Half Yearly Financial Results

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Indivior PLC
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July 29, 2015

Half Year Financial Results Ahead of Plan - Full Year Guidance Raised.

Period to June 30th	**Q2 2015 $m**	Q2 2014 $m	**% Δ actual FX**	**% Δ constant FX**	**HY 2015 $m**	HY 2014 $m	**% Δ actual FX**	**% Δ constant FX**
Net Revenue	**266**	293	-9	-6	**517**	574	-10	-7
Operating Profit	**115**	162	-29	-26	**230**	327	-30	-27
Net Income	**66**	114	-42	-39	**144**	233	-38	-36
EPS (cents per share)	**9**	16	-44	-39	**20**	32	-38	-36

Half Year Financial Highlights

- H1 net revenue at $517m (H1 2014: $574m) declined 10% versus prior year with strong market growth offset by lower market share and higher rebates, in connection with formulary access in the US, versus prior year and exchange. Net revenue at constant FX declined by 7%.
- H1 operating profit of $230m (H1 2014: $327m), reflected lower net revenues, and the expected higher operating costs as a standalone public company, including $5m exceptional costs arising from the establishment of Indivior PLC.
- H1 net income was $144m (H1 2014: $233m) after net financing costs of $31m (H1 2014: nil) and tax rate of 28% (H1 2014: 29%).
- Cash balance at half year of $523m. Net debt at half year $220m (vs. Year End 2014: $428m).
- The Board has approved an interim dividend of 3.2 cents per share.

Half Year Operating Highlights

- US market growth in H1 2015 was in low double digits.
- Suboxone Film market share was 59% (compared to 63.5% in H1 2014), marginally ahead of the end 2014 market share.
- New product pipeline continuing to progress well. Nasal Naloxone for opioid overdose rescue NDA filed, accepted and granted Priority Review by the FDA with response expected by late Q4 2015; ongoing Phase 3 trials of Buprenorphine Monthly Depot and Risperidone Monthly Depot; and IND for Arbaclofen Placarbil submitted to FDA.
- Operational separation from RB on track, with formal name change of operating companies in US, UK, Canada & Australia, and formal operational transfer of the Fine Chemical Plant.

Outlook

- Full year guidance today raised to net revenue in a range of $935m to $965m (previously $850m-$880m) and net income of $185m to $210m (previously $130m-$155m) at constant exchange rates (versus 2014).
- The guidance recognises current market conditions in the US are continuing into H2, but prudent expectation is that our original assumption of loss of share in cash and Managed Medicaid in the face of significantly higher generic tablet discounts in the US is still likely to occur sometime in H2. In addition, it recognises Government mandated price decreases and switch to generics in Europe, and increasing legal expenses in the US associated with litigation.
- The Company will update further at Q3 results on November 3rd, 2015.

Comment by Shaun Thaxter, CEO of Indivior PLC

"Our performance this year to date has exceeded our plan, which anticipated a more challenging market environment beginning in the second quarter" commented **Shaun Thaxter**, **CEO of Indivior PLC**. "US generic tablet pricing has not yet disrupted our market share whilst branded competitors had very limited impact although, as in the second half of last year, we continued to offer tactical rebates in connection with formulary access for Suboxone Film. We said in May that if the environment continued to be favourable

we would have room to reassess our full-year guidance at the half year. Accordingly we are today raising our full-year guidance to Net Revenue in a range of $935m to $965m and Net Income of $185m to $210m at constant exchange. We will update further at Q3 results on November 3rd."

"Indivior PLC is a company with a unique business model which is focused on empowering patients and striving to improve their quality of life by pioneering innovative, high-qualty, accessible and cost effective treatments," **Shaun Thaxter** continued. "I am delighted with the strong progress we have made towards realizing our vision and achieving our key strategic priorities for 2015; our Suboxone Film share of 59% in the US is slightly ahead of the exit share for 2014 and reinforces our confidence in the sustainability of Suboxone Film; the treatment market has grown in the US, with many new doctors certified. Our transformational pipeline of potential treatments for addiction is moving forward apace with our opioid overdose rescue medication submitted to the FDA for approval in May, just accepted and granted priority review by the FDA, our monthly depot of Buprenorphine (RBP-6000) in Phase 3 trials, our IND for Arbaclofen Placarbil for alcohol use disorders submitted in June and positive clinical efficacy and safety data from our Phase 3 trial of RBP-7000, the monthly risperidone depot, published in May. Our confidence in the medium-term opportunity for Indivior PLC continues to grow."

Half Year Operating Review

US Market Update

The market for buprenorphine products continued to grow in H1, showing volume growth of low double digit percentage in line with expectation. The Affordable Care Act has continued to contribute to this volume growth although, as expected, the market passed the anniversary of this effect in Q2 and there has been modest slowing in year-on-year market growth as a result. A key driver of growth remains the certification of new physicians to practice addiction medicine as patients look to find treatment.

Suboxone Film had a market share of 59% in H1, compared to 63.5% in H1 2014. This was slightly ahead of the exit share at the end of 2014, so market share has been maintained through the half year. As in the second half of last year, the Company continues to offer tactical rebates in connection with formulary access for Suboxone Film, in the face of continuing aggressive discounting by competitors. Branded competitors continue to make limited impact on the market.

Update on Guidance for Full Year

Generic tablet pricing has not yet accelerated towards the "commodity price floor" of c.80% discounts from list price. In anticipating the speed and severity of this acceleration in generic discounts, Indivior has been guided by industry analogues experienced in other sectors; we anticipated relatively limited impact in Q1, but greater impact in Q2. Thus far, this acceleration has not yet occurred.

