New Flyer's acquisition of North American Bus Industries, Inc. (NABI)

June 21, 2013

Disclaimer Regarding Forward Looking Statements

This investor presentation may contain forward-looking statements relating to expected future events, including 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 and the accretive effects of the transaction to revenue, earnings and cash flow of New Flyer. 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 projected in such forward-looking statements for a variety of reasons, including risks related to acquisitions, joint ventures and other strategic relationships with third parties, 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, New Flyer 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.

For the definition and explanation of EBITDA, ADJUSTED EBITDA and FREE CASH FLOW please refer to Appendix A.

All dollar amounts are stated in US currency, unless otherwise noted.

Presentation Outline

- New Flyer Strategic Plan and Activities Summary
- Transaction Overview
- Introduction of North American Bus Industries (NABI)
- NABI Business Update
- Business Combination
- Integration of NABI into New Flyer Business Segments
- Sources of Funding
- Pro Forma Financial Summary
- New Flyer Investment Thesis

NEW FLYER

2009 New Flyer Strategic Plan

1. Focus on Core Transit Bus Market/Business/Operations

- Implement LEAN and deploy comprehensive quality roadmap
- Increase strategic and in-sourcing activities to reduce costs and increase competiveness

2. Seek Diversification & Growth

- Provide full scope offering: Bus, Parts & Services
- Increase % of aftermarket business
- Migrate to new Xcelsior bus platform
- Launch medium-duty bus to expand beyond just the heavy-duty transit market

3. Position New Flyer for the Future

- Convert from IDS to common share corporation
- Seek investment and acquisitions with potential for leading positions and diversification
- Pursue opportunities for cost synergies based on scale, ability to leverage R&D, technology and platforms
- Investigate vertical integration potential for key or strategic value-added operations

NEW FLYER

Strategic Plan execution has positioned New Flyer for growth

2009

- Commence NF LEAN Implementation
- Production Launch of Xcelsior platform

2010

- Acquire Part Fabrication Business

2011

- Non-Cash Rights Offering

2012

- MiDi JV with Alexander Dennis Limited
- Convertible Debt Issue & terminate remaining IDSs

2013

- Acquire Cdn/US Parts Business
- Acquire US Transit Bus & Parts Business
- 19.99% equity sold to world's # 2 Bus Builder

Transaction Overview

New Flyer Industries Inc. is acquiring North American Bus Industries from an affiliate of Cerberus Capital Management L.P. for cash consideration of approximately $80 million, virtually all for satisfaction of affiliate debt. NABI retains $11.25 million in obligations under a settlement agreement with a customer.(1)

- Transaction multiple, including minimum settlement obligations, of approximately 4.5x TTM Adjusted EBITDA before synergies
- Acquisition includes bus manufacturing operations in the US and aftermarket parts distribution business
- Seller to retain NABI's Hungarian operations, including substantially all related assets and liabilities
- Expected to be immediately accretive to EPS and CFPS
- Transaction financing consists of approximately C$65 million from the final tranche of the previously announced Marcopolo S.A. strategic equity investment in New Flyer and the balance drawn from New Flyer's newly extended and amended senior credit facility

(1) NABI may be obligated to provide additional rebates related to aftermarket revenue earned from the customer

NABI Performance – TTM as at March 31, 2013		
Transit Bus Production	**(Equivalent Units)**	**582**
Total Revenue	**($ mm)**	**$329.7**
Bus Revenue		$268.9
Aftermarket Parts Revenue		$60.8
Total Adjusted EBITDA	**($ mm)**	**$20.4**

Key NABI Stats – June 2013		
Number of Employees	**(#)**	**812**
Total Backlog	**(Equivalent Units)**	**1,579**
Firm		593
Options		986
Transit Buses in Service in the US	**(#)**	**7,575**

