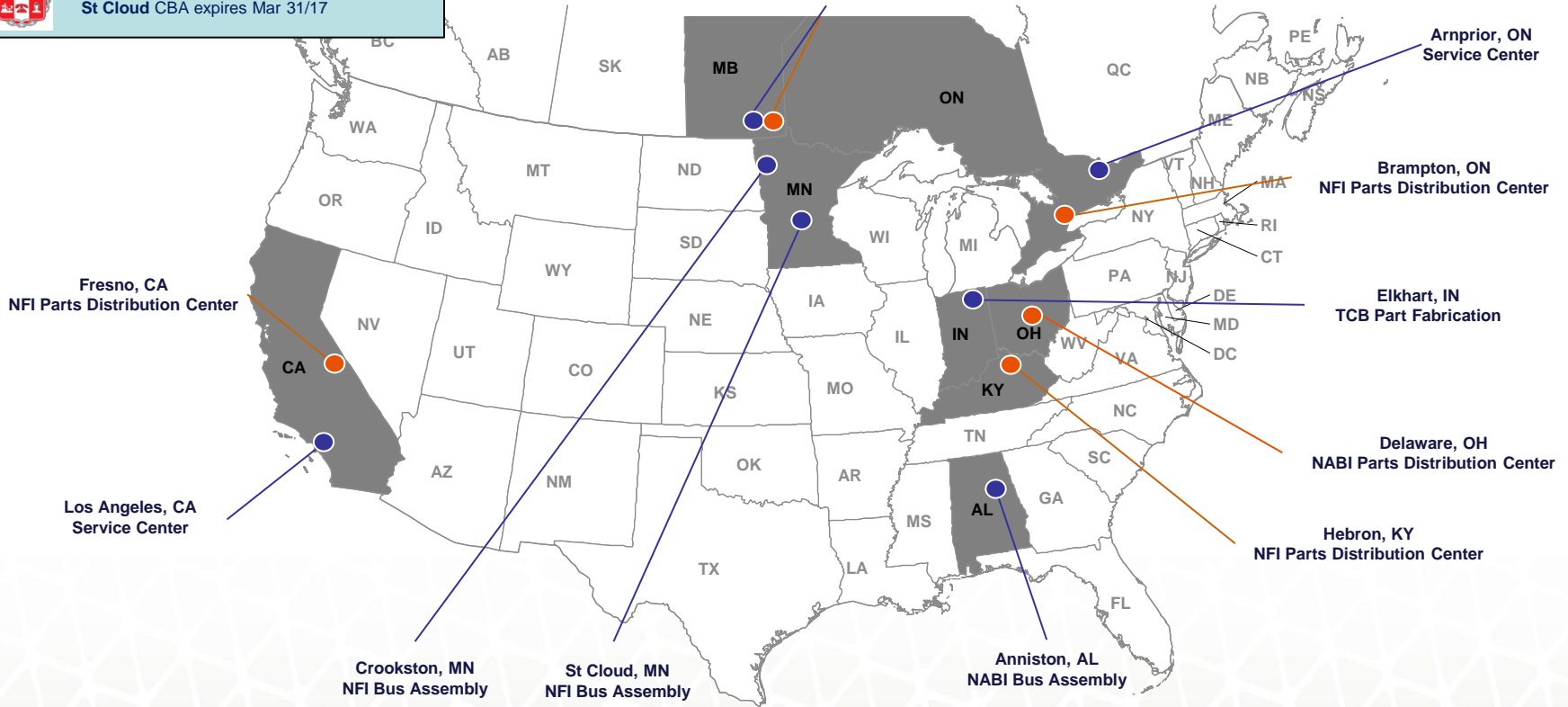
Winnipeg CBA expires Mar 15/15



Crookston CBA expires Dec 31/15
St Cloud CBA expires Mar 31/17

Winnipeg, MB
Headquarters
NFI Parts Fabrication and Bus Assembly
New Product Development
NFI Parts Distribution Center

