



NEW FLYER

**SAN FRANCISCO MUNICIPAL TRANSPORTATION AWARDS NEW FLYER
A CONTRACT FOR UP TO 424 XCELSIOR® 60-FOOT HEAVY-DUTY TRANSIT BUSES**

Winnipeg, Manitoba, Canada – January 8, 2015: (TSX: NFI) (TSX: NFI.DB.U) New Flyer Industries Inc. (“New Flyer” or the “Company”), the leading manufacturer of heavy-duty transit buses in the United States and Canada, announced today that San Francisco Municipal Railway (“MUNI”), overseen by San Francisco Municipal Transportation Authority (“SFMTA”), awarded New Flyer a contract in December 2014 for up to 424 diesel-electric hybrid 60-foot heavy-duty Xcelsior® transit buses (648 equivalent units or “EUs”).

The contract includes a firm order for 61 diesel-electric hybrid 60-foot Xcelsior buses (122 equivalent units or “EUs”) and options for up to an additional 363 diesel-electric hybrid 40-foot and 60-foot Xcelsior buses (526 EU) that may be purchased over the 5-year contract.

Since 1988, New Flyer has delivered 302 heavy-duty transit buses to SFMTA in a variety of lengths, models and propulsion systems. This new award follows the MUNI award to New Flyer for 50 40-foot Xcelsior diesel-electric hybrid buses (as stated in New Flyer’s November 13, 2013 press release) of which all buses have been delivered and are currently in service.

“Modernizing our transit fleet is at the core of Muni Forward,” said SFMTA Director of Transportation Ed Reiskin. “Replacing old vehicles with these state of the art buses will augment existing efforts like ‘Red-Carpet Lanes’ and transit signal priority. This purchase is an all-encompassing investment, by the SFMTA, that will help shorten trips while increasing service reliability.”

“New Flyer appreciates the partnership developed with the SFMTA team over the last 25 years of repeat business, and we look forward to continuing to support their transit bus fleet development and replacement efforts with world-class environmentally friendly Xcelsior product line,” said Paul Soubry, New Flyer’s President and Chief Executive Officer.

About New Flyer

New Flyer is the leading manufacturer of heavy-duty transit buses in the United States and Canada. The Company is the industry technology leader and offers the broadest product line of transit buses including drive systems powered by: clean diesel, natural gas, diesel-electric hybrid, electric trolley and now, battery-electric. All buses are supported by an industry-leading comprehensive warranty and support program, and service network. New Flyer also operates the industry’s most sophisticated aftermarket parts organization, sourcing parts from hundreds of different suppliers and providing support for all types of transit buses.

The New Flyer group of companies employ over 3,000 team members with manufacturing, fabrication, parts distribution and service centers in both Canada and the United States. Over 32,000 New Flyer and NABI heavy-duty transit buses are in operation today. Further information is available on New Flyer’s website at <http://www.newflyer.com>

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. 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. 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 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.

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