The Company still believes that the likelihood is that industry analogues on generic pricing will apply, the issue being one of timing and severity. The Company has benefited from a relatively benign environment in H1, both in respect of generic tablet pricing, and of the impact of branded competitors. The Company now believes that conditions similar to the first half will continue into H2, but no such certainty can be given at this time across the whole of H2.

We said in May that if the environment continued to be favourable we would have room to reassess our full-year guidance at the half year. Accordingly we are raising our full-year guidance today to net revenue of $935m to $965m and net income of $185m to $210m at constant exchange. The guidance recognises current market conditions in the US are continuing into H2, but prudent expectation is that our original assumption of loss of share in cash and Managed Medicaid in the face of significantly higher generic tablet discounts in the US is still likely to occur sometime in H2. In addition, it recognises Government mandated price decreases and switch to generics in Europe, increasing legal expenses in the US associated with litigation and the anticipated higher phasing of R&D spend in H2.

Financial Performance in Half Year

Total net revenue decline of 10% to $517m (H1 2014: $574m) at actual exchange rates reflects strong market growth, lower market share and higher rebates in the US versus prior year, in connection with formulary access, and the impact of adverse translation into USDs from weaker currencies in Rest of World (Euro, Australian Dollar and Sterling). At constant exchange rates, the decline in net revenue was 7%.

In Q2, total net revenue declined 9% at actual exchange rates to $266m (Q2 2014: $293m). At constant exchange rates the decline in Q2 was 6%.

US net revenue declined in the half year by 7% to $412m (H1 2014: $443m). Volume was ahead of last year reflecting market growth offset by lower market share compared to prior year. Pricing reflected a combination of channel mix, with lower margin Medicaid sales growing faster than total market, and continuing tactical rebates, in connection with formulary access in both commercial managed care and Medicaid in the face of aggressive discounting by branded competitors.

In Q2, net revenue declined by 5% in the US to $212m (Q2 2014: $224m) reflecting less reduction in market share year-on-year and also an improving trend in the year-on-year level of tactical rebates but offset by a modest slowing in market growth as the anniversary of the Affordable Care Act passed.

In H1 2015 Rest of World net revenue declined by 20% to $105m (H1 2014: $131m) as reported in USDs but the majority of this decline, 15%, was due to translation into a much stronger USD. At constant exchange, the net revenue decline was 5%, reflecting continuing price constraints from Government austerity measures and forced switching to generics in Europe, offset by continuing growth in Australia.

In Q2, Rest of World net revenue declined 21% to $54m (Q2 2014: $69m); at constant exchange rates the decline was 7%.

Gross margin remains at 91%, broadly in line with last year (H1 2014: 91%.)

SD&A expenses increased by 16% to $185m (H1 2014: $160m). The increase mainly reflects standalone public company costs in line with the guidance given at the time of the demerger and increased legal expenses. Exceptional costs of $5m were included in SD&A. These relate to one-off costs arising from the demerger and establishment of Indivior PLC, such as product and company re-

registration. Excluding these exceptional costs, the increase in SD&A in H1 was 13%

R&D expenses increased, as planned, by 42% to $54m (H1 2014: $38m), reflecting the level of activity in the Company's clinical development pipeline, which has advanced compared to prior year, and in particular to the fact that there were two pivotal Phase III trials running in H1 2015.

Operating profit was $230m, 30% below prior year H1 2014: $327m (-27% at constant exchange). Excluding exceptional costs, operating profit was $235m, 28% below prior year.

EBITDA was $242m (H1 2014: $340m), and excluding the exceptional costs was $247m (H1 2014: $340m).

Operating margin was 44% as reported. Excluding the exceptional costs, the operating margin was 45% (H1 2014: 57%). This margin reflects lower net revenues and higher operating costs, primarily due to the additional costs of operating as a standalone public company compared to the carve-out financials for H1 2014, as laid out in the prospectus last November.

Finance expenses in the half year were $31m (2014 H1: nil) being the full all-in cost of interest and amortisation for the $750m borrowing facility. Q2 finance expenses were $19m, reflecting the all-in cost for a full quarter, plus some one-off expenses in connection with the syndication of the debt.

The tax charge in H1 was $55m, a rate of 28% (H1 2014: 29%) on the pretax profit for the period reflecting the mix of profits in the period. Based on current projections we expect our full year effective tax rate to be 27% though we are continuing to assess opportunities to optimize our group structure.

Net income for the half year was therefore $144m (H1 2014: $233m), a decline of 38% compared to H1 2014 as reported. At constant exchange rates, the decline would have been 36%. Excluding exceptional costs, the net income would have been $148m, a decline of 36%.

EPS were 20 cents (H1 2014: 32 cents) on both a basic and fully diluted basis.

Cash Flow

Cash generated from operating activites in the half year was $320m (H1 2014: $314m), an increase of $6m reflecting a significant improvement in net working capital to a release of cash of $82m (H1 2014: cash usage of $24m).

Net cash inflow from operating activities was $220m in the half year (H1 2014: $291m) reflecting the increased cash from operating activities offset by higher tax payments in the half year of $51m (H1 2014: $23m), financing costs of $26m (H1 2014: nil) and transaction costs relating to the loan facility of $23m (H1 2014: nil).

During the half year, investment in property, plant and equipment, primarily related to the development of the company's ERP system, new equipment in R&D laboratories and building refits was $8m (H1 2014: $1m). Purchase of intangible assets of $4m related to the outright purchase of the Nasal Naloxone technology during the half year. In the first half of 2014, the intangible assets purchased of $24m related to Nasal Naloxone rights and the in-licensing of Arbaclofen Placarbil for the treatment of alcohol use disorders.

During the half year, the Group repaid $19m of its term loan as part of its commitment under the syndicated debt facility (see below). In H1 2014 the Group transferred $262m to its then owners.

