SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY EXERCISES OPTIONS FOR 167 NEW FLYER XCELSIOR® BUSES

Winnipeg, Manitoba, Canada – December 5, 2016: (TSX: NFI) (TSX: NFI.DB.U) New Flyer of America Inc., a subsidiary of New Flyer Industries Inc. ("New Flyer" or the "Company"), the largest heavy-duty transit bus and motor coach manufacturer and parts distributor in North America, announced today that San Francisco Municipal Railway ("MUNI"), overseen by San Francisco Municipal Transportation Agency ("SFMTA"), has exercised options under its current contract for 167 (or 236 equivalent units or EUs") heavy-duty 40- and 60-foot Xcelsior® diesel-electric hybrid buses.

The exercised options valued at nearly $153 million include orders for 98 40-foot diesel-electric hybrid buses and 69 (138 EU) 60-foot diesel-electric hybrid buses.

The original contract awarded in December 2014 and announced in New Flyer's January 8, 2015 press release and subsequent order announced in New Flyer's March 16, 2016 press release, left only 167 options to exercise before the contract expiry in December, 2019. With the conclusion of this order, all options available in this contract will be exercised.

NOTE: All dollar amounts are stated in U.S. currency.

About The Company

The Company 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 and employs approximately 5,000 team members.

> 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.
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> 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 comprehensive 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.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 suspend or 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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