



NEW FLYER



NEW FLYER

New Flyer - Facts

- Leading market share in North American Transit Industry:
25% in 2002, 35% in 2003 and 36% in 2004
- Strong customer relationships with 19 of top 25 North American agencies as loyal customers
- Long-standing history of innovation
- Committed to advancing the heavy-duty bus industry in North America
 - Alternative fuels (CNG and LNG), Invero, diesel-electric and gasoline-electric hybrids, hydrogen-hybrid electric, electric trolleys, advanced bus designs (BRT)



NEW FLYER

Awards and Recognition

CALSTART's 2004 Blue Sky Award

- recognizing organizations, and individuals promoting real change in clean, advanced transportation technologies



Recognized by General Motors Canada 2004 Mission Green Tour

- saluting 85 Canadian environmental initiatives helping to create a cleaner, healthier environment

CCME 2004 Pollution Prevention Award



Exceeding Expectations - QMS

ISO 9001 – 2000: New Flyer has been registered to the ISO 9001 standard since 2000. In August of 2004, New Flyer successfully completed a surveillance audit which covers all divisions.

ISO 14001: Environmental standards; currently in the certification process, with the expectation to be fully-certified by August, 2005

OHSAS 18001: Health and Safety Standards; currently in the certification process.



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Manufacturing Operations

New Flyer - History

- 1930 - Established in Manitoba as Western Auto and Truck Body Works Limited
- 1948 - Western Auto became Western Flyer Coach in 1948
- 1986 - Jan Den Oudsten (owner of Den Oudsten Buses in Holland) purchased Flyer Industries (Winnipeg) in 1986 and changed the name to New Flyer Industries Limited
- 1996 - New Flyer opened a finishing plant in Crookston, MN
- 1999 - New Flyer opened a state-of-the-art full production facility in St.Cloud, MN where its premium product, Invero, is manufactured



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New Flyer - History of Innovation

New Flyer has a long history of leadership and innovation and has been credited with many firsts in the North American bus industry:

- First to introduce and commercialize low-floor buses (1988)
- Revolutionized the industry with PLC Multiplexing (1994)
- First to introduce and commercialize alternative fuels in the HD bus industry (1994)
- First to introduce heavy-duty hydrogen fuel cell buses (1995)
- First to deliver diesel-electric articulated hybrid buses (2002)
- First to introduce and commercialize a premium low-floor bus, Invero (2003)
- Integrated hydrogen-hybrid technology into transit equipment (2004)



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Product Overview

New Flyer Heavy-Duty Buses

- Adaptable to a variety of transportation segments including Transit, Airport Shuttles and Car Rental Shuttles
 - Low cost of ownership over useful life (12 to 18 years)
 - Industry-proven structure and design - over 12,000 New Flyer buses in service across North America
 - Fully-tested (Altoona and Bodycote) and certified (FMVSS)
- Available in CNG, LNG, diesel, diesel-electric, gasoline-electric, and electric trolley propulsion configurations
- Available in 30', 35', 40', 60', and Invero



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New Flyer Hybrids - Leadership

- New Flyer is the only heavy-duty bus OEM to offer parallel and series hybrid electric configurations
 - Heavy duty engine
 - Lowers fuel consumption as engine operates at lower RPM
 - Electrically-driven components
 - Most auxiliary components (e.g. cooling system) are electrically driven, lowering indirect emissions and increasing electrical efficiencies
 - Testing
 - All buses tested at Altoona Bus Research and Testing Center
 - Environment Canada Emission Testing
- Revenue Service Leadership
 - There are 309 New Flyer hybrid buses in revenue service with over 4.5 million kilometers – more than all other manufacturers combined

