INDIVIOR
Focus on you.

Annual Report 2015

Addiction is a chronic, relapsing condition.
It is a disease reaching epidemic proportion – a global human crisis.
It can be treated.
One patient at a time.

Each patient has a unique story on how he or she reclaimed life from addiction, but all patients share the journey:

AGONY
LONELINESS
DESPERATION
REALIZATION
DETERMINATION
CONTROL
STRENGTH
CHANGE
LIFE >

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INDIVIOR
Focus on you.

Our name is iconic of the individual patient's journey to reclaim life from the disease of addiction and our endeavor to address patients' unmet needs.

Our logo radiates our patient-centered, holistic focus on expanding access to high-quality treatment services for addiction worldwide.

www.indivior.com

We focus on you

TRANSFORMER >

CHERYL

Patient, US

I was a radio host, softball coach and mother. In 2004, en route to a family vacation, my husband and I were hit by an 18-wheeler pulling 70,000 lbs of cargo. I awoke from a coma three days later with a fractured neck in unbearable pain. I was prescribed opioid painkillers. After six months, I was dependent.

I couldn't get through a day without pills. In time, I spent all my money on painkillers, which cost me more than I could have ever imagined: my husband, my career and my home life. To add to the chaos, I realized my son was also addicted to painkillers.

One evening, I suddenly saw myself in a way that I had not before: how had I gotten to this very dark place in my life? At that moment, I surrendered to the mess I had made and knew it was time to reset my reality.

My adult son and I went into a 30-day rehab program. Both of us benefited from medication-assisted treatment with Suboxone® Film as part of our treatment plan along with counseling and support from loved ones. My son and I have been in recovery now for more than six years!

I often refer to opiate addiction as the stealth addiction. I hid my abuse of opioids very well. I wasn't the stereotypical 'drug addict'.

To people around me, I was living what seemed by all appearances to be a healthy, active lifestyle. My loved ones were the only people who could visibly see my addiction, and that's only because they were emotionally invested.

I was dead during my addiction – I wasn't living, I was surviving. I thank God every day for the many blessings of recovery. I committed to treatment, and my relationships, trust and most important role in life have been restored: mother and wife.

I do whatever I can to raise awareness of addiction. I want people who find themselves bound in the vicious cycle of opioid addiction to realize that life is waiting for them, and with the right treatment, the journey back isn't as far away as one may think.

For product information, visit: www.suboxone.com

INDIVIOR IS A GLOBAL SPECIALTY PHARMACEUTICAL COMPANY AND THE WORLD LEADER IN ADDICTION TREATMENT

Our purpose is to pioneer life-transforming treatments

Our vision

All patients around the world will have unrestricted access to high-quality treatment services for the chronic, relapsing condition and co-morbidities of addiction.

Our mission

Be the global leader who is a pioneer in developing innovative prescription treatments for addicted patients.

Our growth strategy is to:

- **Build the resilience of our franchise** by continuing to expand patient access to treatment and maintain a leadership position.
- **Develop our innovative pipeline** to help improve patient outcomes.
- **Expand global treatment** by capitalizing on international growth opportunities.
- **Develop the business** by creating growth through targeted and disciplined business development and acquisitions.

Our treatment and pipeline focus is:

- **Opioid use disorder**
- **Alcohol use disorder**
- **Overdose rescue**
- **Co-morbidities of addiction / schizophrenia**

Our Guiding Principles are:

- **Focus on patient needs to drive decisions**
- **Believe that people's actions are well intended**
- **Seek the wisdom of the team**
- **Care enough to coach**
- **See it, own it, make it happen**
- **Demonstrate honesty and integrity at all times**

Chairman's statement

This is our second annual report as Indivior since becoming a stand-alone company in December 2014. I am delighted to report a year of considerable progress towards achieving our vision that all patients around the world will have unrestricted access to high-quality treatment services for the chronic, relapsing condition and co-morbidities of addiction.

A legacy as a leader

Indivior is a company with a unique business model that is focused on empowering patients and striving to improve their quality of life by pioneering innovative, high-quality, accessible and cost-effective treatment. Indivior's people have a passion to help addicted patients and to enable those who can treat them. By approaching this disease area with a public health mindset, Indivior has a demonstrated history of effectively engaging with key stakeholders to change attitudes towards addiction and broaden access to treatment. The Board believes that this ability to cultivate strong relationships and long-standing partnerships forms the basis of Indivior's disease leadership position. This combined with Indivior's culture are powerful drivers of success, and we are pleased with the progress the business has made in its first year as a fully listed company.

Our achievements in 2015

Notably, Indivior outperformed the 2015 financial plan while delivering on our prospectus commitments and successfully managing separation from Reckitt Benckiser Group plc (RB). This over-delivery allowed us to reward shareholders, pay a dividend, retire a portion of our debt, and use some of the over-delivery to reinvest in the long-term growth drivers of our business.

At the beginning of the year, management set itself four priorities for 2015:

1. To sustain Suboxone® Film's (buprenorphine and naloxone sublingual film) leadership position in the US.
2. To expand treatment in the US and to build recognition of, and treatment for, opioid painkiller dependence in Europe.
3. To develop the Company's pipeline of potentially transformational products for the treatment of addiction and closely related conditions.
4. To expand the business and diversify business risk.

I believe the Company has demonstrated visible success in the first three priorities: Suboxone® Film sustained market share in the US on average of 59%, slightly ahead of the exit share at end of 2014; while pilot programs to expand treatment for opioid painkiller dependence were launched in UK and Germany; and, we made considerable progress in our pipeline development, particularly Buprenorphine Monthly Depot.

Chairman's statement

Continued

Our management team

Indivior is blessed with a strong and experienced management team, led by Shaun Thaxter, our CEO. The Company operates in a complex and evolving market, but Indivior's highly talented team, notable for its quality and genuine commitment to patients, has the experience and resilience to respond swiftly to challenges. The management team anchors Indivior's unique culture and heartfelt passion for patients. Combined with a can-do attitude, innovative thinking and entrepreneurial mindset, the people of Indivior are committed not only to achieve the Company's objectives, but surpass them.

The team is incentivized to grow Indivior through its next phase: to broaden access to treatment, develop the pipeline of new products, and expand the geographic reach of its patient-focused business model, while delivering value to shareholders. The Board believes the team has made a strong start, as will be reported by Shaun. On behalf of the Board and Shareholders, I thank them for their efforts in 2015 and urge them to keep up the good work.

Dividend policy

The Board announced a second interim dividend of 9.5 cents per share. Together with the first interim dividend of 3.2 cents per share paid in October 2015, this brings the total dividend for the year to 12.7 cents per share. This fulfills the Company's indication, at the time of the demerger from RB, that the Company would pay out 40% of net income as a dividend, payable in US$, for financial year 2015.

We also committed to review dividend policy in the light of the Company's financial position, strategy, and prospects. Given the increasing need to invest in pipeline advancement and market development, the uncertainties facing the Company, including generic challenges to the intellectual property of Suboxone® Film, the level of gross debt together with the associated covenants and the need to seek to diversify the sources of revenue and cash flow, the Company does not expect to pay ordinary dividends for the foreseeable future.

Looking ahead

I'd like to welcome our many new Shareholders. Since the demerger, most of the shares have moved from the share register inherited on demerger, appropriate for a consumer goods company, to a new list of Shareholders who are attracted to our prospect and growth potential as a specialty pharmaceutical company.

Please join us as we continue to work to create a rewarding future for Shareholders and build an exciting future for Indivior.

Howard Pien
Chairman

Our performance summary

"Indivior had a very encouraging first year as a public company.
Suboxone® Film demonstrated the resilience of our core business in the US, and our pipeline of potentially transformational treatments for addiction made progress. Above all, we helped more patients transform their lives from addiction."

Financial

$1,014m
Net revenue
(-9% vs. 2014: $1,115m)

$346m
Operating profit
(-38% vs. 2014: $562m)

$228m
Net income
(-43% vs. 2014: $403m)

32c
Earnings per share (cents per share)
(-43% vs. 2014: 56c)

Market share

59%
US average market share Suboxone® Film
(VS. 2014: 62%)

818,811
US unique patients received Suboxone® Film
(VS. 2014: 802,723)

Pipeline

$148m
R&D investment
(+29% VS. 2014: $115m)

4
Phase 3 trials
Buprenorphine Monthly Depot
Risperidone Monthly Depot

1
New Phase 2 trial
Arbaclofen Placarbil

1
New Phase 1 trial
Oral Swallowable Capsule Buprenorphine Hemiadipate

8
Peer-reviewed publications
Non-clinical and clinical research

"We made significant strategic progress, and our belief in the growing medium-term opportunity for Indivior continues to be strong."

Shaun Thaxter, CEO

Chief Executive's statement

Our vision at Indivior is that all patients around the world will have unrestricted access to high-quality treatment services for the chronic, relapsing condition and co-morbidities of addiction.

Inherent in that vision are several truths:

- First, we have to continue the work of changing societal attitudes towards addiction, moving it from being punished to being treated as the disease that it undoubtedly is.
- Second, we have to widen access to quality treatment by educating physicians on treatment options and making sure patients know that treatment is available.
- Third, we have many more countries in which we can roll out our treatment model and more addictions that we can develop medications to treat.
- Finally, we have to pioneer the development of innovative prescription treatments for addiction to help patients to improve their quality of life.

Addiction is not about bad people, doing bad things, who need to be punished. Most are everyday people who have been exposed to, and become dependent on, opioids, cannabis, cocaine, alcohol or other substances and who risk being socially marginalized as a result. Indivior believes these people deserve medical treatment. Our unique culture is all about enabling that to happen.

