

**NEW FLYER INDUSTRIES INC. AND NEW FLYER INDUSTRIES CANADA ULC  
ANNOUNCE INITIAL CASH DISTRIBUTION**

Winnipeg, Manitoba, Canada – September 21, 2005 – (TSX:NFI.UN) New Flyer Industries Inc. (“NFI”) and New Flyer Industries Canada ULC (“NFI ULC”) (together, the “Issuer”) today announced that a cash distribution of C\$0.1301 per income deposit security (“IDS”) of the Issuer will be payable on October 17, 2005 to holders of record of IDSs at the close of business on September 30, 2005.

Each IDS consists of one common share of NFI (a “Common Share”) and C\$5.53 principal amount of 14% subordinated notes of NFI ULC (the “Subordinated Notes”), a wholly-owned indirect subsidiary of NFI. The IDSs trade on the Toronto Stock Exchange under the symbol NFI.UN. The total distribution of C\$0.1301 per IDS reflects a cash dividend of C\$0.0385 per Common Share and an interest payment of C\$0.0916 per C\$5.53 principal amount of Subordinated Notes for the period from August 19 to September 30, 2005.

New Flyer is the leading manufacturer of heavy-duty transit buses in the United States and Canada and a leading provider of aftermarket services. New Flyer has the broadest range of products in the heavy-duty transit bus industry and provides its products and services to the majority of the largest transit authorities in North America.

**Forward-Looking Statements**

This press release may contain forward-looking statements relating to expected future events and financial and operating results of NFI and NFI ULC 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 and the risks and uncertainties detailed in the prospectus filed with the Canadian securities regulatory authorities. Due to the potential impact of these factors, NFI and NFI ULC disclaim 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 further information, please contact:

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