The net increase in cash and cash equivalents therefore was $192m (H1 2014: $4m), being the sum of the cash inflow from operating activities of $220m, less net cash outflows from investing and financing activites of $12m and $16m respectively. Added to the cash and cash equivalents at the beginning of the period of $331m, that gave the Group a total cash and cash equivalents balance at the June 30, 2015 of $523m.

Balance Sheet

Non-current assets increased to $193m at the half year (FY 2014: $182m), principally due to modest increases in property, plant and equipment and in deferred tax, offset by further amortisation of intangible assets.

Inventories increased to $50m (FY 2014: $41m). Trade and other receivables were in line with the last year-end. The overall increase in current assets was primarily due to the $192m increase in cash and cash equivalents in the half year.

Trade and other payables increased to $472m (FY 2014: $383m), reflecting higher levels of rebates in the US in connection with formulary access and in response to heightened branded competition.

Net working capital (inventory plus trade and other receivables, less trade and other payables) was minus $230m at end H1 2015, an improvement of $81m on December 2014. This represents a ratio of minus 22% of moving annual total net revenue.

Cash and cash equivalents at the period end was $523m, reflecting a net cash increase of $192m in the half year ($57m in Q2), the cash inflow in Q2 (versus Q1) reflected the timing of some disbursements between Q1 and Q2. Borrowings, net of issuance costs, were $702m at the half year end (Dec 2014: $736m).

The net debt of the Group was $220m at June 30th (Dec 2014: $428m).

The $750m term loan obtained by Indivior and drawn in December 2014, fully underwritten by Morgan Stanley and Deutsche Bank, has now been syndicated. As a result of the syndication, the new terms of the loan are; nominal interest of 6% above a minimum LIBOR rate of 1%; 5% scheduled repayments for the first two years, 10% thereafter; a financial leverage covenant to maintain a net debt to Adjusted EBITDA ratio of 3.25x, with step down to 3.0x on June 30, 2016; minimum liquidity covenant of $150m; a term of 5 years to maturity. As of the half year, Indivior is in compliance with all applicable covenants under the agreement.

Following the registration of the Order of the High Court of Justice with Companies House, a restructuring of Company's share capital became effective on January 21st, 2015. This decreased the nominal value of each Indivior PLC Ordinary Share from $2.00 to $0.10, creating distributable reserves on the balance sheet which will provide Indivior with, amongst other things, capacity for the payment of future dividends.

At the half year, therefore, the Group had net liabilities of $334m (H1 2014: $475m), consisting of assets of $958m (H1 2014: $747m),

and liabilities of $1,292m (H1 2014: $1,222m).

Following the restructuring of the Company's share capital, the capital and reserves consisted of share capital of $72m (H1 2014: $1,437m), other reserves of minus $1,295m (H1 2014: minus $1,295m), foreign curency translation reserve of minus $11m (H1 2014: minus $16m), and retained earnings of $900m (H1 2014: minus $601m).

Dividend

The Board has approved an interim dividend of 3.2 cents per ordinary share. This is consistent with the commitment in the prospectus issued for the demerger in November 2014 that the Company would payout 40% of net income as a dividend, payable in USDs, for financial year 2015. The interim dividend is approximately one third of this commitment based on the revised guidance for the year, with the balance due to be paid (subject to shareholder approval at the AGM) as a final dividend in 2016. The interim dividend will be paid on October 23rd to shareholders on the register on September 18th, 2015. The ex-dividend date will be September 17th, 2015. The last date for receipt of elections for the dividend reinvestment plan will be October 2nd, 2015.

Dividend alternatives.

Shareholders will be given the option to either elect for the dividend to be paid in Sterling or to have dividends reinvested by the Company's Dividend Reinvestment Plan. The exchange rate at which the dividend will be translated into Sterling will be announced on October 9th, 2015, the latest practical date before the payment of the dividend.

Demerger Update

Work on separation from Reckitt Benckiser Group plc continues under the Transitional Service Agreements signed in December 2014, and is fully on track. In April, formal operation of the Fine Chemical Plant in Hull, where Buprenorphine is manufactured for all our Suboxone and Subutex products, was transferred to Indivior. There has been no disruption to our supply chain. On July 1st, major operating companies changed their name to Indivior including the USA, the UK and Canada. Australia changed its operating name in February. The project to implement a new, company-wide, ERP system is fully on track with the objective of the first countries going live in January 2016.

R&D / Pipeline Update

Developments since Full Year 2014 preliminary results announcement on February 11th, 2015.

- **RBP-7000, Monthly Depot Risperidone** for the treatment of schizophrenia. Preliminary data from pivotal Phase III Efficacy study was published on May 5th, 2015; more detailed information regarding this data is available at www.indivior.com and in the separate press release issued on May 5th, 2015.
- **RBP-6000, Monthly Depot Buprenorphine**: First patient randomized in Phase III Efficacy study (RB-US-13-0001). February 2015. Efficacy study on track.
- **RBP-6300, Oral Swallowable Tablet Buprenorphine Hemiadipate**. On track for First patient in to PK study in Man (RB-EU-14-0001) in Q3 2015.
- **Intranasal Naloxone for opioid overdose rescue**: Final Clinical Study Report pivotal PK study NLX1301 (RB-US-13-0009), February 2015. New Drug Application submitted to FDA on May 29th, 2015. NDA application accepted and granted priority review by the FDA on July 28th with response expected by late Q4 2015.