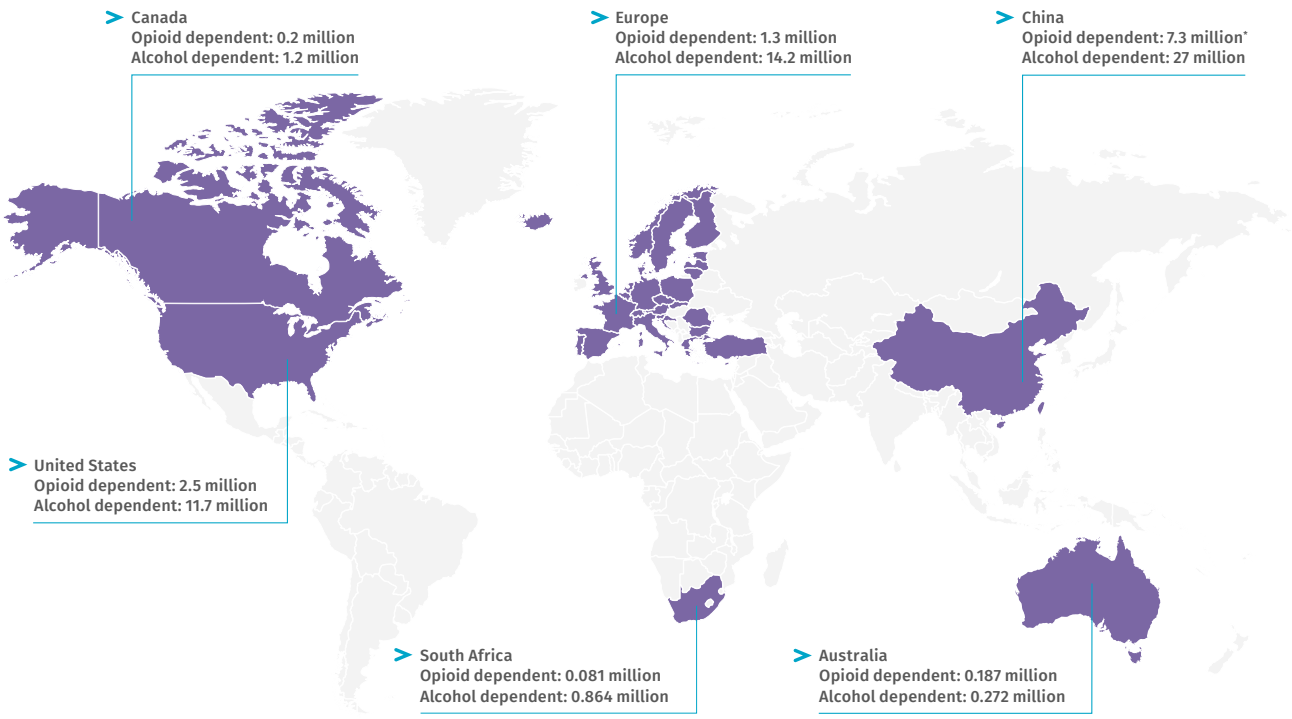
We put the patient first

Quality, safety and compliance are embedded in our culture as well as our patient-centric business model. We believe that we are working to help people. We seek to enable treatment, which is much more than promoting a product. It is treatment that is critical. Our products help support patients as they work to reclaim their lives from addiction.

We embrace our public health leadership position with its obligation to drive improved access and change treatment paradigms.

We have taken the lead in changing attitudes towards addiction and continue to invest in educating and working with physicians, medical societies, payors, policy makers and other stakeholders to help broaden access to treatment. Thought leadership is one of our priorities.

We are relentless in our pursuit to expand access to high-quality treatment services for addiction for patients



* Estimated 7.3m total opioid dependent people, including 1.4m registered patients.

The costs to society of addiction are frightening, not just in terms of consequences to health, but in crime, social dislocation, unemployment and, unfortunately, death. The global disease burden due to drug use is estimated at 3.6 million years of life lost due to premature death in 2010. Worldwide, 3.3 million deaths are attributed to alcohol. Too many lives are lost, unnecessarily – more can be done. Furthermore, in the US, it is widely accepted that every $1 spent on treatment saves $12 in societal costs of addiction.

The argument for wider access to treatment for addiction is compelling. We believe that only by removing the stigma of addiction and moving its treatment into normal, mainstream medicine, can the problem be adequately addressed.

The development of the Company has come mainly as a result of a mindset shift in countries where the authorities have moved treatment of opioid dependence to normalized, medical treatment in the physician's consulting rooms. With a comprehensive treatment plan, including counseling, medical intervention and prescribing of Suboxone® therapies, many opioid-addicted patients can be stabilized and returned to a more normal life while they pursue the behavioral change necessary to address the fundamental issues of which addiction is often just the symptom.

We still have many more countries where we can provide education and support to bring about this mindset change. The evidence from the US, France and Australia, which have pioneered medical treatment for addiction, demonstrates that such a change brings enormous benefit to society.

How do we develop our business from here?

We continue to pursue four main routes to growth:

1. Expanding access to treatment for addiction for patients around the world.
2. Strengthening our leadership position in markets where we are already established.
3. Bringing to market our innovative pipeline of potentially transformational treatments to improve patient outcomes.
4. Growing our business through carefully targeted business development and acquisitions to diversify the risks and widen the range of treatments offered.

In reviewing each of these opportunities for growth, I will also report on our progress in the past year.

1. Expanding access to treatment for addiction patients around the world.

Our first task is to expand access to treatment. In the US, this is mainly driven by encouraging more physicians to train and become waivered to prescribe Suboxone® Film in an office setting. Over 30,000 physicians have been through this process since 2000, and in 2015 a near-record number were newly waivered. Through online search engines, we help patients find appropriately qualified physicians in their locality who can help them into treatment. It is this combination of growing awareness of addiction as a disease that can be treated and the greater availability of qualified physicians that will help most to expand treatment.

Chief Executive's statement

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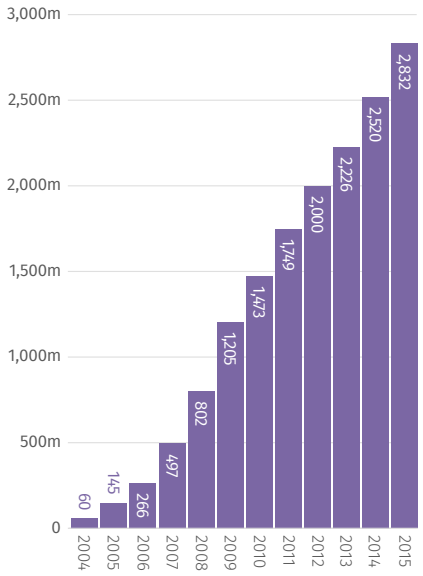
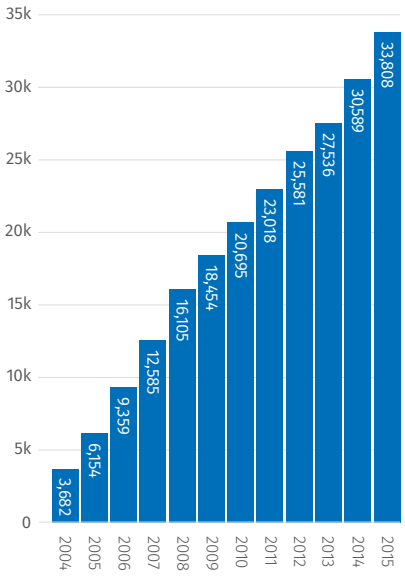
US: Attitude and policy shifts catalyzed patient access to treatment

Buprenorphine treatment has grown rapidly
(Market mgs in millions)



Supported by a consistent growth in certified physicians
(Certified physicians by year in thousands)



818,811

US unique patients received Suboxone® Film in 2015

The total milligrams of buprenorphine prescribed as treatment for patients in the US grew by a low double-digit percentage in 2015, although there was some slowing in growth towards the end of the year. While the Affordable Care Act stimulated some extra growth in 2014 and early 2015, we have now passed the anniversary of that impact. We still believe there is enormous growth potential, however, based on the simple fact that there are 2.5 million people dependent on opioids. In addition, the US Government's announcement in October 2015 of a federal, state, local and private sector initiative to address opioid addiction is another significant progressive act that will help more people get into treatment. Among the goals of the initiative is to double in three years the number of physicians trained and waivered to prescribe buprenorphine.

In some European countries, over half of heroin-dependent people are in treatment. We have begun pilot programs to develop awareness of the under-recognized population that are dependent on prescription opioid painkillers. These initiatives will take time to establish the need, so unfortunately this will not be a short-term opportunity, but we remain convinced that it is the right thing to do for patients.