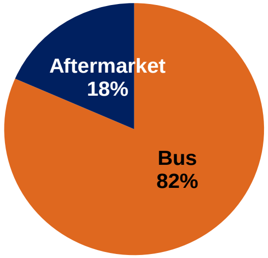
Note: Trailing twelve months (TTM) as at March 31, 2013; NABI fiscal year end September 30
Source: NABI financial statements

Introduction of NABI

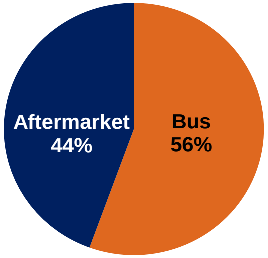
Business Overview

- NABI is an innovative manufacturer of urban heavy duty transit buses for U.S. customers
- Bus products include high floor, low floor and bus rapid transit (BRT) buses
- Offers a variety of propulsion systems including diesel, diesel-hybrid and natural gas
- NABI is also a distributor of aftermarket parts which sources parts from over 200 different suppliers and provides support for transit buses throughout North America
- The company was founded in 1992 and was known as American Ikarus prior to October 1996

TTM Revenue - $330 MM



TTM Adj EBITDA - $20 MM



Note: Trailing twelve months (TTM) as at March 31, 2013; NABI fiscal year end September 30
Source: NABI financial statements

US Based Facilities

NABI Business Update

NABI competitive study complete

- Facility transformation and LEAN implementation continues
- NABI has rationalized its product line.   Single customer high floor and Compo bus products to be discontinued once existing contracts complete
- Successful transfer of bus structure fabrication and weld from Hungary to Anniston, AL. Both carbon and stainless steel frames offered
- Migration of parts sourcing to the US substantially complete, and provides for significant increase in Buy America content

Longstanding legal dispute recently settled

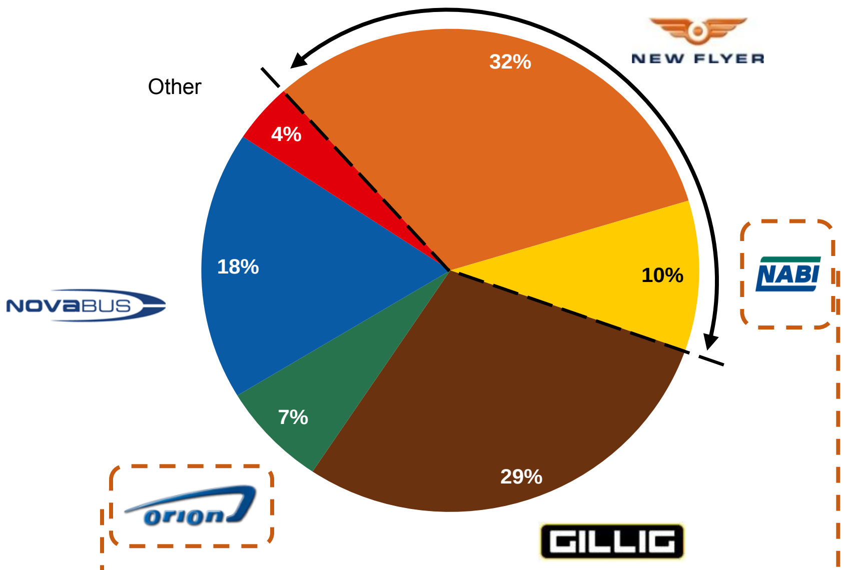
- In April of 2013, NABI entered into a settlement agreement with a customer which provides for an aggregate payment obligation of $9.25 million over three years, of which $6.25 million remains to be paid by NABI. In addition, NABI is required to contribute an additional aggregate amount of at least $5 million over the next five years in the form of parts and services rebates (or cash in lieu thereof). NABI's obligations under the settlement agreement will remain in place following the acquisition.