  French Ministry of Health and French Regulatory Agency granted Temporary Authorisation for Use (ATU) on March 3rd, 2015. ATU dossier filed on June 17th, 2015.
- **Arbaclofen Placarbil for alcohol use disorder**: IND submitted to FDA on June 26th, 2015. On track for first patient in Phase IIA study (RB-US-14-0001) in Q3 2015.
- **RBP-8000 Cocaine Esterase for treatment of Cocaine Intoxification**. Awaiting outcome of Type B meeting with FDA (held May 7th, 2015) to determine next steps following grant of Breakthrough Therapy Designation by FDA in 2014.
- **Suboxone Tablet**. China Efficacy Study (RB-CN-10-0013) on track for last patient last visit by end of Q4 2015.
- **Suboxone Film EU Formulation**. This project has been delayed as the prototype formulation for EU has not met its specified bio-equivalency to EU Suboxone Tablet formulation, although it is bio-equivalent to the existing Suboxone Film formulation.

Litigation Update

ANDA Litigation

- Fact discovery in Actavis and Par lawsuits complete. Expert discovery is on-going.
- Supplemental claim construction order issued June 26th, 2015 with favorable interpretation of key "buffer" term in '832 Patent.
- Trial date in Actavis (infringement & validity) and Par (validity only) lawsuits now set for November 2nd, 2015, with decision still expected ahead of expiry of Actavis' 30 month stay of FDA approval (expiring February 28th, 2016).
- Trial date in Par (infringement only) lawsuit scheduled for December 17th, 2015, with Par's 30 month stay of FDA approval expiring September 25th, 2016.
- Additional patent infringement lawsuits filed against Actavis & Par asserting recently granted '277 & '497 process patents.
- Orange Book listed patents and process patents asserted against Teva. 30-month stay of FDA approval on ANDA No. 20-5806 expires April 17, 2017. Teva disputes the applicability of a 30-month stay for ANDA No. 20-5299. A stay for that ANDA would also expire April 17, 2017.
- Orange Book listed patents and process patents asserted against Alvogen. 30 month stay of FDA approval expires October

28th,2017.

BDSI Proceedings

- Indivior PLC intends to appeal the Patent Trial and Appeal Boar (PTAB) decision in an *Inter Partes Review* involving Indivior's US Patent No. 8,475,832 (the ′832 Patent) for Suboxone Sublingual Film which ruled that claims 15-19 were shown to be unpatentable over certain prior art. Indivior will appeal this ruling to the Court of Appeals for the Federal Circuit.

FTC investigation & Class Action

- The Judge overseeing the legal privilege dispute in the FTC investigation has appointed a Special Master (an independent external lawyer) to investigate the claims of legal privilege and provide a recommendation to the Court on how the documents at issue should be treated. An initial ruling on the first tranche of privileged documents is expected in September 2015.

Exchange Rates

The average and period end exchange rates used for the translation of currencies into US dollars that have most significant impact on the Group's results were: -

	6 Months to June 30, 2015	6 Months to June 30, 2014
US $: GB £ period end	1.5747	1.6983
US $: GB £ average rate	1.5230	1.6684
US $: € Euro period end	1.1205	1.3628
US $: € Euro average	1.1161	1.3711

Risk Factors

The Directors have reviewed the principal risks and uncertainties for the remaining six months of the financial year.

The assumptions in arriving at the Company's revised financial guidance for the full year are described on page 2-3 of this release. To the extent that market conditions differ from these assumptions, alternative financial outcomes are possible. However the Company has issued this revised guidance based on industry analogues and its own estimates at this time. The Company will update the market on November 3rd, 2015 with its Q3 financial results.

Beginning in August 2013, the Indivior Group was informed of ANDA filings by Par, Watson, Alvogen and Teva to market generic versions of Suboxone Film in the United States. The Indivior Group has filed patent infringement lawsuits against all four companies. The litigation is proceeding against all four companies and may not be resolved in the Indivior Group's favour, or the Indivior Group may choose to end one or more of the lawsuits due to the unpredictable nature and significant costs of patent litigation. If any one of the defendants is successful in establishing that one or more of the asserted patents are invalid or not infringed, the Indivior Group may lose the patent protection offered by that patent. Alternatively, the scope of the patent rights might be narrowed as a result of the litigation. Either outcome could reduce the ability of the Indivior Group to maintain exclusivity for its products and result in increased competition for its products. It is possible that similar litigation might be brought in other jurisdictions. The Indivior Group has also been in litigation with BDSI, including a proceeding in the Patent Trial and Appeal Board over U.S. Patent No. 8,475,832 (the '832 Patent).

The Directors consider that the principal risks and uncertainties which could have a material impact on the Group's performance in the remaining six months of 2015 remain the same as described on pages 27 to 29 of the 2014 Annual Report & Financial Statements. These include:

- Risk to business continuity due to dependence on a single product line;
- Risk of interruption of product supply;
- Risk that the Group cannot achieve its objectives due to the inability to retain and/or attract highly skilled staff;
- Risk of significant system disruption and exposure of business critical or sensitive data due to inadequate data governance or information systems security;
- Risk of failing to secure and protect patents and other proprietary rights;
- Risk of product liability claims, product recalls, litigation, and associated adverse publicity as a result of failure by the Group, its contractors or suppliers;
- Risk of adverse outcome of litigation and government investigations;
- Risk that the Group will not receive regulatory approval for pipeline products;
- Risk that the Group or its contractors will not develop commercially successful new products;
- Risk of reduced reimbursement levels and increasing pricing pressures from healthcare providers, private health insurers and other organizations;
- Risk of price reductions as a result of government austerity measures or other price setting action;
- Risks arising from non-compliance with, or changes to, laws and regulations affecting the Group;
- Risk of failure to identify, acquire, close, or integrate acquisition targets.