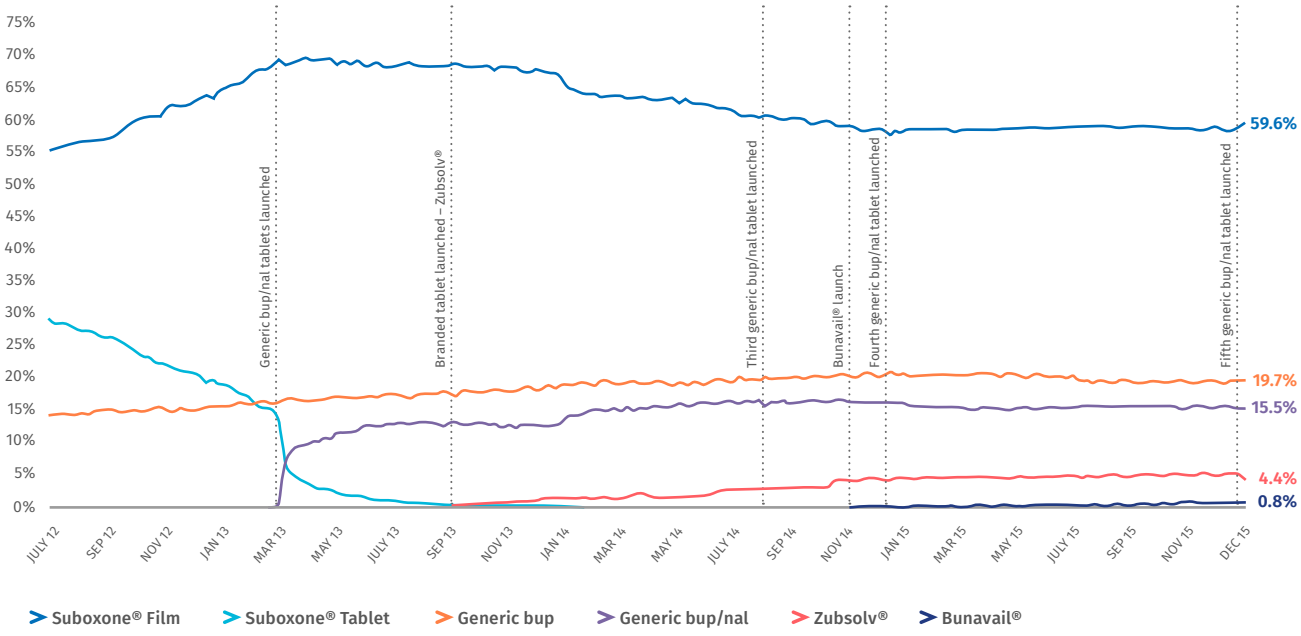
Outside North America and Europe, our business in Australia continues to bring an even greater number of patients into treatment, assisted by enlightened regulation which has allowed us to pioneer treatment for opioid painkiller dependence. In China, a pivotal Phase 3 efficacy trial and Multiple Dose study of Suboxone® Tablets (buprenorphine and naloxone tablet) were completed in December 2015, paving the way for preparation of an New Drug Application (NDA) to be submitted to China FDA in 2016. However, it will be some years yet before this investment begins to pay back in commercialization.

2. Strengthening our leadership position in markets where we are already established.

In the face of growing competition from branded as well as generic products, Suboxone® Film continues to be the leading buprenorphine treatment for opioid dependence in the US, by far our largest market. Suboxone® Film actually marginally increased its share of the total buprenorphine market in the US in the year to 59% (compared to 58% at the end of 2014), proving its resilience with more than 800,000 unique US patients receiving Suboxone® Film in 2015. Suboxone® Film's leadership position is supported by our Clinical Liaisons who work with the treatment community. 57% of our team of Clinical Liaisons have worked with physicians for five years or more to help expand patient access to treatment. In 2015, we increased our Clinical Liaison team to help open more physicians' doors to patients.

We are in the process of defending our intellectual property (IP) for Suboxone® Film which is subject to challenge from multiple generic manufacturers. We are currently in litigation where a ruling is expected in Q2 2016. If the ruling is negative, and a generic film is thereafter approved and launched, this will have significant adverse financial consequences driven by a considerable loss of US market share and revenue. A significant part of future value is highly dependent today on the FDA's approval of Bupernorphine Monthly Depot (a product in our development pipeline) and the subsequent successful US commercial launch of the product. This would be all the more critical in the event of losing Suboxone® Film exclusivity ahead of the Buprenorphine Monthly Depot launch. More information regarding the litigation with the generic challengers is included on page 42 and the full explanation of the Principal Risk Factors on page 48.

US: Competition is intensifying, but Suboxone® Film share remains resilient



Zubsolv® is a licensed trademark of Orexo US, Inc
Bunavail® is a registered trademark of BioDelivery Sciences International, Inc

We believe in the integrity of our IP portfolio and recognize that early certainty to the outcome of the challenges to our Suboxone® Film IP will benefit shareholders and the Company.

In Europe, Subutex® and Suboxone® Tablets have held up well in share even with the availability of a buprenorphine generic tablet. Indeed our brands have clear market leadership, but pricing continues to be under pressure from government austerity measures. Europe presents a medium-term growth opportunity as public health awareness of dependence on prescribed opioids grows and our pipeline innovations enter the European market.

3. Bringing to market our innovative pipeline of potentially transformational treatments to improve patient outcomes.

I remain extremely positive about the potential of our pipeline which aims to transform the treatment of addiction, not just in our next generation of opioid use disorder treatments, but also in expanding to alcohol use disorder, overdose rescue, and psychiatric co-morbidities of addiction. We have made strong progress on our major projects this year, a tribute to the quality of our science and our people.

We were, however, disappointed that the US Food and Drug Administration (FDA) did not approve our Intranasal Naloxone product for opioid overdose rescue in November 2015. In France, a Temporary Authorisation for Use (ATU) dossier was approved by the National Security Agency of Medicines and Health Products (ANSM) in November 2015. Following the Complete Response Letter from the FDA, Indivior has reviewed the future strategy for Intranasal Naloxone.

In light of the timeline for reformulation and clinical development, and the existence of an approved competitor in the US, the decision has been taken to discontinue further development of the existing formula other than supporting the ATU in France.

Our next project is a monthly depot injection of buprenorphine, which has just seen the last patient enrolled in its Phase 3 efficacy trial. We believe this technology can potentially transform the treatment of opioid dependence, if approved, by reducing patients' decision days from 365 a year to 12, offering physicians much greater certainty of adherence to treatment, and helping to reduce abuse, misuse and diversion of medication. We recently published the Phase 2 safety data on this exciting development and held an R&D Day to review the findings with the investment community in December 2015. We look forward to our Phase 3 efficacy results, expected in Q3 2016. We continue to estimate an approval in 2017 by the FDA in the US under the assumption of an accelerated review.

Behind this comes our next improvement to our buprenorphine portfolio, Buprenorphine Hemiadipate. This is a pro-drug of buprenorphine that is an oral, swallowable capsule, which has the potential to reduce abuse, misuse and diversion utilizing an established anti-abuse technology called Abusolve® from Encap. The next phase of our development plan is contingent upon the outcome of our Phase 1 pharmacokinetics trial, which will be available by Q2 2016.

In an earlier stage is our clinical development of Arbaclofen Placarbil, a potential treatment for alcohol use disorders (AUD). This has just begun its Phase 2 safety trial in humans. We believe this compound could transform the treatment of alcohol use disorders similar to the way buprenorphine transformed opioid dependency.

Chief Executive's statement

Continued

5 Generations: Buprenorphine treatment innovations

Subutex® Tablet (Sublingual) > Suboxone® Tablet (Sublingual) > Suboxone® Film (Sublingual) > 1-month Injectable > Swallowable Capsule

Recently, the US FDA released draft industry guidance to assist in the clinical development of AUD medications, reinforcing growing interest in reducing harmful drinking among a much larger population, who are drinking more than is good for their health, but who would not necessarily be classified as alcoholics. Our clinical objective is to reduce problem drinking and associated cravings, resulting in fewer heavy drinking days and safer overall levels of drinking.

Slightly outside addiction, we published compelling preliminary data for the Phase 3 efficacy trial of our monthly depot injection of Risperidone in May 2015.

A monthly dosing interval is the frequency that practicing physicians and psychiatrists tell us they most favor, so the combination of the best interval with the most used compound should result in a valuable addition to the range of treatments for schizophrenia. We are in the process of evaluating how best to monetize this asset, exploring out-licensing, partnerships or outright sale, alongside evaluating its value under our own ownership. With our Phase 3 efficacy trial recently completed, and with an objective to file the NDA in 2016, we expect to solve this opportunity in the year ahead.

4. Growing our business through carefully targeted business development and acquisitions to diversify the risks and widen the range of treatments offered.

Shareholders will be aware that we have not made any significant external investments or acquisitions during the past year. This is not a reflection of lack of interest or effort, but rather a prudent view that the timing was not yet right.

This came from a combination of considerations: the need for the Company to consolidate after the demerger; the lack of clarity around the medium-term financial outlook given continuing patent litigation involving our leading product, Suboxone® Film; the high price of many specialty pharmaceutical assets in the market; and finally, a determination by management and the Board that we would wait for the right deals rather than pursue the short-term market fashion for acquisition, often with limited focus on strategy.

Our leadership in addiction gives us plenty of organic growth potential. Where we believe we can enhance this through acquisitions at sensible valuations, we will do so. We continue to look actively for opportunities in three possible areas:

- Assets in addiction that would add to our business and pipeline and offer interesting improvements in treatment. These are likely to be relatively modest deals, many of them with a longer-term objective, and could happen at any time.
- Diversification into adjacencies in which we could profitably apply our business model of intensive treatment and therapy development to other disease spaces.
- Transformative deals that would project the business into a different scale.

I remain optimistic that we will find suitable opportunities to reinvest our cash flow in diversifying and strengthening the business. We maintain our strategic discipline and intend to progress Mergers and Acquisitions (M&A) for the right opportunity.

2015 Financial performance

Our financial results in 2015 have far exceeded our expectations. Our products have performed well within a very competitive environment resulting in strong net revenue and profit.

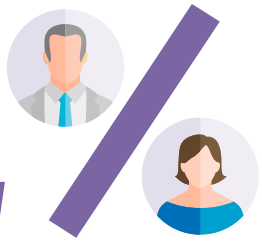
This has resulted in cash flow well in excess of our expectations, thereby allowing us to reinvest faster in Research and Development (R&D) for our pipeline and planning for our new product Buprenorphine Monthly Depot. It also enabled us to pay out a higher dividend to Shareholders than originally expected. Plus, it means our financial position is strengthened, with our debt facility matched substantially by cash in hand of $467m.

Net revenue in 2015 was $1,014m, more than 15% higher than the top end of our initial guidance given in last year's full year results, and only modestly behind the level in 2014, despite facing now five generic tablets and two branded competitors in the key US market.

Indivior employee growth

728 Employees 2014 > 885 Employees 2015

22%



Increase, staffing corporate operations needed as a standalone company and bolstering R&D and commercial capabilities

After the higher operating costs incurred as a stand-alone company, and with some increased investment in both capabilities and in R&D, operating profit was $346m after exceptional costs of $31m. Net income was $228m, significantly above our initial guidance.