- Parts Distribution
- Manufacturing & Service

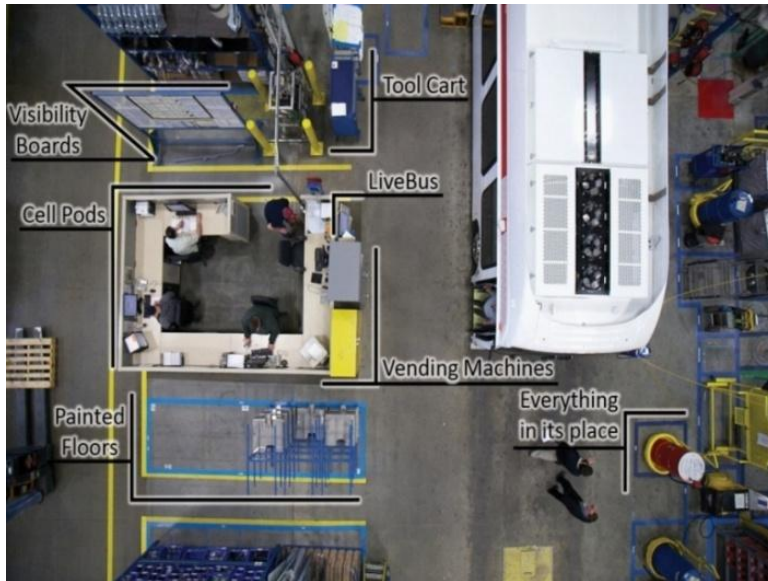


Strategically located to provide best-in-class support and response times

Source: Company filings



Significant improvement in Operations



Key Operational Improvements since 2010:

- Build in Station (by task) improved from 87% to 95%
- Average Labour Efficiency increased from 71% to 89%
- Days in Customer Acceptance reduced from 21 to 16 days

Focused investment on both cultural and physical change



The Industry's most Comprehensive Parts and Support Services

The complexity of bus technology combined with constrained operating budgets for many transit authorities have made aftermarket parts and support services increasingly important to transit authorities' new bus purchase decisions

Aftermarket Parts



- NFI with addition of Orion Parts and NABI Parts is the recognized leader in both size and quality of service with an estimated market share of 34% in 2013.
- Key competitive advantages include: widest product assortment and industry leading distribution network with shortest delivery times.
- Distributes parts for products manufactured by New Flyer, NABI, Orion, as well as other bus manufacturers
- Exclusive product distribution:
 - NFI proprietary line of service parts under the "Kinetik" brand
 - Exclusive license for Xtended Life™ products which longer lives that reduce vehicle operating/maintenance costs

Product Support Services



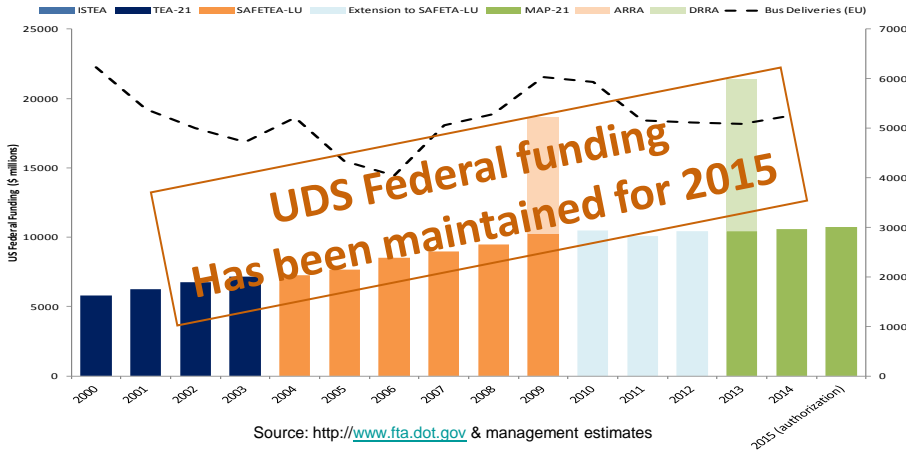
- **Publications:** Wide range of customized parts, maintenance and operational documentation. New Flyer publications remain the industry standard.
- **Service Support:** Product acceptance, field support, field engineering and warranty management
- **Product Training:** Operator and maintenance training provided in connection with new bus sales or aftermarket support
- **eLearning:** On-line hosted training and training record management
- **New Flyer Connect :** On-board system that permits real-time monitoring of the bus driver and vehicle performance to help improve driver safety, driving efficiency and fuel and maintenance costs