Hungarian operations to be retained by seller

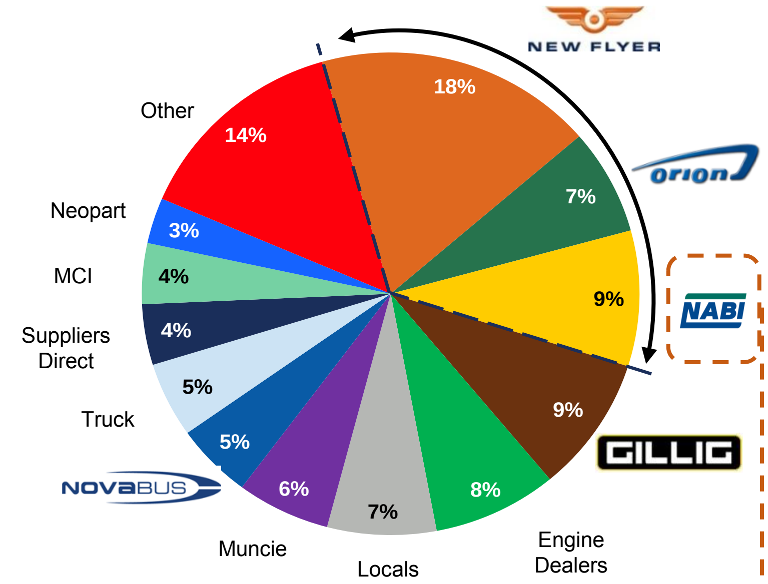
- Seller to retain NABI's Hungarian operations, including substantially all related assets and liabilities

Combination provides stability to Transit Bus Operators

~42% Pro Forma Transit Bus Share



~34% Pro Forma Parts Share



April 2012: Daimler announced Orion to close by YE2012

June 2013: NFI announced acquisition of NABI to complement NF and Orion's Parts Business

Source: New Flyer Database & Management Estimates

Broadened Product Offering and Improved Customer Support

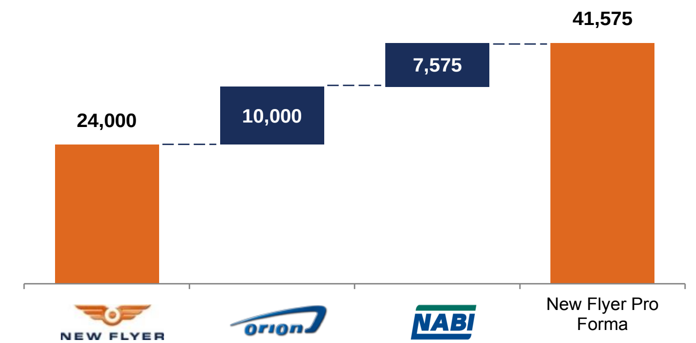
Leading Diversified Transit Bus Manufacturer

- Diversified product portfolio with minimal customer overlap that can meet the needs of a broader range of customers
- Provides New Flyer with enhanced ability to compete in smaller fleet sized customer segment

Aftermarket Parts Support

- Supports significant fleet of transit buses in Canada and the U.S. which allows sourcing synergy opportunities to improve parts price competitiveness
- Synchronized New Flyer, Orion and NABI aftermarket parts database and cross-referencing lists are expected to allow to New Flyer to source parts more efficiently and offer unique supply chain solutions to customers