Forward-Looking Statements - Cautionary Statement

This announcement contains certain statements that are forward-looking and which should be considered, amongst other statutory provisions, in light of the safe harbour provisions of the United States Private Securities Litigation Reform Act of 1995. By their nature, forward-looking statements involve risk and uncertainty as they relate to events or circumstances that will or may occur in the future. Actual results may differ materially from those expressed or implied in such statements because they relate to future events. Forward-looking statements include, among other things, statements regarding our

financial guidance for 2015 and our medium- and long-term growth outlook, our operational goals, our product development pipeline and statements regarding ongoing litigation.

Various factors may cause differences between Indivior's expectations and actual results, including: factors affecting sales of Suboxone Tablet, Suboxone Film, Subutex Tablet and any future products; the outcome of research and development activities; decisions by regulatory authorities regarding the Indivior Group's drug applications; the speed with which regulatory authorizations, pricing approvals and product launches may be achieved; the outcome of post-approval clinical trials; competitive developments; difficulties or delays in manufacturing; the impact of existing and future legislation and regulatory provisions on product exclusivity; trends toward managed care and healthcare cost containment; legislation or regulatory action affecting pharmaceutical product pricing, reimbursement or access; claims and concerns that may arise regarding the safety or efficacy of the Indivior Group's products and product candidates; risks related to legal proceedings; the Indivior Group's ability to protect its patents and other intellectual property; the outcome of the Suboxone Film patent litigation relating to the ongoing ANDA lawsuits; changes in governmental laws and regulations; issues related to the outsourcing of certain operational and staff functions to third parties; uncertainties related to general economic, political, business, industry, regulatory and market conditions; and the impact of acquisitions, divestitures, restructurings, internal reorganizations, product recalls and withdrawals and other unusual items.

This announcement does not constitute an offer to sell, or the solicitation of an offer to subscribe for or otherwise acquire or dispose of shares in the Company to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation.

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Conference call details

There will be a presentation for analysts and investors at 12 noon London time (7am EST) at The Ayres Room, Deutsche Bank, Winchester House, 1 Great Winchester Street, London EC2N 2DB. The details of the live webcast and conference call facilities are below (and will also be available shortly on the Company's website). **URL** http://edge.media-server.com/m/p/fk8wjgef

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About Indivior

Indivior is a global specialty pharmaceutical company with a 20-year legacy of leadership in patient advocacy, health policy and evidence-based best practice models that have revolutionized modern addiction treatment. The name is the fusion of the words individual and endeavour, and the tagline "Focus on you" makes the company's commitment clear. Indivior is dedicated to transforming addiction from a global human crisis to a recognized and treated chronic disease. Building on its robust, global opioid dependence portfolio featuring SUBOXONE® (buprenorphine and naloxone) Sublingual Film (CIII), SUBOXONE® (buprenorphine and naloxone) Sublingual Tablet, and SUBUTEX® (buprenorphine) Sublingual Tablet, Indivior has a strong pipeline of product candidates designed to both expand on its heritage in this category and address other chronic diseases of addiction - including opiate overdose, alcohol use disorders and cocaine intoxication. It also is pursuing novel product candidates in related mental health disorders such as schizophrenia. Headquartered in the United States in Richmond, Va., Indivior employs more than 700 individuals globally and its portfolio is available in over 40 countries worldwide. Visit www.Indivior.com to learn more.

Condensed consolidated interim income statement

	Notes	**Unaudited Q2 2015 $m**	Unaudited Q2 2014 $m	**Unaudited H1 2015 $m**	Unaudited H1 2014 $m
Net Revenues	2	**266**	293	**517**	574
Cost of Sales		**(24)**	(26)	**(48)**	(49)
Gross Profit		**242**	267	**469**	525
Selling, distribution and administrative expenses	3	**(93)**	(83)	**(185)**	(160)
Research and development expenses	3	**(34)**	(22)	**(54)**	(38)
Operating Profit		**115**	162	**230**	327
Operating profit before exceptional items		**118**	162	**235**	327
Exceptional items	3	**(3)**	-	**(5)**	-
Operating profit		**115**	162	**230**	327
Finance expense		**(19)**	-	**(31)**	-
Net finance expense		**(19)**	-	**(31)**	-
Profit on ordinary activities before taxation		**96**	162	**199**	327
Tax on profit on ordinary activities	4	**(30)**	(48)	**(55)**	(94)
Net income		**66**	114	**144**	233

Earnings per ordinary share					
Basic earnings per share	5	**9**	16	**20**	32
Diluted earnings per share	5	**9**	16	**20**	32

Condensed consolidated interim statement of comprehensive income

	Unaudited Q2 2015 $m	Unaudited Q2 2014 $m	**Unaudited H1 2015 $m**	Unaudited H1 2014 $m
Net income	**66**	114	**144**	233
Other comprehensive income				
Items that may be reclassified to profit or loss in subsequent years:				
Net exchange adjustments on foreign currency translation	**5**	(2)	**(4)**	1
Other comprehensive income, net of tax	**5**	(2)	**(4)**	1
Total comprehensive income	**71**	112	**140**	234

The notes on pages 14 to 18 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim balance sheet

	Notes	**Unaudited June 30, 2015 $m**	Audited Dec 31, 2014 $m
ASSETS			
Non-current assets			
Intangible assets		**85**	91
Property, plant and equipment		**21**	13
Deferred tax assets		**87**	77
Other receivables		**0**	1
		193	182
Current assets			
Inventories		**50**	41
Trade and other receivables		**192**	193
Cash and cash equivalents	6	**523**	331
		765	565
Total assets		**958**	747
LIABILITIES			
Current liabilities			
Borrowings	6	**(161)**	(17)
Trade and other payables	8	**(472)**	(383)
Current tax liabilities		**(75)**	(62)
		(708)	(462)
Non-current liabilities			
Borrowings	6	**(541)**	(719)
Provisions for liabilities and charges		**(43)**	(41)
		(584)	(760)
Total liabilities		**(1,292)**	(1,222)
Net liabilities		**(334)**	(475)
EQUITY			
Capital and reserves			
Share capital	9	**72**	1,437
Other Reserves		**(1,295)**	(1,295)
Foreign currency translation reserve		**(11)**	(16)
Retained Earnings		**900**	(601)