We have also made strategic operational progress in the past 12 months. Among the highlights, I would particularly mention:

- Our assumption of operating responsibility for the Fine Chemical Plant (FCP) in Hull, UK, where all our buprenorphine is made, following the demerger.
- The recruitment, staffing and successful introduction of all our new corporate functions.
- The implementation of our Enterprise Resource Planning (ERP) project with the introduction of SAP – the first countries are now live and running smoothly.
- The implementation of our name change to Indivior across virtually all our operating companies.

Relentless progress in 2016

Our first year as an independent public company has been a rewarding experience. We have delivered strongly on our key objectives, and we will continue in the year ahead to be relentless in our pursuit to transform addiction from a global human crisis to a highly treated disease.

We have welcomed many new Shareholders to the Company, and I thank you for your investment in Indivior and our vision. We are committed to ensuring your trust is well placed in us.

The resilience of Indivior is ultimately down to the quality, passion and commitment of our people. In what has been a very busy year, not least with the separation process completing, I thank them all for their efforts. Our employees put patients first every day and make a difference to all patients around the world.

There is still much work to do, but, I am inspired by the progress being made around the world by so many who are deeply invested in changing the treatment paradigm for patients.

On behalf of all of us at Indivior, thank you to the patients and addiction thought-leaders who share their stories in Indivior's 2015 Annual Report. Together, we are shifting attitudes about addiction, one patient at a time.

Shaun Thaxter
Chief Executive Officer

ADDICTION IS A DISEASE IT CAN BE TREATED ONE PATIENT AT A TIME

Opiates, cocaine, cannabis, amphetamines, psychoactive substances

2015 World Drug Report

27m
people aged
15 to 64
suffer from drug use disorders or drug dependence (2013)

1/4bn
people used an illicit drug (2013)

Only **1 in 6** people who use drugs have access to treatment (2015)

1 in 3 drug users are women

However, only 1 in 5 drug users in treatment are women (2015)

The Global Burden of Disease Study 2010

3.6m
years of life were lost due to premature death due to drug use

Opioid dependence contributed most to the burden of disease, being responsible for:

- **55%** of years of life lost due to premature death
- **44%** of years of life lost through disability

16.4m
years of life were lived with a drug-related disability

The burden of disease from opioid dependence increased by **74%**

42% of the increase was attributed to an increase in the prevalence of opioid dependence (Between 1990 and 2010)

Alcohol

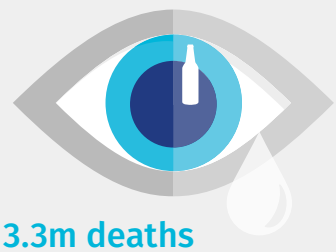
2014 Global Report on Alcohol and Health

124.2m
people are dependent on alcohol (2014)

7.6%

4%

More men than women die from alcohol-related causes (2014)



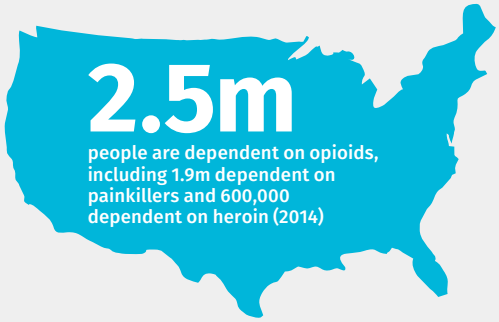
3.3m deaths
were due to harmful use of alcohol (2012)

Global view of addiction

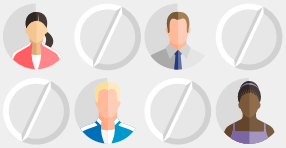
Continued

United States

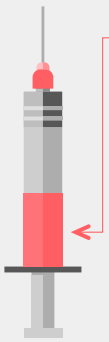
Opioid dependence



44 people die as a result of prescription opioid overdose



EVERY DAY (2013)



45% of people who used heroin were also addicted to prescription opioid painkillers (2013)

2× Heroin use more than doubled among young adults ages 18-25 in the past decade (2002–2013)

Societal costs related to prescription opioid dependence, accounting for healthcare, workplace and criminal justice costs:

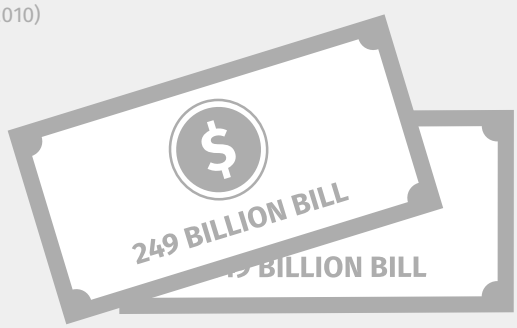
>> **estimated at $55.7bn** (2011)

Alcohol dependence

adults are alcohol dependent (2014)

Nearly 88,000 people die from alcohol-related causes annually, making it the third leading preventable cause of death (2006–2010)

Alcohol misuse problems are estimated to cost: (2010)



Canada

Opioid dependence

> Opioid overdose is the third leading cause of death in Ontario, estimated annually at 500 deaths and projected at more than 1,500 across the country (2014)

> The estimated total societal cost of substance abuse is $39.8bn, of which illegal drugs including heroin accounts for 20.7% ($8.2bn) (2002)

Alcohol dependence

1.2m are alcohol dependent (2014)

The total cost of alcohol-related harm is estimated to be:

Europe

Opioid dependence

There are potentially

1.3m

problem opioid users (ages 15-64), the majority of whom are heroin users (2015)

In just over 1/3 of European countries, more than 10% of all people accessing treatment were treated for problems primarily related to opioids other than heroin (2013)

Across 30 European countries, the total cost of opioid addiction was over **€3bn** (2010)

Alcohol dependence

Alcohol consumption costs European society an estimated **€124bn** (2006)

14.2m

are alcohol dependent

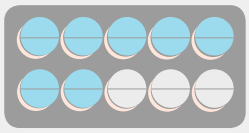
(2014)

Europe has the highest consumption of alcohol per capita (2014)

115, alcohol-related deaths each year (2006)

Australia

Opioid dependence



Approximately 7 out of 10 opioid-related deaths among those aged 15-54 years are not caused by heroin (2010)

Increased use of opioid painkillers dispensed resulted in

a 32-fold increase in cost to the Australian government, up from $8.5m in 1992, to $271m (2012)

3rd highest worldwide for prescription painkiller misuse per year (2014)

186,786 people are opioid dependent (2015)

There are an estimated **110,000** heroin users (2013)

Alcohol dependence

0.272 MILLION

people are alcohol dependent (2014)

China

Opioid dependence

7.3m estimated are dependent on opioids, including 1.4m registered drug users (2014)

Alcohol dependence

27m are alcohol dependent (2014)

Global view of addiction

Continued

ADDICTION IS A CHRONIC, RELAPSING CONDITION

What is addiction?

Addiction is a chronic, relapsing disease characterized by: the compulsion to seek and take a particular drug; the loss of control in limiting intake of the drug; a negative emotional state, such as anxiety or irritability, when access to the drug is withdrawn.

What makes it a disease?

Addiction is not a moral failure: it changes the brain. The disorder is believed to trigger progressive changes to molecular and cellular mechanisms in specific neural networks, causing structural and functional changes that can be seen on MRI scans.

How is addiction treated?

By aiming to reduce drug use by decreasing cravings and addressing any withdrawal symptoms and co-occurring disorders through pharmacological and behavioral therapy, as well as psychosocial support to eventually end illicit drug-taking behavior.

What are treatment options for addiction?

Medication-assisted treatment – the use of medications in combination with counseling and behavioral therapies – is one approach to the treatment of substance disorders. There are two main types of medication-assisted treatment for opioid dependence: methadone and buprenorphine.

Who are the people with opioid addiction?

Addiction does not discriminate

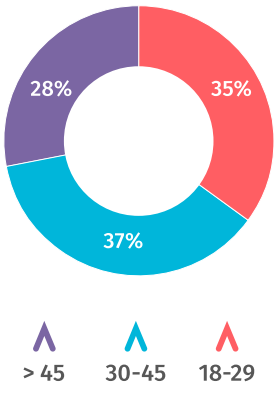
Opioid-dependent patients come from all walks of life*. In 2015, more than half (56%) of Americans reported they have some personal connection to the issue of opioid dependence, saying that they or someone they know has abused, been addicted to, or died from prescription painkillers.

Gender

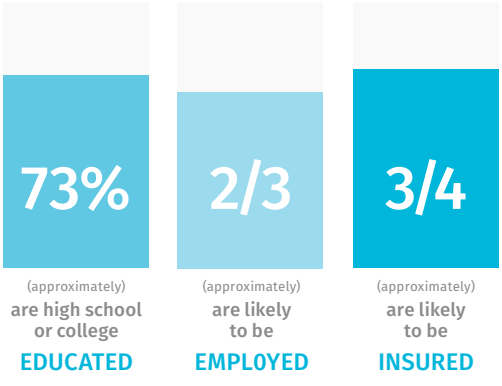
47%
FEMALE

53%
MALE

Age



Statistics



* 2013: source references on page 140.

THE PATIENT JOURNEY IS COMPLEX

While millions of people suffer from addiction, many people are not aware addiction is a disease that can be medically treated so the majority of people go untreated.

Even when people want to stop, cravings or withdrawal symptoms can be so intense that generally there is only a small window of time when a person is emotionally and physically able to pursue treatment.