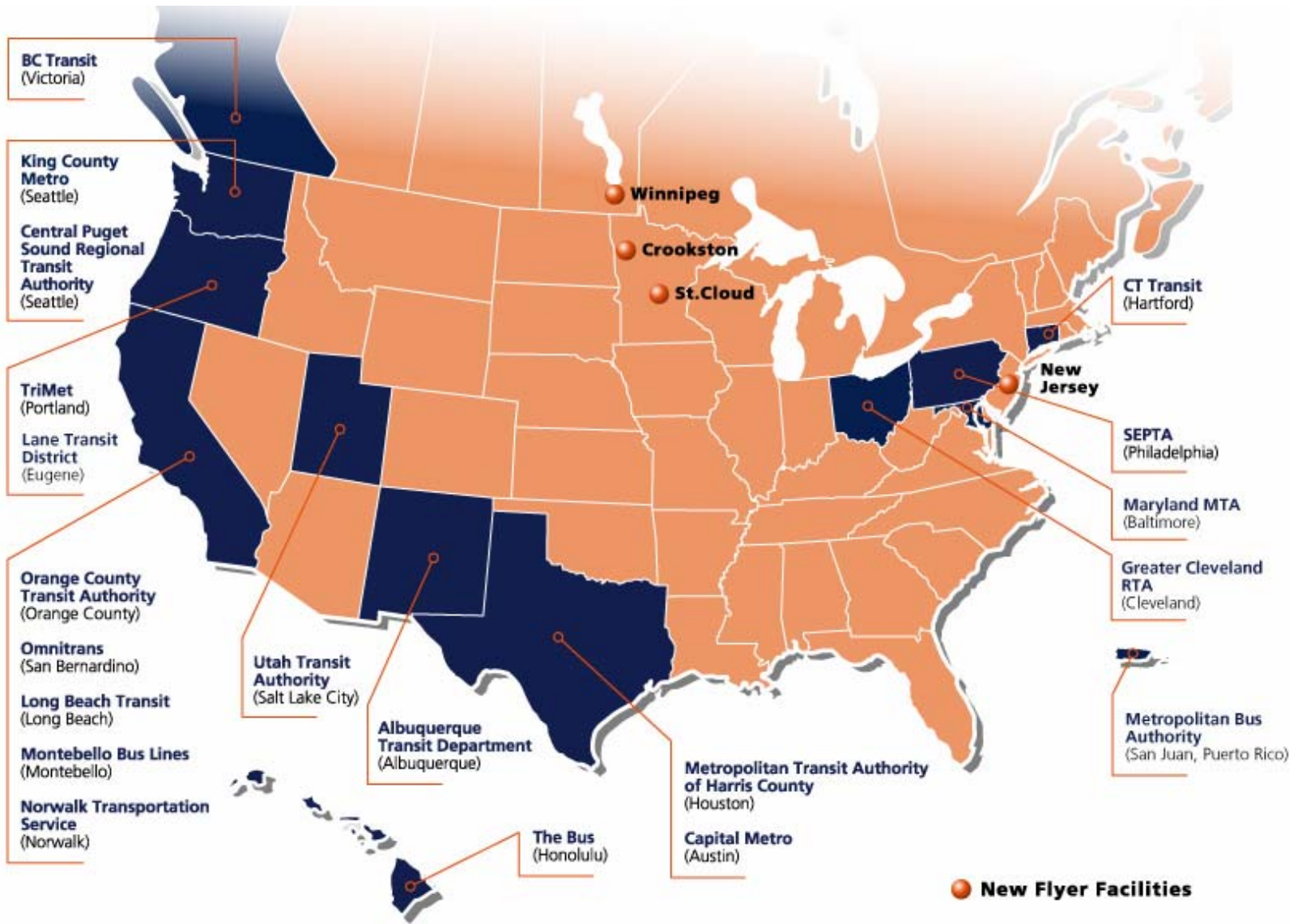


NEW FLYER

New Flyer Delivers Canada's First Hybrid Vehicle



Diesel-Electric Bus in Victoria/Kelowna, BC



309 Hybrid Buses Delivered by End of 2004



New Flyer Natural Gas Vehicle Facts

- Fifty Customers to Date
 - Over last ten years, the majority of all CNG heavy-duty vehicles purchased have been New Flyer products
 - More recently, over the nine months, all purchases of non-articulated CNG products by the public market have been New Flyer vehicles
- New Flyer currently has over 3000 Natural Gas vehicles in revenue service, more than any other manufacturer



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VOC Reduction Program

New Flyer's VOC Reduction Program

New Flyer's focus on producing innovative, environmentally friendly transit solutions overshadowed the impacts of its manufacturing operations.



New Flyer's VOC Reduction Program

Volatile Organic Compounds (VOC) associated with adhesives, sealants and painting operations represented the most significant environmental impacts of New Flyer's operations