Total equity	**(334)**	(475)

The notes on pages 14 to 18 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity

Unaudited	Share capital $m	Share Premium $m	Other reserve $m	Foreign Currency Translation Reserve $m	Retained earnings $m	**Total equity $m**
At January 1, 2014	**1,437**	**-**	**(1,295)**	**-**	**(208)**	**(66)**
Comprehensive income						
Net income	-	-	-	-	233	233
Other comprehensive income	-	-	-	1	-	1
Total comprehensive income	**-**	**-**	**-**	**1**	**233**	**234**
Payments to former owners, recognised directly in equity	-	-	-	-	(221)	(221)
Balance at June 30, 2014	**1,437**	**-**	**(1,295)**	**1**	**(196)**	**(53)**

At January 1, 2015	**1,437**	**-**	**(1,295)**	**(16)**	**(601)**	**(475)**
Comprehensive income						
Net income	**-**	**-**	-	-	144	144
Other comprehensive income	**-**	**-**	**-**	5	(9)	(4)
Total comprehensive income	**-**	**-**	**-**	**5**	**135**	**140**
Transactions recognised directly in equity						
Share awards	**-**	**-**	-	-	1	1
Capital reduction	(1,365)	**-**	-	-	1,365	-
Total transactions recognised directly in equity	**(1,365)**	**-**	**-**	**-**	**1,366**	**1**
Balance at June 30, 2015	**72**	**-**	**(1,295)**	**(11)**	**900**	**(334)**

The notes on pages 14 to 18 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim cash flow statement

For the six months to June 30	**Unaudited 2015 $m**	Unaudited 2014 $m
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Profit	**230**	327
Reversal of non-cash items:		
Depreciation and amortisation	**12**	13
Share award expense	**1**	-
Foreign exchange impacts	**(5)**	(2)
Changes in assets and liabilities:		
Trade and other receivables	**2**	(4)
Inventories	**(9)**	-
Trade and other payables and provisions	**89**	(20)
Cash generated from operations	**320**	314
Net Financing costs	**(26)**	-
Transaction costs related to loan	**(23)**	-
Taxes paid	**(51)**	(23)
Net cash inflow from operating activities	**220**	291

CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant, and equipment	**(8)**	(1)
Purchase of intangible assets	**(4)**	(24)
Net cash (outflow) from investing activities	**(12)**	(25)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash movement on overdraft	**3**	-
Repayment of loans	**(19)**	-
Net transfers to former owners	**-**	(262)
Net cash (outflow) from financing activities	**(16)**	(262)
Net (decrease)/increase in cash and cash equivalents	**192**	4
Cash and cash equivalents at beginning of the period	**331**	7
Exchange differences	**-**	-
Cash and cash equivalents at end of the period	**523**	11

The notes on pages 14 to 18 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated Interim Financial Statements

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Indivior PLC (the 'Company') is a public limited company incorporated in England and Wales and domiciled in the United Kingdom on September 26, 2014. In these condensed consolidated interim financial statements ('Interim Financial Statements'), reference to the 'Group' means the Company and all its subsidiaries.

These interim financial statements have been prepared in conformity with IAS 34 *Interim Financial Reporting.* The financial information herein has been prepared in the basis of the accounting policies set out in the annual accounts of the Group for the year ended December 31, 2014 and should be read in conjunction with those annual accounts. The Group prepares its annual accounts in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and the Companies Act 2006 (the Act) applicable to companies reporting under IFRS. In preparing these condensed interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2014, with the exception of changes in estimates that are required in determining the provision for income taxes.

The introduction of Indivior PLC as the new ultimate holding company of the Group does not meet the IFRS 3 definition of a business combination and as such falls outside the scope of that standard. Following the guidance regarding the selection of an appropriate accounting policy in IAS 8, the introduction of the Company as the new ultimate holding company of the Group has been accounted for as a group reconstruction using merger accounting principles. This policy, which does not conflict with IFRS, reflects the economic substance of the transaction. This means that although the reorganization did not become effective until December 23, 2014, the consolidated Financial Statements are presented as if the current Group structure had always been in place. Accordingly, the results of the Group for the comparative three and six month periods ended June 30, 2014 are presented as if the Group had been in existence throughout the periods presented.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2014. These interim condensed consolidated financial statements have been reviewed and not audited. These interim condensed consolidated financial statements have been authorized for issue as at July 28, 2015.

After making appropriate inquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis for accounting in preparing these interim financial statements.

The financial information contained in this document does not constitute statutory accounts as defined in section 434 and 435 of the Act. The auditors issued an unqualified opinion and did not contain a statement under section 498 of the Act on the Group's statutory financial statements for the year ended December 31, 2014. The Group's statutory financial statements for the year ended December 31, 2014 were approved by the Board of Directors on March 27, 2015 and delivered to the Registrar of Companies after being approved by Shareholders at the Company's first Annual General Meeting held on May 13, 2015.

2. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer (CEO).

As the Indivior Group is engaged in a single business activity, which is the development, manufacture and sale of prescription drugs that are based on Buprenorphine for treatment of opioid dependence, the CEO reviews financial information presented on a combined basis for evaluating financial performance and allocating resources. Accordingly, the company reports as a single reporting segment.