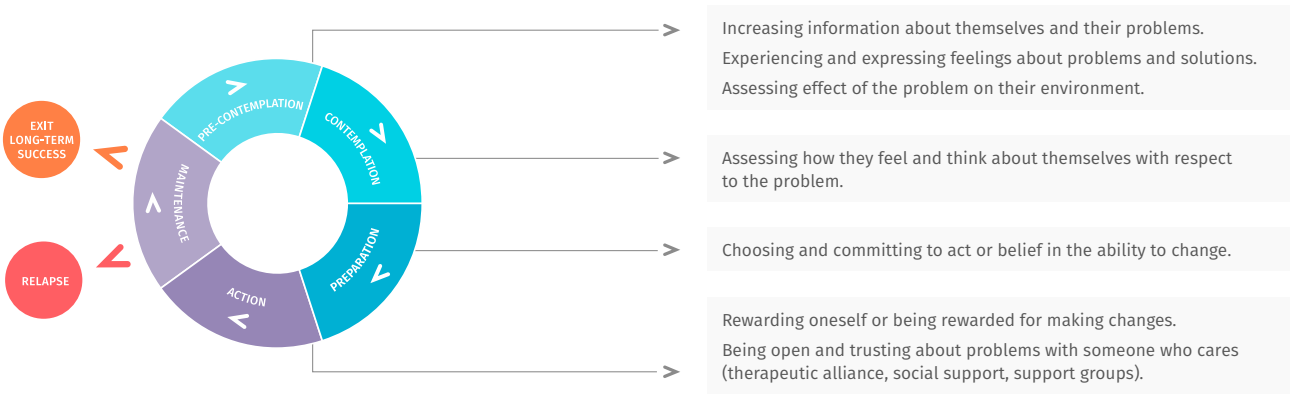
Social stigma, and feelings of guilt and shame, often keep people from seeking treatment.

When a person with opioid addiction decides to take action to change their life, accessing high-quality treatment services can be difficult.

Patients face many obstacles to successful treatment:

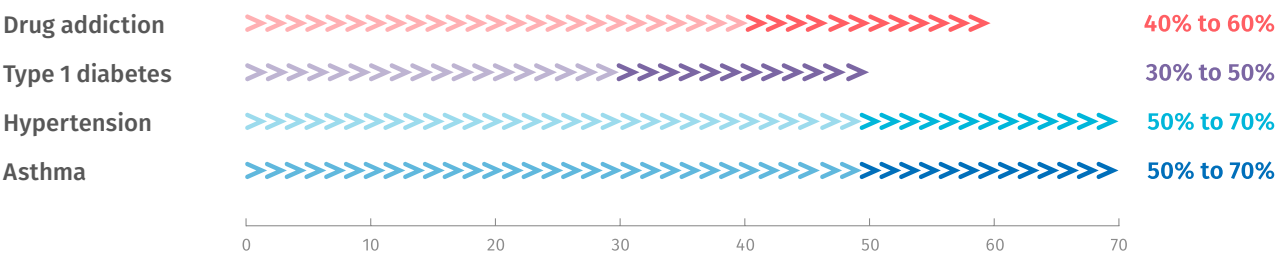
- Adherence to the treatment plan, including medication compliance and risk of relapse, due to the chronic nature of the disease.
- Stigma surrounding the disease and treatment, especially when treatment services are specialized instead of mainstreamed.
- Affordability and coverage for treatment, similar to other health conditions.
- Imposed limits on treatment dose and duration that can result in sub-optimal treatment.
- Family and friends applying pressure to patients to stop taking addiction medication, due to lack of understanding about the disease.

The patient's journey: Stages of change



Comparison of relapse between drug addiction and other chronic illnesses

Relapse rates for people treated for substance use disorders are compared with those for people with diabetes, hypertension, or asthma*.



* 2014: source references on page 140.

Global view of addiction

Continued

ACCESS TO QUALITY TREATMENT IS A BARRIER FOR PATIENTS

Addiction is not about bad people, doing bad things, who deserve to be punished. It is about people who have been exposed to and become dependent on opioid painkillers, alcohol or other addictive substances and who risk being socially marginalized as a result.

- Some societies view addicted people as criminals.
- Other social systems may support treating people with addiction to reduce harm, such as the spread of HIV and hepatitis, but patients are viewed as illegal drug users and treatment is often restricted and highly controlled.
- Even where opioid addiction is legitimized as a disease and people with addiction are viewed as patients, stigma remains a barrier to widespread treatment.

The key to expanding access to quality treatment services for addiction is shifting attitudes and catalyzing progressive policies that change how people with addiction are viewed and supported by governments, healthcare providers, payors and society, so that addiction is normalized as a disease and medically treated.

4-stage model: Transforming attitudes on addiction

Drug policy & regulatory environment	1. ILLEGAL	2. HARM REDUCTION	>	3. RECOGNIZED DISEASE	4. LEGITIMIZED DISEASE
Patient	Criminal	Illegal drug user clients	NORMALIZED	Stigmatized patient	Patient in treatment
Physician	Prevented from providing treatment or very tightly controlled	Distribution of pharmaceuticals through 'drug clinics'	MEDICALIZED	Mix of supervised dosing and take-homes	Focus on quality care with psychosocial support. Take-home medicine standard
Payor*		Driven by government-funded clinics trying to reduce crime and needle sharing	POLICY SHIFT	Funding often limited or capped by governments	Insured patients in mainstream medicine

HEROIN — HEROIN AND PRESCRIPTION OPIOIDS

* Anyone reimbursing or paying for treatment other than the patient, e.g. government healthcare programs and insurance companies.

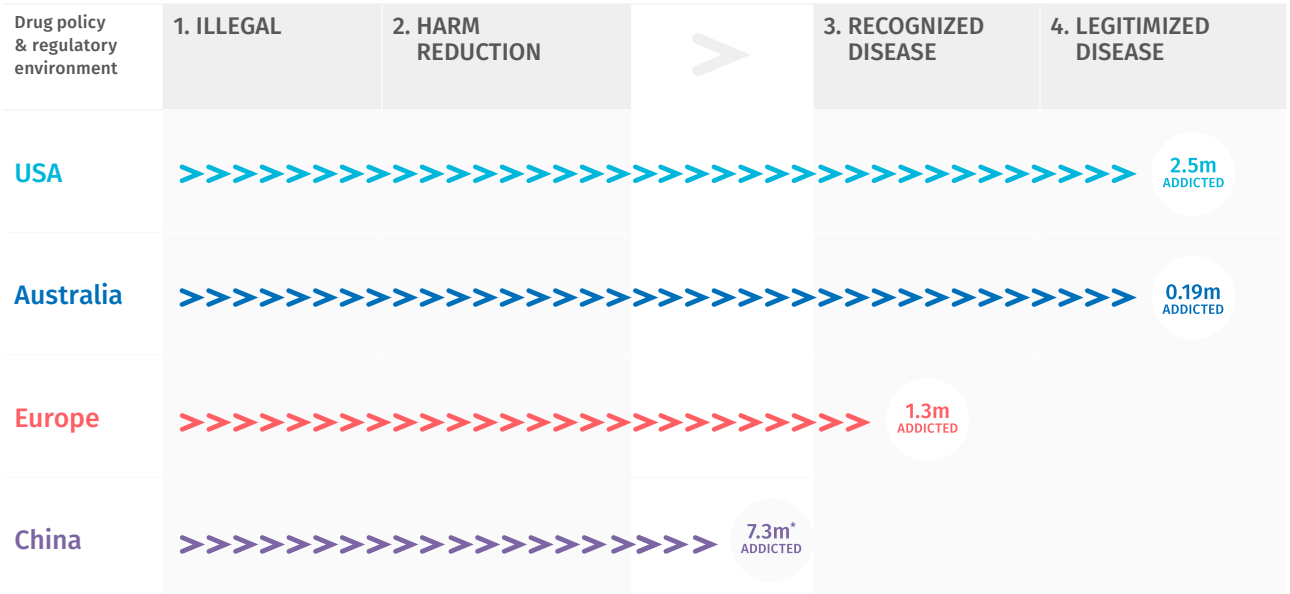
ATTITUDES ARE SHIFTING TO SUCCESSFULLY UNLOCK ACCESS TO TREATMENT

Attitudes are changing around the world. Mounting healthcare costs, the negative economic impact of lost worker productivity, rising crime rates, overwhelmed justice systems, and the unprecedented increase in deaths due to overdose are raising social awareness of the disease and, in many countries, spurring policymakers to act.

We work in partnership with other addiction thought-leaders and stakeholders to:

- Broaden awareness that addiction is a complex, chronic, relapsing disease, and patients deserve to be treated, not stigmatized or punished.
- Expand access to quality care by educating healthcare providers, payors, governments, policymakers, stakeholders and patients about the disease and clinically proven treatment methods.
- Enhance scientific understanding of the disease and patients' unmet needs to stimulate innovation and drive better patient outcomes.
- Demonstrate the positive impacts of a changed addiction treatment paradigm, from improved quality of life for individuals and families to the positive social and economic impacts to society.

Shifting attitudes toward normalized treatment for opioid dependence



* Estimated 7.3m total opioid dependent people, including 1.4m registered patients.

WE PUT PATIENTS FIRST
WE ADVOCATE, ENGAGE AND CONNECT
THIS IS HOW WE DO BUSINESS

INDIVIOR
Focus on you.

CHERYL
PATIENT
US

DUNCAN
PATIENT
ENGLAND

Shaun Thaxter
Chief Executive Officer
Indivior

Tim Baxter
Chief Medical Officer
Indivior

Dr. Mark Menestrina
Medical Science
Treatment Advisor
Indivior

Jolene Head RN, BScN
Clinical Liaison
Indivior

At Indivior, we have always understood that success in treating addiction requires more than just the right products. Our fundamental task is shifting attitudes around addiction and expanding unrestricted access to high-quality treatment services.

We have built a sustainable growth business in addiction by placing patients firmly at the heart of our business, at the center of our decision-making, and always at the front of our minds.

We intend to transform addiction from a global human crisis to a recognized and highly treated disease.