Well positioned to maximize market share of life cycle support services

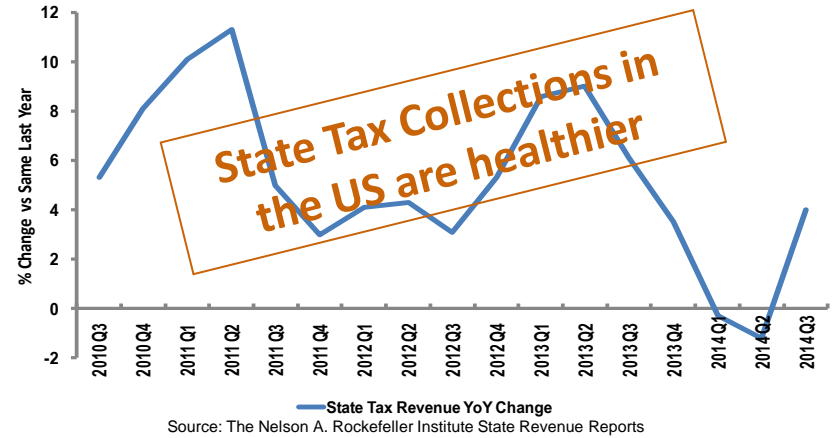


Market Economic Fundamentals Stabilizing

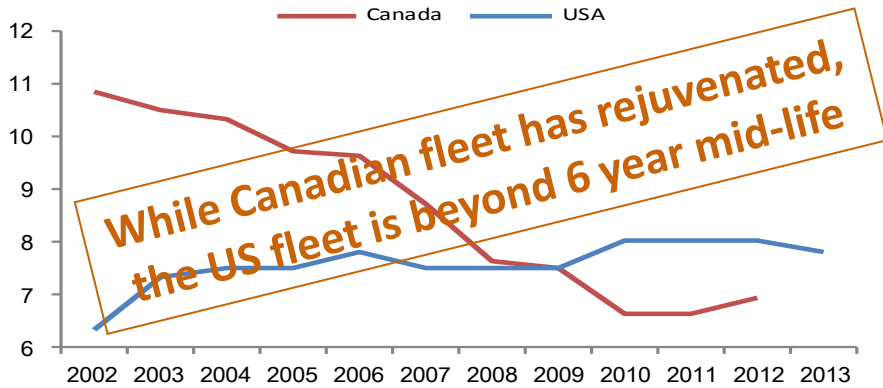
US Fed Funding vs Industry Deliveries



US Quarterly State Tax Collections [YOY % Chg]

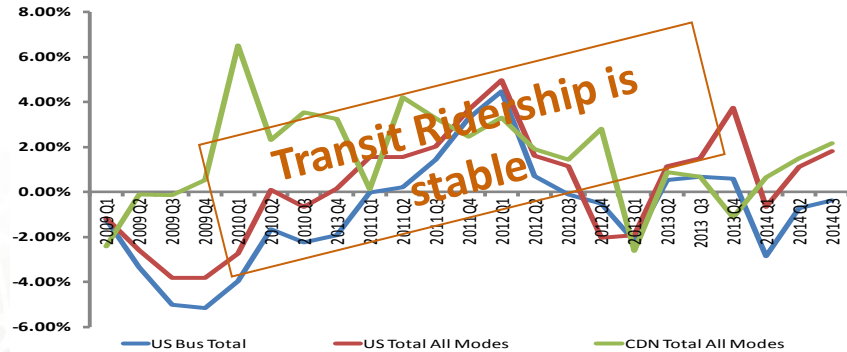


Average Age of of Transit Buses [years]



Source: CUTA, APTA
<http://www.apta.com/resources/statistics/Documents/FactBook/2013-Fact-Book-Appendix-A.pdf>