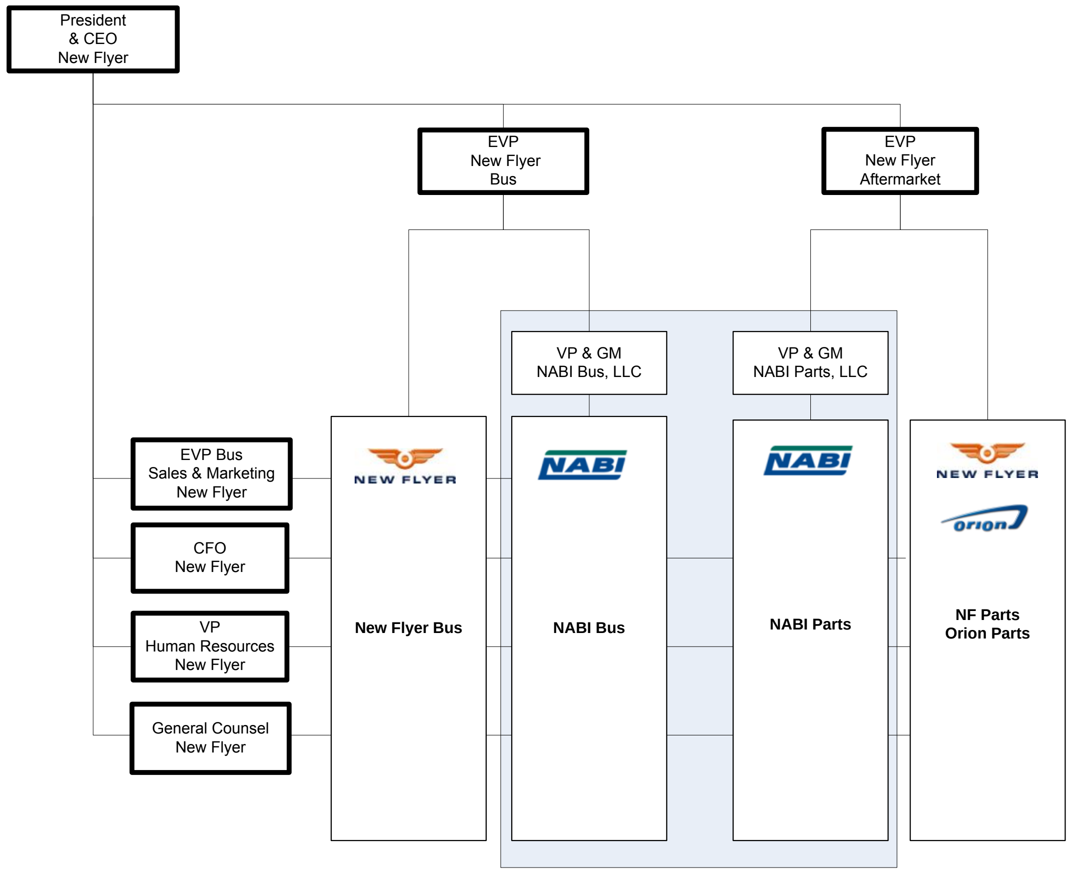
Pro Forma In-Service Bus Fleet (Equivalent Units)



Source: New Flyer Database & Management Estimates

Integration Plan

Align NABI Bus and Parts entities with NF Business Segments



- Synchronize bus sales and marketing efforts
- Operate NABI Bus and Parts as separate entities under New Flyer Bus and Aftermarket
- Functional Alignments on Finance, HR, Engineering, Manufacturing and Purchasing

Prudent Transaction Financing Plan

- New Flyer raised approximately C$65 million from the second tranche of the Marcopolo S.A. strategic equity investment in New Flyer (announced January 23rd, 2013). New Flyer has issued an additional 6,162,304 shares resulting in current Marcopolo S.A. ownership now of 19.99%
- New Flyer senior secured credit facility has been amended and extended to April 24, 2017
  - Borrowing limit on the term facility has been increased to $142 million (from $122 million)
  - Borrowing limit of the revolving facility has been increased to $115 million (from $90 million) to support working capital fluctuations
  - Includes $75 million accordion feature for future investment or acquisitions

Transaction Sources and Uses of Funds

Sources	US$MM	% Total
Second Tranche of Marcopolo Strategic Investment	$64	77%
Term Loan Facility	$20	23%
Total	**$84**	**100%**

Uses	US$MM	% Total
Purchase Price	$80	95%
Estimated Transaction Costs	$4	5%
Total	**$84**	**100%**

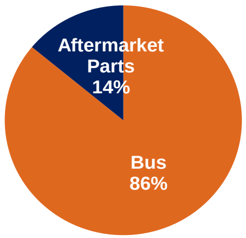
Note: Estimated transaction fees include fees associated with second tranche of the Marcopolo strategic investment and term loan refinancing