MICHELLE
PATIENT
CANADA

Dr. Ken Lee
Physician and Addiction Specialist, Canadian Medical Health Association, Canada

Dr. Med. Patric Bialas
Head of Pain Ambulance, Medicine Clinic for Anesthesiology, Intensive Care and Pain Therapy, University of Saarland, Germany

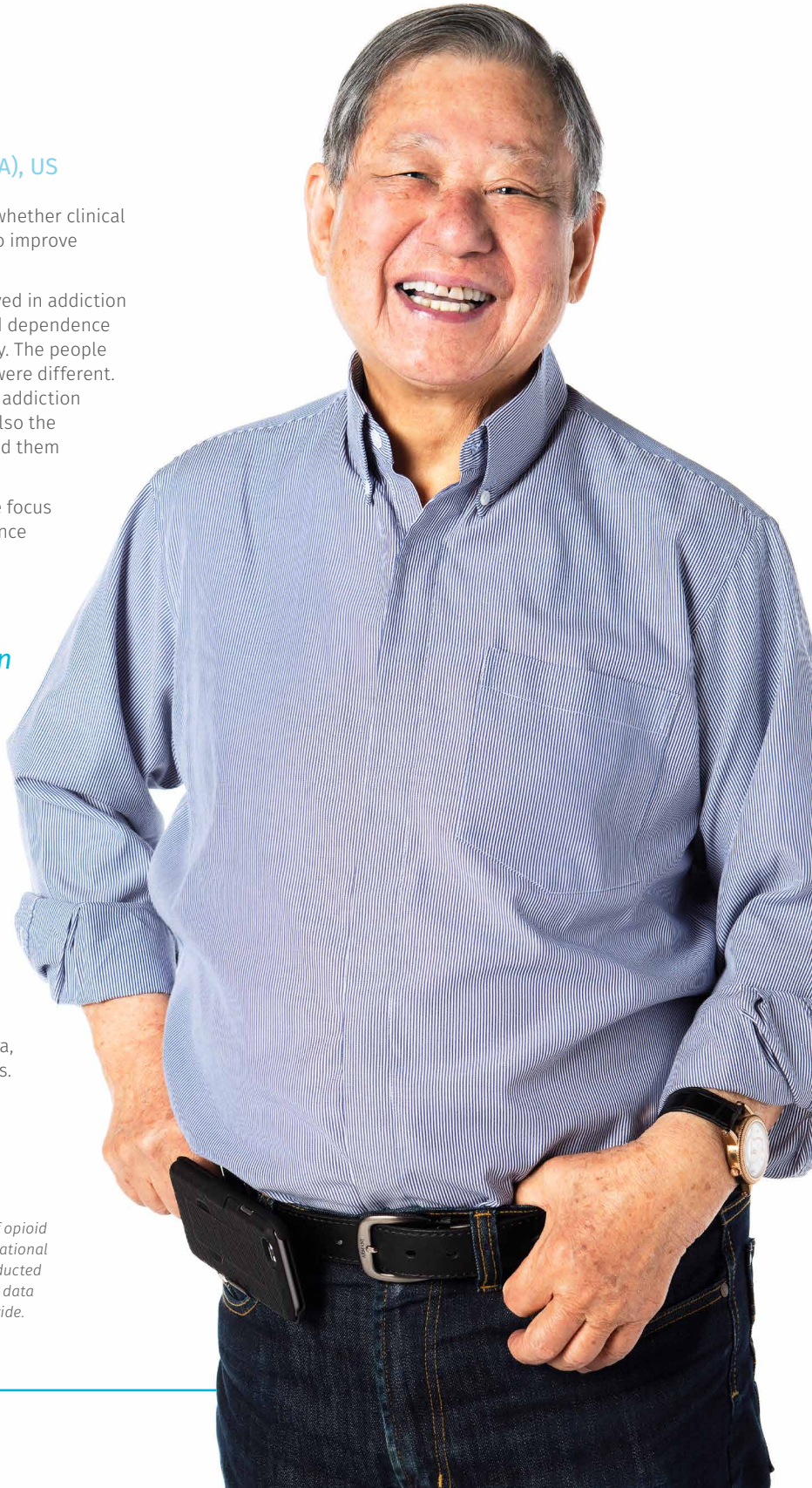
Christian Heidbreder
Chief Scientific Officer
Indivior

Dr. Walter Ling
Professor and Founding Director, Integrated Substance Abuse Program, University of California Los Angeles, US

Richard Simkin
Chief Commercial Officer
Indivior

WE FOCUS ON EFFECTIVE, SAFE, QUALITY PATIENT TREATMENT

PIONEER >



DR. WALTER LING

Professor and Founding Director
Integrated Substance Abuse Programs
University of California, Los Angeles (UCLA), US

All the work I do with buprenorphine or Suboxone®, whether clinical practice or research, is specifically focused on how to improve patient care with medication.

Most companies were not interested in getting involved in addiction treatment when I and others were researching opioid dependence because they didn't think they could make any money. The people at RB – many of the same people at Indivior today – were different. They worked with the US government on researching addiction treatment and developing not only medication, but also the strategies on how to reach patients. Nobody expected them to be successful.

I consult with Indivior because they have an absolute focus on patients. They try to develop things that will advance treatment, not just improve the marketability of medications.

The challenge for patients around the world is that even when addiction is recognized as a disease, they are often still treated like sinners. This is a huge barrier, and Indivior is trying to take it down.

Indivior is making progress because they are very sensitive to local cultures and environment influences and know how to work within systems to help patients.

China is an example. Having started with methadone, the government is developing a medically-based process, and Indivior is working with authorities and stakeholders to introduce buprenorphine. There are millions and millions of unrecognized patients in China, and now, there's hope for expanded treatment options.

That's where Indivior leads: they are bringing out what's hidden and partnering with lots of other people who care to improve the lives of patients. I like this kind of thinking and doing.

Dr. Ling is a highly recognized thought-leader in the treatment of opioid addiction. He has been a continuous grantee researcher of the National Institute on Drug Abuse in the US since its inception, and he conducted most of the pivotal clinical trials of buprenorphine that provided data for its approval by the FDA. Dr. Ling consults with Indivior worldwide.

EDUCATOR >

DR. MARK MENESTRINA

Medical Science Treatment Advisor
Indivior, US

My role is protecting access to buprenorphine treatment in physicians' offices for current and future patients. Patient safety is my top priority. I educate physicians and pharmacists about the medical aspects of addiction treatment, including best practices, effective dosing, and patient adherence and compliance.

At Indivior, we are passionate about making the treatment of addiction better. I help physicians, who have recently completed the mandatory education and training required to treat opioid dependence and prescribe buprenorphine, to build a stronger foundation of knowledge. I also call on experienced physicians, who may be in need of additional education, about how to effectively treat patients, if they are treating too many patients, or prescribing too high a dose.

Stigma around addiction is something patients and Indivior face every day. I constantly hear, "I don't want those people in my office. They lie. They keep using. You can't get them better".

I'm a trained Family Practitioner. My advantage having treated addiction patients, and having been a patient myself, is that I relate to the doctors when I interact with them on this complicated disease.

I was addicted to drugs and alcohol for almost ten years. I lost my medical license, my house and my wife. I stayed in recovery, and that's when I started to focus on addiction medicine. I became certified and practiced addiction medicine at a hospital, which is how I met the people at Indivior. I was impressed by their passion around patients, so I joined in to help.

I'm happy and my family is happy, and the work I'm doing at Indivior is directly helping other people struggling with addiction, which benefits society. I think one of the most powerful levers to expand patient access is quite simple: show the smile on the faces of recovering people, because people do get better. I did.

Transforming addiction

Continued

WE HELP BUILD PATIENT TREATMENT SOLUTIONS

INNOVATOR >

JOLENE HEAD, RN, BScN

Clinical Liaison, Indivior
London, Canada

I'm a registered nurse and have always worked in addiction medicine, both inpatient and outpatient, and I've seen many patients slip through the treatment system and reach disease end-stages. I joined Indivior to have a platform to help change the treatment landscape on a grander scale.

If nobody sees addiction as a disease, how will patients get help? If doctors don't know how to screen patients for opioid dependence, how can they help patients? If I were only educating on Suboxone® as a medicine, how would that help patients get the comprehensive treatment they need?

I spend the majority of my time working to expand the network of physicians treating addiction and connecting the treatment community to help make the system better for patients.

My job is to educate physicians about the disease. If a physician is interested in treating addiction, then I connect him or her with other physicians who are pioneering in opioid dependence treatment and establishing best practices.

I look for opportunities to expand the reach of addiction experts and support collaboration across Ontario and Canada. To help advance the science, I connected one of London's addiction clinics, led by Dr. Ken Lee, to a Toronto-based, six-center meta-study on addiction treatment and relapse.

I believe once you establish a foundation of high-quality care, patients will come, and addiction will be treated like any other disease.

CHAMPION >

DR. KEN LEE

Physician and Addiction Specialist, Canadian Mental Health Association
London, Canada

I started treating addiction at a health center in Toronto, serving homeless and mentally ill patients. When you work with this patient population, you treat addiction because homelessness, mental health and addiction go hand-in-hand. Now, I run a clinic that also treats middle-class patients too – university students, professionals, lawyers, accountants, people who aren't comfortable going to social service drug clinics.

I learned about buprenorphine in a Suboxone® clinical trial. I'm an addiction specialist, so I can treat patients with methadone, which requires a license, or buprenorphine, which does not, although some training is needed.

General practitioners can treat addiction now, but there is still some reluctance to get involved with this disease and patients. When family physicians in London pick up patients who have addictions, they often refer them to my clinic, and we coordinate care together. That works, but what we need is more capacity overall, more physicians treating addiction.

In London, addiction specialists, general practitioners, hospital emergency departments, in-patient teams and detox clinics joined together to integrate services and make the patient treatment system work better. We built a Care Path pilot program that's significantly expanded access to treatment for addictions in the London area. Colleagues in other cities are coming to us to consult on how to set up similar programs, and the provincial government is helping to fund the expansion.

Indivior has helped me expand the reach of addiction services here in London, and I think across Canada too. It's a good thing Indivior is doing, helping doctors connect, because it's helping more patients.