Qtrly Transit Ridership % Chg YOY

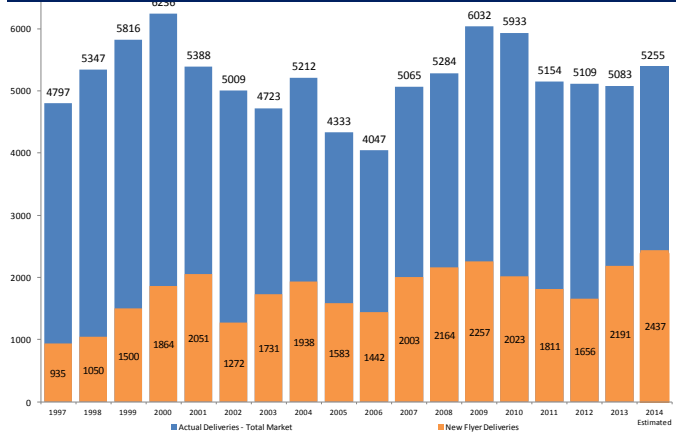


Source: <http://www.apta.com/resources/statistics/Pages/ridershipreport.aspx>

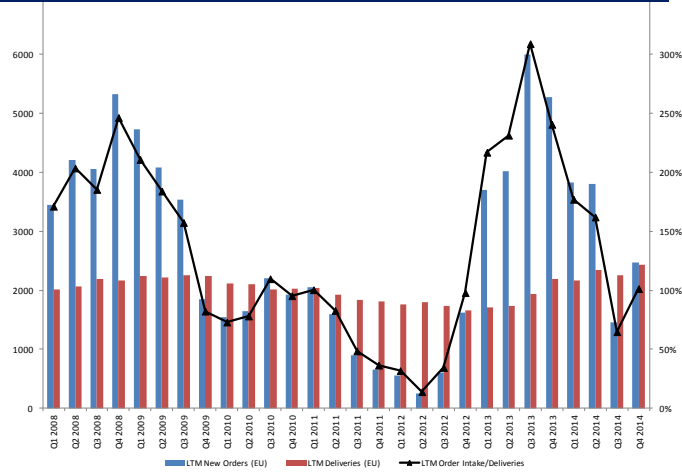


Strong Bid Universe and Active Opportunities

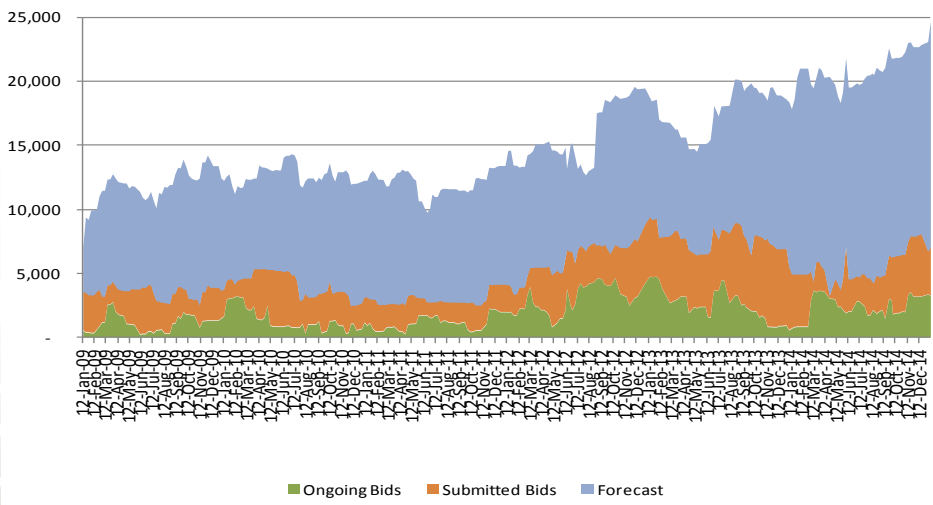
EUs delivered in Can/US has flattened out



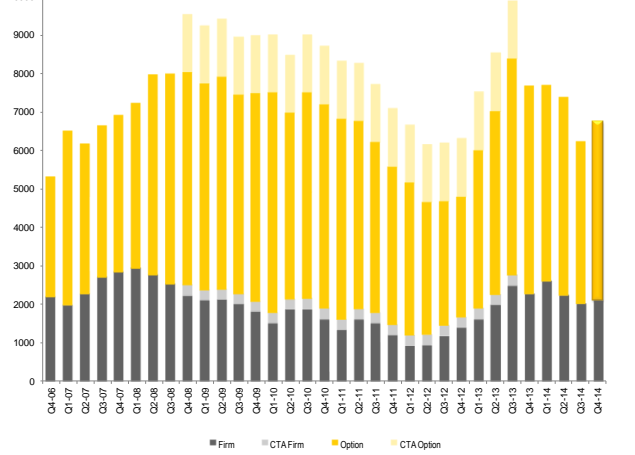
NFI Book-to-Bill >100% last 7 out of 8 quarters