NEW FLYER

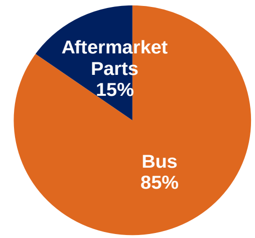
Pro Forma Financial Summary ($US)

	New Flyer Standalone			New Flyer Pro Forma Acquisition

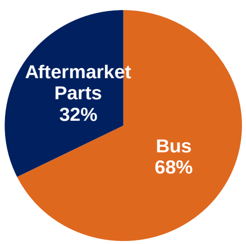
TTM Revenue



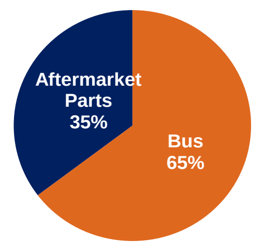
$893 million → **$1,222 million**



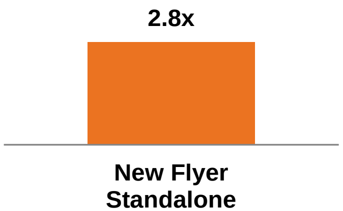
TTM Adj EBITDA

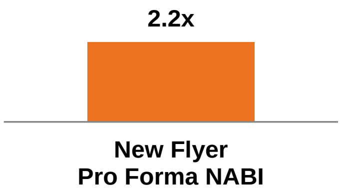


$60 million → **$81 million**



Total leverage ratio





Note: Trailing twelve months (TTM) as at March 31st, 2013. NABI fiscal year end Sept 30
Source: Company Filings, NABI Financial Statements and Management Adjustments

NEW FLYER

NFI Investment Thesis

Leading Diversified Manufacturer of Heavy Duty Transit Buses in North America

- Leading market share of delivered buses and aftermarket bus parts
- Innovation leader with the broadest green product offering
- High quality diversified customer base generating repeat business in replacement industry
- Experienced executive team with a track record and significant OpEx and LEAN experience

Predictable cash flow business model, conservative financing structure. Relatively low CAPEX needs

- Conversion to common share structure complete. Lower leverage & interest cost
- Income instrument with yield currently at approx 5.65% (annual dividend at C$0.585/share). Distributions have been paid for 92 consecutive months (since IPO). Management believes dividend is sustainable.

Prospects for Growth

- Transit is an essential service with an aging US fleet (average age >7.8 yrs vs. average target life of 12 yrs). After three years of a very difficult market, now experiencing record bid activity (As at March 31-13: Active bids >7,300 EUs, Bid Universe >15,200 EUs).
- NFI backlog has returned to growth. As at March 31-13, total NFI backlog now at $3.3B and 7,527 EUs. Book-to-Bill Ratio is recovering (LTM of 211% vs 31% for 2012 Q1 LTM).
- JV launched with Alexander Dennis to introduce MiDi in Canada/US. Marcopolo S.A. 19.99% strategic equity investment in NFI with operational MOU in process. Parts offering continues to grow through addition of Orion parts distribution business.
- Acquisition of NABI allows for complementary products, enhanced customer support, and synergies.

NEW FLYER

DEFINITIONS OF EBITDA, ADJUSTED EBITDA AND FREE CASH FLOW

References to “EBITDA” are to earnings before interest expense, income taxes, depreciation and amortization; losses or gains on disposal of property, plant and equipment; unrealized foreign exchange losses or gains on non-current monetary items and forward foreign exchange contracts and fair value adjustment to embedded derivatives. 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 costs relating to the Orion parts business acquisition, loss on debt repurchase, loss on exercise of redemption right, past service pension costs, realized and unrealized investment tax credits (“ITCs”), 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 costs relating to the Orion parts business acquisition, costs associated with assessing strategic and corporate initiatives, past service pension costs, proceeds on sale of redundant assets and decreased for 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.