VICTOR >

MICHELLE

Patient, Canada

There is absolutely no certain 'face of addiction'. To me, being addicted meant you were on the street buying drugs on the corner. Never did I think that you could become addicted taking a drug prescribed by a doctor.

What got me into difficulty was severe pain. The cause was unclear, so I was prescribed painkillers, and within a few months, I was given higher doses for increasing pain. Eventually, the pain problem was uncovered: gallstones. They were removed, but by then I was addicted to painkillers. I couldn't function without them, and I couldn't function with them.

I was in my late 30s, with a husband and three kids, and I was in a fog and in a spiral – it had a domino effect on my family. I had to get help, and I went to Dr. Ken Lee.

Dr. Lee explained to me that my brain had gotten used to painkillers and it was going to take time to heal. He also explained treatment and what my experience may be like. I was scared, but I did it: I trusted Dr. Lee, and I started treatment.

I didn't think I would ever have a normal life again, but treatment gave me my life back. I've got a voice now, and I want to make sure that I use it to help others transition their lives out of tragedy too. What I would say to anybody is, I don't care how you got addicted – there is hope.

WE HELP EXPAND ACCESS TO TREATMENT WORLDWIDE

CRUSADER >

DUNCAN

Patient, England

My drug career started in the 80s, but didn't get serious until the 90s. When I asked for help from my doctor, the only options available were methadone or do-it-yourself. Getting treatment, like drugs, was a gradual thing.

You don't wake up one day and say, "I'm going to be a heroin addict". I went into drugs quite slowly and gradually, and I came out of drug addiction quite slowly and gradually.

There is a difference between people who take drugs recreationally and those who become dependent – it's like the difference between people who have a glass of Chardonnay at the weekend and those who drink a bottle of vodka before they start work.

People who become addicts, like myself, generally something happened: physical or mental abuse, health issues and so on. You self-medicate with alcohol, cannabis, or other drugs and feel better. You think of drugs as a cure, not a problem. It's all very well treating the addiction with medicine, but you've got to look at what caused the behavior in the first place, or it's very likely to reoccur.

Two of the biggest steps I took were getting out of a hostel, where drug use was all around, and going to a place where they really understood drug addiction and tried to help people, not punish them. That's where I was treated with Subutex® Tablet.

I remember an ex-user at a conference saying: "all of a sudden I became a member of society again". But, you never left society – you just weren't a very popular part of it.

We need massive education of doctors about the disease, treatment options and how to work out what is best for a specific patient. We need people to learn what their options are, whether that's residential rehab, detoxification, or what medication options are available. We need not to be judged, as well.

If treatment isn't available, people will die, lives will be wrecked, and there is a lot of fallout. It's not just drug users, it's their families. I say to users, there are a lot of good people who will try to help you. Forget about the ones who treat you like scum. There are people who will try and will help you!

Duncan is co-founder of a charity to provide peer support and guidance for patients currently in drug or alcohol treatment. The organization trains recovering patients to advocate for others and helps patients navigate the treatment and social support systems.

TRAILBLAZER >

DR. MED. PATRIC BIALAS

Head of the Pain Ambulance at the Medicine Clinic for Anesthesiology, Intensive Care and Pain Therapy
University of Saarland, Germany

It's very important to differentiate between patients stable on opioids to treat pain, patients who become unintentionally addicted, and people who become addicted from abusing opiates. These are very different circumstances. You can't put people all in the same box.

If I am treating a patient with chronic pain with opioids who is working, has life-balance and a family, I wouldn't think that patient is painkiller-dependent. Prescribed opioids, indicated for pain management, help patients manage their condition. However, if something changes that disrupts or destabilizes a patient's life-balance such as losing a job, or their behaviors change, or they need more pain medication to be stable, then I think there could be an addiction problem. That's when I talk with the patient. It's one of the challenges in uncovering patients who are moving away from taking their painkiller for a legitimate need toward misuse or abuse. Physicians have to talk to their patients or they won't see the problem.

All pain doctors have a patient we know is addicted to opioids. Now, we are starting to get some tools from Indivior to help focus on these patients.

Suboxone® Tablets are not new in Germany, because Suboxone® is commonly prescribed to treat heroin users by addiction specialists. What's new is that now some pain doctors are using Suboxone® for their patients who have become addicted to painkillers. Suboxone® makes it possible to continue treating our own patients for addiction as outpatients instead of sending them to an inpatient ward traditionally focused on addiction treatment for heroin patients.

Indivior is doing very good work educating pain and family physicians about the appropriate use of this medication for opioid dependence. They are looking at where the unique needs are in Germany and not telling us how great treatment is in the US so we should do it too. Instead, they're saying 'you can use this medication to treat patients who you think are addicted to opioids.' I think what Indivior is doing is cool.

OUR MISSION IS INNOVATION
OUR APPROACH IS COLLABORATION
OUR AIM IS TRANSFORMATION

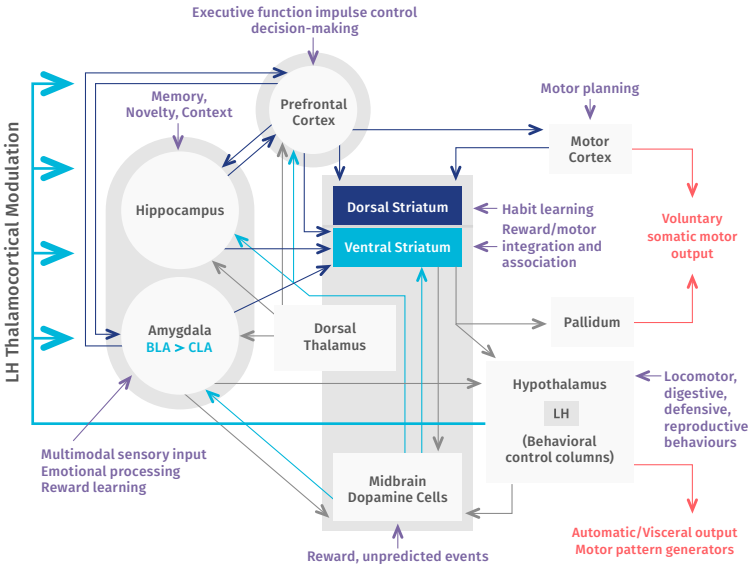
Our mission in R&D is to discover and develop innovative medications that help transform patients' lives through world-class science and a culture of collaboration.

Our focus is patients' unmet needs, including relapse, diversion and abuse. We aim to develop products that patients and physicians prefer.

Our approach is to leverage existing compounds and technologies to develop potentially transformational treatments for addiction.

Our strategy is to develop products that address the challenges in addiction medicines: efficacy, safety, delivery (including adherence, abuse and diversion) and cost.

What are the challenges in addiction neuroscience?



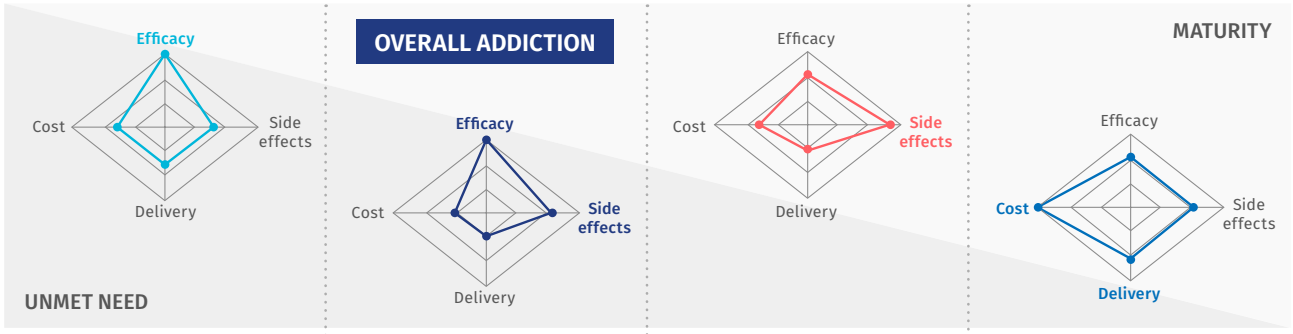
Understanding addiction as the result of long-term molecular and cellular adaptations in key neural networks

- Learning and memory are impaired.
- Resisting repetitive, maladaptive behaviors is failing.
- Aspects of decision-making are compromised.
- Reward prediction is biased.
- Motivation is altered.

The 'ideal' drug candidate would:

- Inhibit the reinforcing properties of drugs and associated cues.
- Reinstate the mechanisms of control by the Prefrontal Cortex (PFC) over the Ventral Tegmental Area-Nucleus Accumbens (VTA-NAc).
- Relieve physical and motivational withdrawal symptoms.
- Prevent relapse in response to drug priming, environmental cues (context), and stress.
- Have an impact on the negative reinforcement generated by the stress neural circuit (extended amygdala).

Indivior's R&D strategy to address challenges at different stages of drug development



TYPE A
New disease area
High unmet needs

Stimulant use disorder
Cannabis use disorder

TYPE B
Low disease maturity
High unmet needs

Alcohol use disorder

TYPE C
Relative maturity
Some unmet needs

TYPE D
Mature disease area
No unmet needs

Opioid use disorder

NEW INDICATIONS, APPROVED APPLICATIONS, CLINICAL PROGRESS

We increased our investment in R&D by 29% to $148m (vs. 2014: $115m), allowing us to make considerable progress on our pipeline development, achieve label expansion on our current buprenorphine portfolio and strengthen our product development and commercialization infrastructure.