Healthy NFI Bid Universe and Active Opportunities



NFI backlog recovered in 2013-14

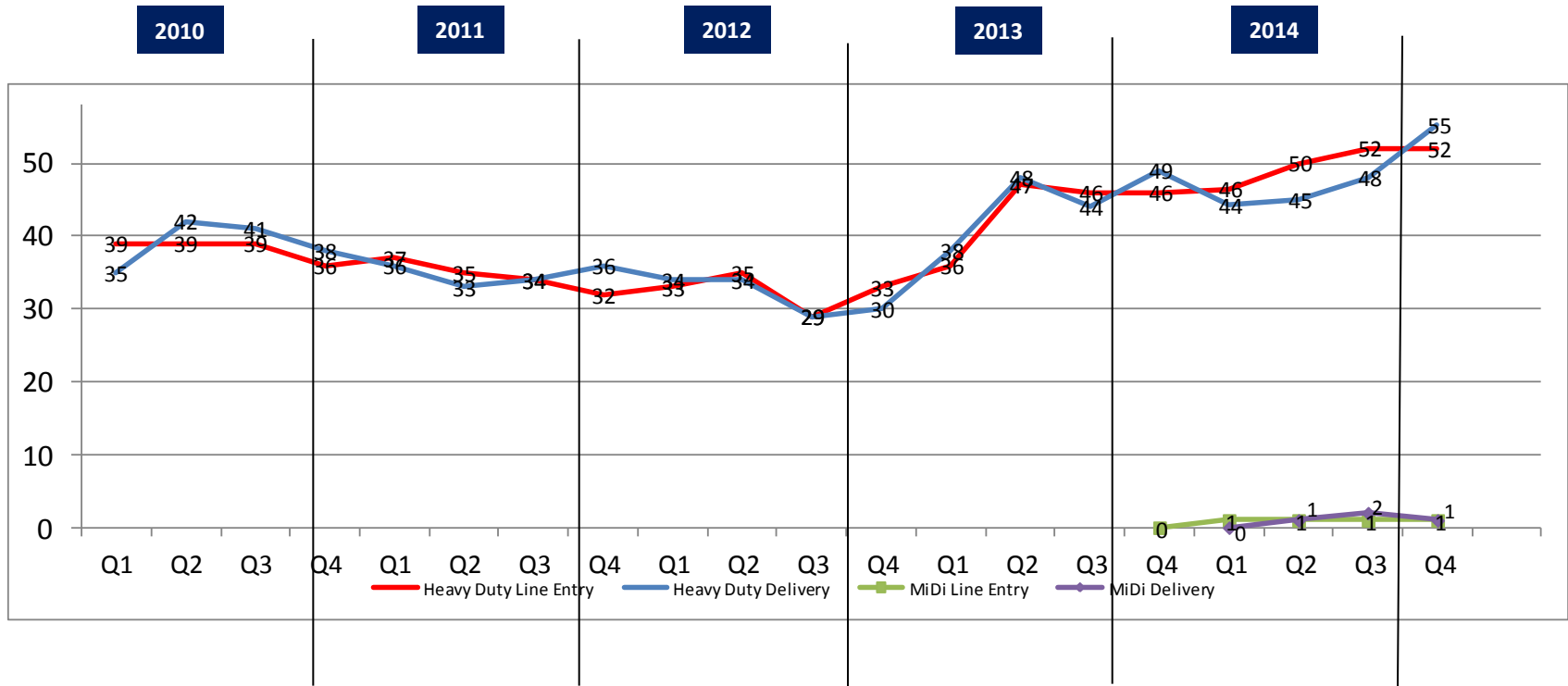


Note: CTA deferred order was removed in Dec 2013 following 5 years of inaction.





