



NEW FLYER



**NEW FLYER COMPLETES ACQUISITION OF MOTOR COACH INDUSTRIES
AND ANNOUNCES 12.9% INCREASE TO DIVIDEND**

Winnipeg, Manitoba, Canada, December 18, 2015: (TSX:NFI) (TSX:NFI.DB.U) Today New Flyer Industries Inc. (“New Flyer” or the “Company”) successfully completed its previously announced acquisition of Motor Coach Industries International, Inc. (“MCI”) for cash consideration of US\$455 million, subject to certain purchase price adjustments.

Concurrent with the acquisition, the Company amended and extended its senior secured credit facility to December 18, 2019 while increasing the total amount of the facilities to US\$825 million. The borrowing limits of the revolving facility have been increased to US\$343 million from US\$115 million and the term facility has been increased to US\$482 million from US\$142 million.

As previously announced, the New Flyer 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. Subject to the dividend being declared by the board of directors in March 2016, the first quarterly dividend on the common shares in the amount of C\$0.175 per share is expected to be payable on April 15, 2016, to holders of record at the close of business on March 31, 2016. The current dividend in the amount of C\$0.05167 per common share declared on December 15, 2015 and payable on January 15, 2016 will be the last monthly dividend paid by the Company.

Effective immediately, Paul Soubry, the Company’s President and Chief Executive Officer, has also been appointed as President and Chief Executive Officer of MCI and its subsidiaries.

About New Flyer

The Company employs over 4,800 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, **New Flyer Industries Canada ULC** and **New Flyer of America Inc.**, the Company is North America’s heavy-duty transit bus leader and offers the broadest 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, offering the MCI J4500, which is the industry’s best-selling intercity coach for 11 consecutive years, and the MCI D-Series, the industry’s best-selling coach line in North American motor coach history. MCI is also the exclusive distributor of Setra S417 and S407 in the United States and Canada. MCI actively supports over 28,000 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.

Further information is available on the Company’s websites at www.newflyer.com and www.mcicoach.com.



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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

This press release may contain forward-looking statements relating to expected future events and financial and operating results of the Company that involve risks and uncertainties. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including market and general economic conditions, dividends are not guaranteed and will be declared in the discretion of the Company's board of directors based on the Company's financial position, liquidity and business requirements and future prospects, the covenants contained in the Company's senior credit facility could impact the ability of the Company to fund dividends and the other risks and uncertainties detailed in the disclosure documents 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.

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