Revenues

Revenues are attributed to countries based on the country where the sale originates. The following table represents revenue from continuing operations attributed to countries based on the country where the sale originates and non-current assets, net of accumulated depreciation and amortisation, by country. Non-current assets for this purpose consist of property, plant and equipment and intangible assets. Revenues and non-currents assets for the six months to June 30, 2015 and 2014 were as follows:

Revenues from sale of goods:

	Q2 2015 $m	Q2 2014 $m	**H1 2015 $m**	H1 2014 $m
United States	**212**	224	**412**	443
ROW	**54**	69	**105**	131

Total	**266**	293	**517**	574

Non-current assets:

	June 30 2015 $m	December 31 2014 $m
United States	**73**	64
ROW	**33**	40
Total	**106**	104

3. OPERATING COSTS AND EXPENSES

The table below sets out selected operating costs and expenses information:

	Q2 2015 $m	Q2 2014 $m	H1 2015 $m	H1 2014 $m
Research and Development expenses	**(34)**	(22)	**(54)**	(38)
Marketing, selling, and distribution expenses	**(42)**	(36)	**(80)**	(75)
Administrative expenses	**(43)**	(40)	**(91)**	(71)
Depreciation and amortisation	**(6)**	(6)	**(12)**	(13)
Operating lease rentals	**(2)**	(1)	**(2)**	(1)
Total	**(93)**	(83)	**(185)**	(160)

Exceptional Items

	Q2 2015 $m	Q2 2014 $m	H1 2015 $m	H1 2014 $m
Reconfiguration and separation costs	**3**	-	**5**	-
Total Exceptional items	**3**	-	**5**	**-**

$5m (2014: $nil) of reconfiguration and separation costs consists primarily of legal and advisory costs related to business reconfiguration activities which have been included within operating expenses.

4. TAXATION

In the six months ended June 30, 2015, tax on total profits amounted to $55m and represented a half-year effective tax rate of 28% (H1 2014: 29%). The Group's balance sheet at June 30, 2015 included a tax payable liability of $75m and deferred tax asset of $87m.

5. EARNINGS PER SHARE

	Q2 2015 cents	Q2 2014 Cents Pro-forma	H1 2015 cents	H1 2014 Cents Pro-forma
Basic earnings per share	**9**	16	**20**	32
Diluted earnings per share	**9**	16	**20**	32
Adjusted basic earnings per share	**9**	16	**20**	32
Adjusted diluted earnings per share	**9**	16	**20**	32

Basic

Basic earnings per share ("EPS") is calculated by dividing profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period. 718,577,618 shares were issued on the demerger.

For the purpose of calculating EPS, the share capital for the Company in the period prior to the pre-demerger reorganization on December 23, 2014 is calculated as if this reorganization was completed as at January 1, 2014.

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares in the form of awards. The weighted average number of shares is adjusted for the number of shares granted assuming the vesting of the awards.

	2015 Average number of shares	2014 Average number of shares Pro-forma
On a basic basis	**718,577,618**	718,577,618
Dilution for Long Term Incentive Plan (LTIP)	**14,459,717**	5,307,010
Adjusted diluted earnings per share	**733,037,335**	723,884,628

Adjusted Earnings

The Directors believe that diluted earnings per share, adjusted for the impact of exceptional items after the appropriate tax amount, provides additional useful information on underlying trends to shareholders in respect of earnings per ordinary share.

A reconciliation of net income to adjusted net income is as follows:

	Q2 2015 $m	Q2 2014 $m	H1 2015 $m	H1 2014 $m
Net income	**66**	114	**144**	233
Exceptional items	**3**	-	**5**	-
Tax effect of exceptional items	**(1)**	-	**(1)**	-
Adjusted net income	**68**	114	**148**	233

6. FINANCIAL LIABILITIES - BORROWINGS

Current	June 30 2015 $m	December 31 2014 $m
Bank loans and overdraft	**161**	17
	161	17

Non-current	June 30 2015 $m	December 31 2014 $m
Bank loans	**541**	719
	541	719

Analysis of net debt	June 30 2015 $m	December 31 2014 $m
Cash and cash equivalents	**523**	331
Overdrafts	**(12)**	(9)
Borrowings*	**(731)**	(750)
	(220)	(428)

*Borrowings reflects the outstanding principal amount drawn, before debt issuance costs

Reconciliation of net debt	June 30 2015 $m	December 31 2014 $m
The movements in the period were as follows:		
Net debt at beginning of period	**(428)**	7
Increase in cash and cash equivalents	**192**	324
Net repayment of/(increase in) borrowings and overdraft	**16**	(759)
Net debt at end of period	**(220)**	(428)

The carrying value less impairment provision of current borrowings and cash at bank, as well as trade receivables and trade payables, are assumed to approximate their fair values.

On March 16, 2015, the Company completed syndication of its $750 million debt facility. As a result of the syndication the new terms of the loan are as follows:

	Currency	Nominal interest margin	Maturity	Scheduled repayments*	Issuance cost $m	Face value $m	Carrying amount $m
Unsecured bank loan	USD	Libor (1%) + 6%	5 years	5%	40	644	644
Unsecured bank loan	EUR	Libor (1%) + 6%	5 years	5%	6	106	106

*For years 1 and 2 only; 10% thereafter

Also included within the terms of the loan were:

- A financial covenant to maintain a leverage covenant (Net debt to Adjusted EBITDA ratio) of 3.25x with step down to 3.00x on June 30, 2016
- An additional covenant requiring minimum liquidity of $150 million (defined as cash on hand plus the undrawn amount available under the Company's $50 million revolving credit facility).

7. CONTINGENT LIABILITIES

The Indivior Group is currently subject to other legal proceedings and investigations, including through subpoenas and other information requests, by various governmental authorities.