Average Weekly Line Entry & Delivery Rates (EUs)



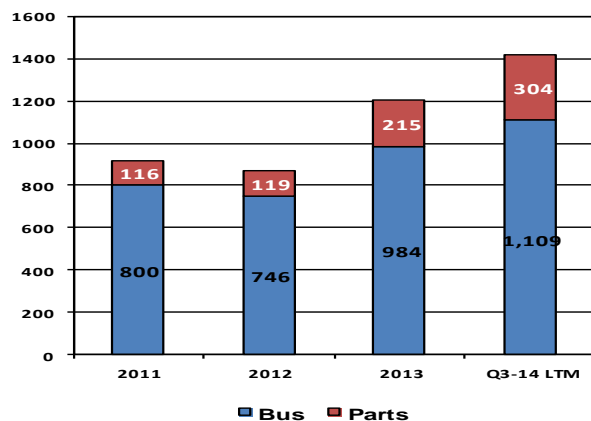
Includes activity from NABI Bus LLC following acquisition by New Flyer in June 2013. New Flyer MiDi® commenced production in Jan 2014.

Average 2014 Line Entry rate (EUs per production week): Heavy-Duty = 50, MiDi® = 1.25

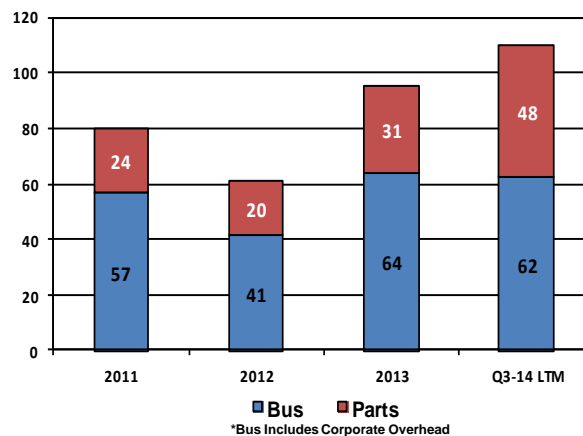


NFI Financial Performance

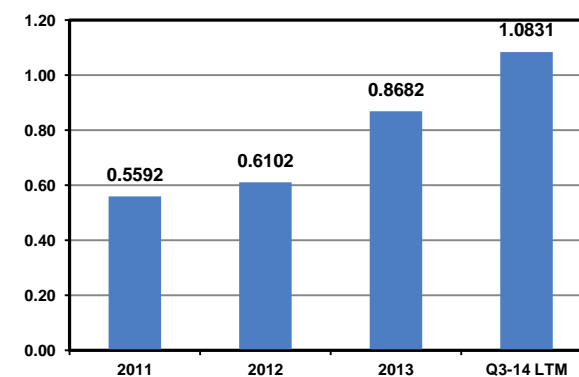
Sales (\$M US)



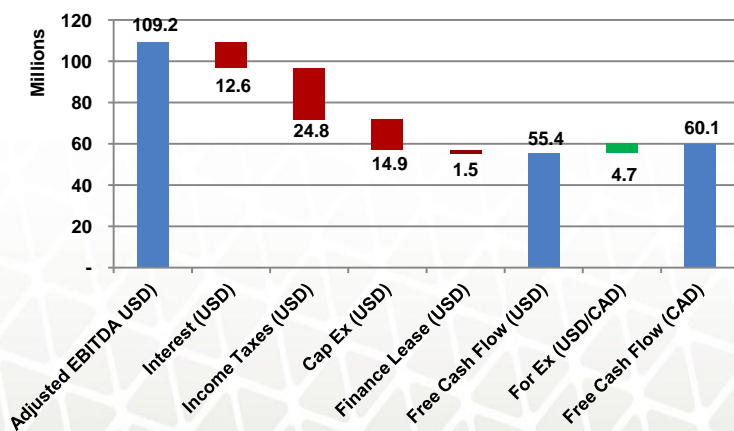
Adj EBITDA (\$M US)