Program focused on source elimination in lieu of end of pipe control technology



NEW FLYER

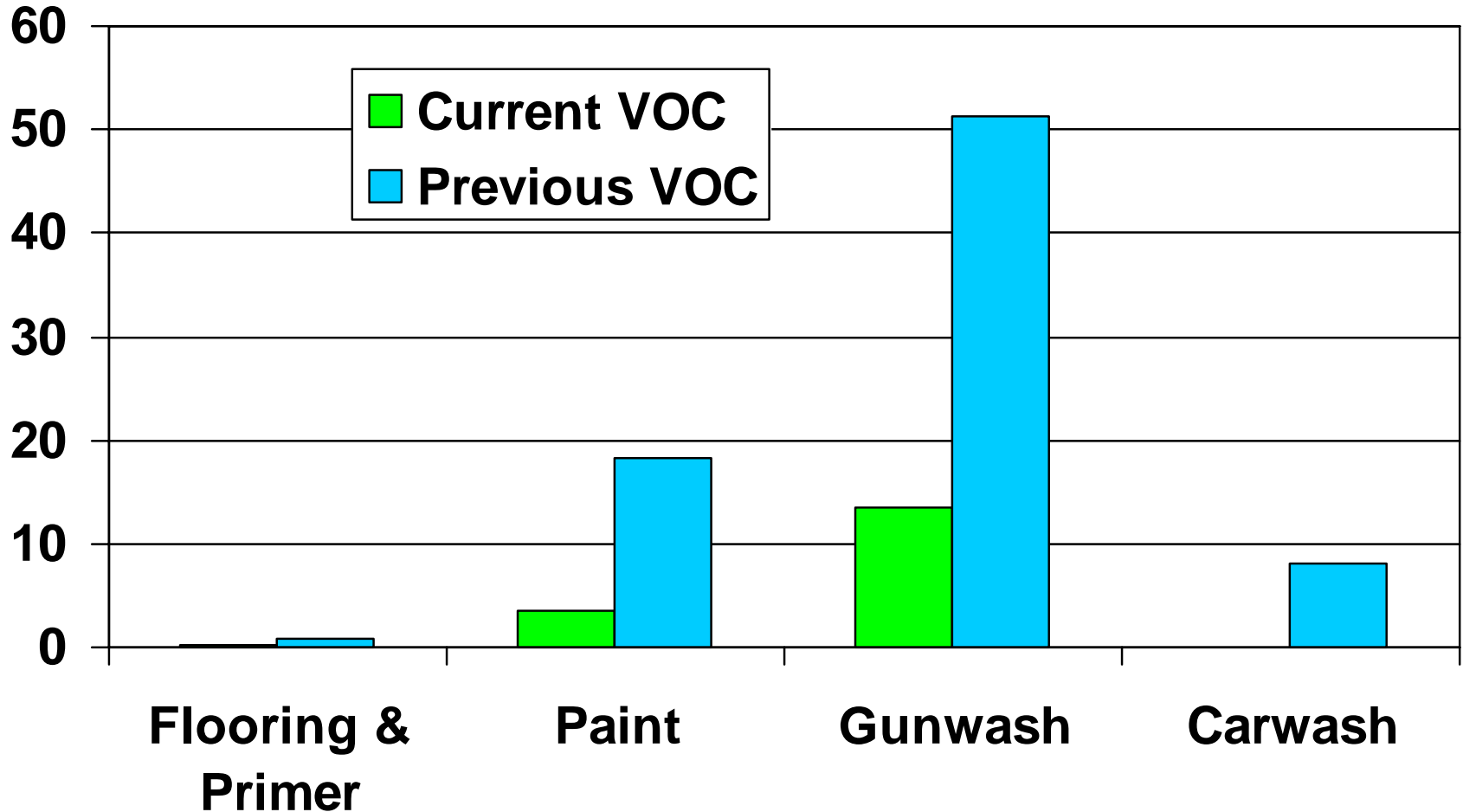
VOC REDUCTIONS

Key Area	Plantwide VOC	Area VOC Reduction	Total VOC Reduction	Target Date
Flooring (adhesive)	0.11 %	59 %	0.07 %	Aug 03
Flooring (filler)	0.31 %	100 %	0.31 %	Aug 03
Primer (frame)	0.44 %	72 %	0.31 %	Aug 03
Paint (high solids)	18.17 %	81 %	14.72 %	Oct 03
Gunwash (paint)	42.07 %	90 %	37.86 %	Feb 04
Gunwash (zinc)	9.24 %	0 %	0 %	?
Carwash (prep)	8.03 %	100 %	8.03 %	May 05



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VOC REDUCTIONS - 46% Plantwide



BENEFITS OF VOC REDUCTION

- Decreased odour emissions from the facility
- Reduced chemical exposure for workers
- Innovation of new “Low” or “Non” VOC products
- Technology transfer to our US facilities and the transit industry (bus,rail and RV)
- Reduced greenhouse gas generation (160 tonnes of CO₂ equivalents)



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IMPROVED WORK ENVIRONMENT



- Low VOC flooring adhesives produced minor plantwide reductions
- Drastically improved worker health & safety
- Eliminated the need for respirators
- Now we can focus on ergonomic improvements!



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Miles Ahead.