In 2011, the USAO-NJ issued a subpoena to Reckitt Benckiser Pharmaceuticals (RBP) requesting production of certain documents in connection with a non-public investigation related, among other things, to the promotion, marketing and sale of Suboxone Film, Suboxone Tablet and Subutex Tablet. RBP responded to the USAO-NJ by producing documents and other information and has had no communication from USAO-NJ since March 2013.

In late 2012, the FTC and the Attorney General of the State of New York commenced non-public investigations of RB, RBP and various other entities in the RB Group focusing on business practices relating to Suboxone Film, Suboxone Tablet and Subutex Tablet, including alleged involvement in a scheme to delay FDA approval of generic versions of Suboxone Tablet. RBP has responded to both the FTC and to the Attorney General of the State of New York by producing documents and other information. The investigations are ongoing, and as yet no decision has been made by either agency on whether to pursue any legal action for enforcement.

In December 2013, the USAO-VAW executed a search warrant on RBP's headquarters in Richmond and conducted searches of the homes of four field-based employees. The USAO-VAW has since served a number of subpoenas relating to Suboxone Film, Suboxone Tablet, Subutex Tablet, buprenorphine and any real or potential competitor, among other issues. The investigation is ongoing and RBP is in the process of responding to the USAO-VAW by producing documents and other information.

Given the limited information available to the Indivior Group regarding the foregoing civil and criminal investigations, it is not possible at this time to predict with any certainty if there will be a liability associated with these investigations nor, if one were to occur, is there an ability to quantify the potential impact on the financial statements of the Indivior Group.

8. TRADE AND OTHER PAYABLES

	June 30 2015 $m	December 31 2014 $m
Sales returns and rebates	**289**	273
Trade payables	**70**	29
Other tax and social security payables	**10**	7
Accruals	**103**	74
Total	**472**	383

Customer return and rebate accruals, primarily in the US, are provided for by the Group at the point of sale in respect of the estimated rebates, discounts or allowances payable to customers. Accruals are made at the time of sale but the actual amounts paid are based on claims made some time after the initial recognition of the sale. As the amounts are estimated they may not fully reflect the final outcome and are subject to change dependent upon, amongst other things, the channel (e.g. Medicaid, Medicare, Managed Care, etc) and product mix. The level of accrual is reviewed and adjusted quarterly in the light of historical experience of actual rebates, discounts or allowances given and returns made and any changes in arrangements. Future events could cause the assumptions on which the accruals are based to change, which could affect the future results of the Group.

9. SHARE CAPITAL

	Equity Ordinary Shares	Issue price	Nominal value $m
Issued and fully paid			
At January 1, 2015	**718,577,618**	**$2.00**	**1,437**
Nominal value reduction	**-**	**($1.90)**	**(1,365)**
At June 30, 2015	**718,577,618**	**$0.10**	**72**

	Equity Ordinary Shares	Issue price	Nominal value $m
Issued and fully paid			
At January 1, 2014 (pro forma)	718,577,618	$2.00	1,437
At June 30, 2014 (pro forma)	718,577,618	$2.00	1,437

The holders of ordinary shares (par value $0.10) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of Indivior PLC.

The initial shareholders resolved, by a special resolution, passed on October 30, 2014, to reduce Indivior PLC's share capital by decreasing the nominal value of each Indivior Ordinary Share from $2.00 to $0.10. This created distributable reserves on the balance sheet which will provide Indivior with, among other things, capacity for the payment of future dividends.

As required under section 645 of the Companies Act 2006, the High Court of Justice has confirmed the reduction of the Company's share capital. Following the registration of the Order of the Court with the Companies House, the Capital Reduction became effective on January 21, 2015.

10. RELATED PARTIES

Subsequent to the demerger from former parent, RB, on December 23, 2014, Indivior continues to receive certain services like office space rental and other operational services on commercial terms and on an arm's length basis. Adrian Hennah, the RB CFO, also sits on the Indivior PLC Board of Directors. The amount included within administrative expenses in respect of these services is $6m.

11. POST BALANCE SHEET EVENTS

There have been no material post balance sheet events.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors declare that, to the best of their knowledge:

- This condensed set of interim financial statements, which have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union, gives a true and fair view of the assets, liabilities, financial position, and profit or loss of Indivior; and
- The interim management report gives a fair review of the information required pursuant to regulations 4.2.7 and 4.2.8 of the Disclosure and Transparency Rules (DTR)

Indivior's Directors are listed in the Annual Report and Accounts for 2014.

Details of all current Directors are available on our website at www.indivior.com

By order of the Board

Shaun Thaxter
Chef Executive Officer

Cary J. Claiborne
Chief Financial Officer

July 28, 2015

Independent review report to Indivior PLC

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed the condensed consolidated interim financial statements, defined below, in the half-yearly financial report of Indivior PLC for the three and six months ended 30 June 2015. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

This conclusion is to be read in the context of what we say in the remainder of this report.

What we have reviewed

The condensed consolidated interim financial statements, which are prepared by Indivior PLC, comprise:

- the condensed consolidated statement of financial position as at 30 June 2015;
- the condensed consolidated income statement and statement of comprehensive income for the three and six month periods then ended;
- the condensed consolidated statement of cash flows for the three and six months periods then ended;
- the condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the condensed consolidated interim financial statements.

As disclosed in note 1, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The condensed consolidated interim financial statements included in the half-yearly financial report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

What a review of condensed consolidated financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.
A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial statements.

Responsibilities for the condensed consolidated interim financial statements and the review

Our responsibilities and those of the directors

The half-yearly financial report, including the condensed consolidated interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.
Our responsibility is to express to the company a conclusion on the condensed consolidated interim financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure and Transparency Rules of the Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
28 July 2015
London

Notes:

a) The maintenance and integrity of the Indivior PLC website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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