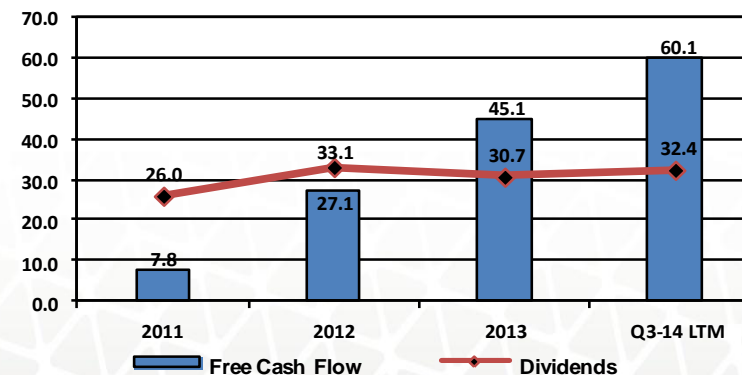
Free Cash Flow/Share (\$CAD)



Q3-14 LTM Adj EBITDA to Free Cash Flow (\$M)



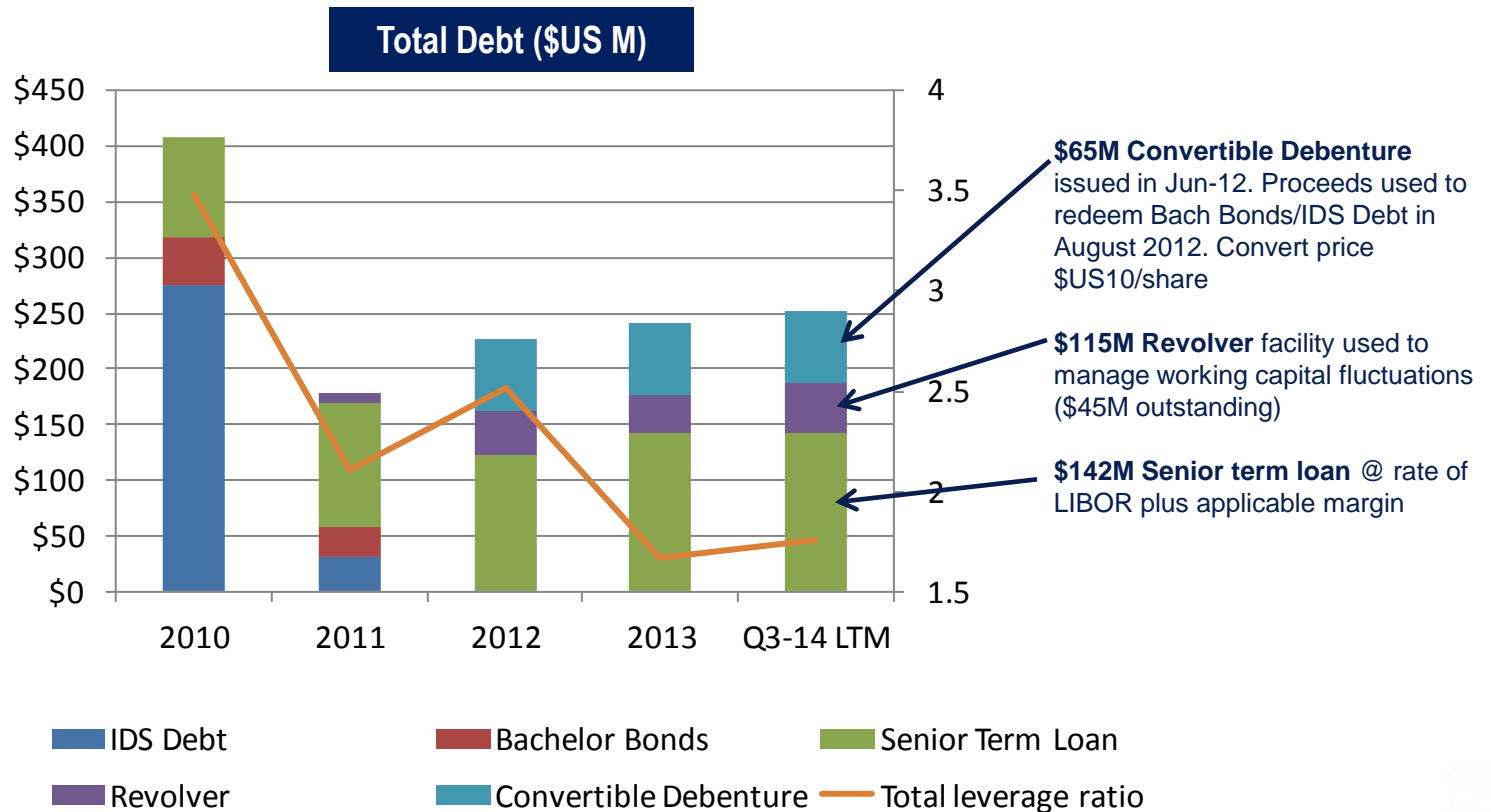
Free Cash Flow and Dividends (\$M CAD)





Transformed from IDS to Common Share structure

Reduced Leverage and Interest Costs. Compliant with all covenants



Interest on Bach Bonds/IDS Debt = 14% vs Converts = 6.25%

Total Leverage Ratio does not include Convertible Debenture as debt. Senior secured credit facility is in place until April 24, 2017.



New Flyer Share Performance

NFI (Common Share)

NFI added to TSX Small Cap Index in 2013



NFI.DB.U (Convertible)



55.5M Common Shares outstanding.
Annual dividend C\$0.585/share paid monthly (Yield approx 4.4%)
Distributions paid for 110 consecutive months (since IPO)

Conversion price \$10.00 US
Convertibles outstanding approx. \$65M @ Face Value
Coupon 6.25%. Yield at approx 5.3%

Significant NFI Shareholders (as at Dec 30-14)

- Marcopolo S.A. approx 19.99% (Brazil)
- Franklin Resources approx 9.88% (Canada)
- Coliseum Capital Management, LLC approx 11.11% (USA)
- Mawer Investment Management Limited approx 9.81% (Canada)
- NFI Board and Management approx 2.03% (Canada and USA)

To date \$362,000 of Debentures have converted to Common shares

On and after June 30, 2015 and prior to maturity, the Debentures may be redeemed in whole or in part at the Company's option, at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the Shares on the TSX for the 20 consecutive trading days preceding the date on which the notice of redemption is given is not less than 125% of the conversion price.



DEFINITIONS OF EBITDA, ADJUSTED EBITDA AND FREE CASH FLOW

References to “EBITDA” are to earnings before interest, income taxes, depreciation and amortization, and unrealized foreign exchange losses or gains on non-current monetary items. References to “Adjusted EBITDA” are to EBITDA after adjusting for: the effects of certain non-recurring and/or non-operations related items that have impacted the business and are not expected to recur, including non-recurring transitional costs relating to business acquisitions, product rationalization costs, impairment loss on equipment and intangible assets, realized investment tax credits (“ITCs”), stock-based compensation and costs associated with assessing strategic and corporate initiatives.

Management believes EBITDA, Adjusted EBITDA and Free Cash Flow (as defined below) are useful measures in evaluating the performance of the Company. “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, 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 and principal payments on capital leases. However, EBITDA, Adjusted EBITDA and Free Cash Flow are not recognized earnings measures and do not have standardized meanings prescribed by IFRS. Readers of this presentation are cautioned that EBITDA, Adjusted EBITDA and Free Cash Flow should not be construed as an alternative to net earnings or loss determined in accordance with IFRS as an indicator of New Flyer's performance or to cash flows from operating, investing and financing activities as a measure of liquidity and cash flows. A reconciliation of net earnings and cash flow to EBITDA and Adjusted EBITDA, based on the Financial Statements, has been presented In Management's Discussion and Analysis of Financial Condition under the heading “Reconciliation of Net Earnings to EBITDA and Adjusted EBITDA” and “Reconciliation of Cash Flow to EBITDA and Adjusted EBITDA”, respectively. A reconciliation of Free Cash Flow to cash flows from operations is provided under the heading “Summary of Free Cash Flow”.

New Flyer's method of calculating EBITDA, Adjusted EBITDA and Free Cash Flow may differ materially from the methods used by other issuers and, accordingly, may not be comparable to similarly titled measures used by other issuers. Dividends paid from Free Cash Flow are not assured, and the actual amount of dividends received by holders of Shares will depend on, among other things, the Company's financial performance, debt covenants and obligations, working capital requirements and future capital requirements, all of which are susceptible to a number of risks, as described in New Flyer's public filings available on SEDAR at www.sedar.com.