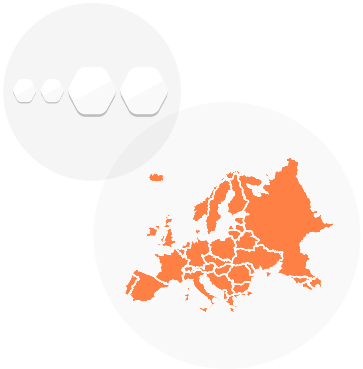
We achieved multiple milestones to support our current commercial buprenorphine products and across our addiction treatment pipeline, including:

- New route of administration for Suboxone® Film (buccal administration) in the US.
- China FDA approved clinical trial application for Suboxone® Film, November 2015.
- France ATU for Nasal Naloxone approved November 2015 for opioid overdose treatment.
- Compelling Phase 3 efficacy data (primary, secondary, and tertiary endpoints met) on Risperidone Monthly Depot, an innovation in treating schizophrenia.
- Buprenorphine Monthly Depot progressing through Phase 3, with the potential to transform opioid use disorder treatment.
- Type B meeting with the FDA on our Cocaine Esterase (RBP-8000) for the treatment of cocaine intoxication successfully held in May 2015 under Breakthrough Therapy Designation.
- One new Phase 2A trial started on Arbaclofen Placarbil for the treatment of alcohol use disorder.
- One new Phase 1 trial initiated for Buprenorphine Hemiadipate, an oral swallowable capsule and next-generation treatment for opioid use disorder.
- Eight new peer-reviewed publications on our non-clinical and clinical research.

Suboxone® therapies: Global progress

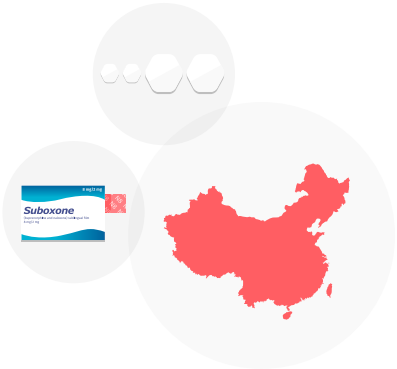
> United States

With FDA approval of buccal administration in September 2015, patients in the US now have an option to place their daily dose of Suboxone® Film against the cheek, or under the tongue.



> Europe

The EU approved Suboxone® Tablet 16mg/4mg strength tablets in November 2015, providing patients and physicians with expanded dosing options. However, our application for Suboxone® Film formulation has been delayed, as the prototype formulation for EU has not met its specified bio-equivalency to EU Suboxone® Tablet formulation.



> China

Suboxone® Tablet clinical trials are progressing very well. In December 2015, a pivotal Phase 3 efficacy trial and Multiple Dose study were completed, paving the way for preparation of an NDA to be submitted to China FDA in 2016. In addition, the Clinical Trial Application (CTA) to initiate clinical efficacy and safety trials for Suboxone® Film was approved by the Chinese Center for Drug Evaluation.

Research & Development: Pioneering pipeline

Continued

NEXT GENERATION, FIT FOR PURPOSE

We have 10 programs in development in our R&D organization, and, as Indivior, we managed an unprecedented number of ongoing trials in 2015. We remain focused on delivering products that address unmet needs in addiction aligned with our R&D strategy.

To maximize our potential for success with our next-generation treatments in opioid use disorder and innovations in other areas of addiction, we:

- Expanded our global infrastructure, which we expect will top 196 employees by year-end 2016, uplifting our functional capabilities, deepening our already industry-leading scientific expertise and expanding our clinical trial breadth.
- Established new functional roles to enhance cross-organizational integration with Finance, Strategic Planning, M&A and Commercial Development to ensure alignment on our target product profiles.
- Initiated four major pharmacoeconomics studies aimed to demonstrate the potential cost-effectiveness of our pipeline products to address payor's increasing focus on overall healthcare cost reductions.

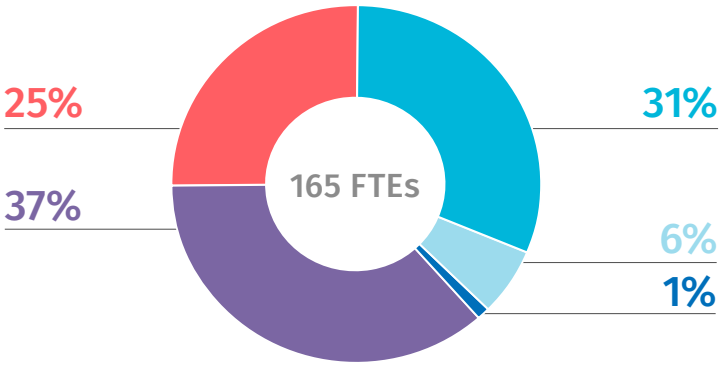
> R&D Roles

Chemistry, Manufacturing and Controls, including Hull (UK) and Fort Collins (US), ensures that the chemical and physical properties of active pharmaceutical ingredients of all pipeline drug substances and products are analyzed and monitored at all critical phases of the development pathway.

Clinical Development is accountable for creating, maintaining and executing all clinical development plans, in order to deliver differentiated target product profiles.

Regulatory Affairs leads the development and implementation of a consolidated global regulatory strategy to guide all assigned products through all development phases and post-approval lifecycle management.

Building an R&D organization fit for purpose



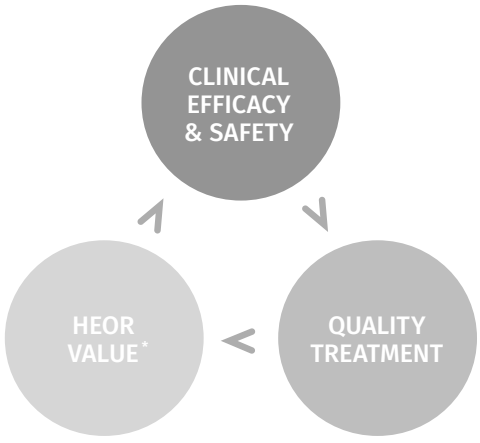
> Clinical
- Clinical Operations
- Clinical Sciences
- HEOR

> CMC
- Formulation Development
- Analytical Development
- Process Development
- Chemical Development

> Regulatory
- Regulatory Strategy
- Regulatory Operations
- Regulatory Affairs NA; EU; Australasia

> GMP
- Global Program Management
- Financial planning
- Timelines
- KPIs

> Training
- Onboarding
- Development
- Retain Talents



* Health Economics and Outcomes Research

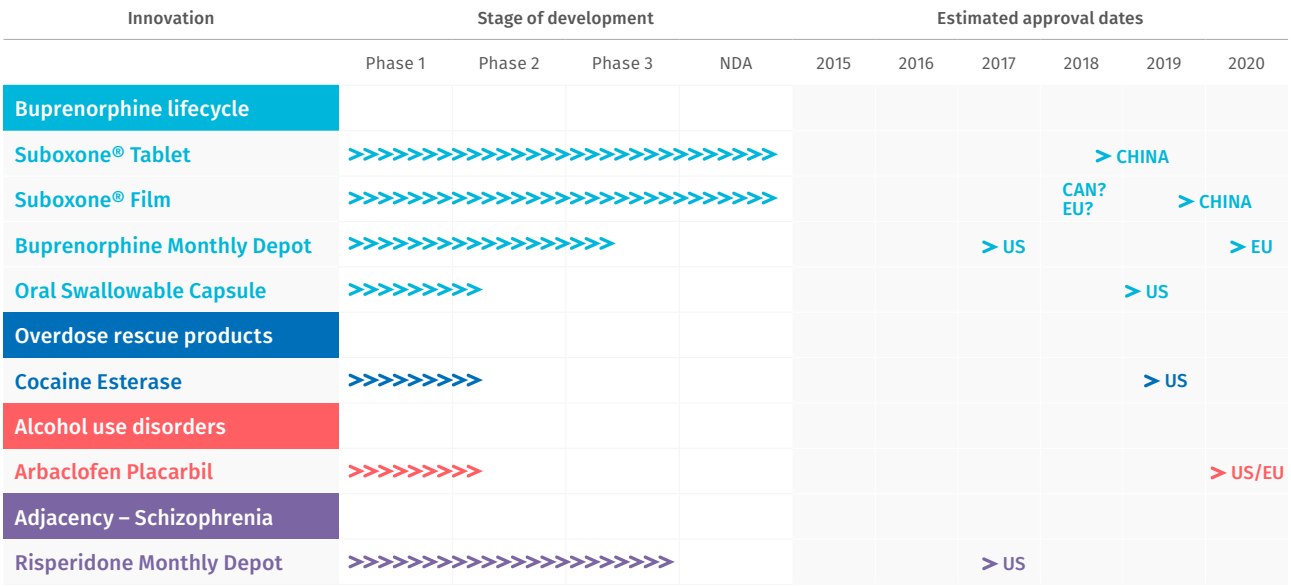
OUR PIPELINE, BUILT TO TRANSFORM ADDICTION

We have developed a pipeline that has the potential to transform the treatment of addiction, including next-generation opioid dependence, alcohol dependence, overdose rescue and co-morbidities of addiction / schizophrenia.

Recognized for scientific excellence
In 2015, eight of our studies were published in peer-reviewed publications:

- Heidbreder C, Johnson RE, Chapleo C, Fudala PJ (2015) **Indivior: Pioneering research and development in the treatment of addictions.** *Nature*, 522 (7557): Supp. S45-S63.
- Nasser A, Heidbreder C, Liu Y, Fudala PJ (2015) **Pharmacokinetics of Sublingual Buprenorphine and Naloxone in Subjects with Mild to Severe Hepatic Impairment (Child-Pugh Classes A, B, and C), in Hepatitis C Virus-Seropositive Subjects and Healthy Volunteers.** Clin. Pharmacokinetics, 54(8): 837-849.
- Laffont CM, Gomeni R, Heidbreder C, Jones JP 3rd, Nasser AF (2015) **Population pharmacokinetic modelling after repeated administrations of RBP-6000, a new, subcutaneously injectable, long-acting, sustained-release formulation of buprenorphine for the treatment of opioid use disorder.** J. Clin. Pharmacol., Oct 19th, Electronic publication ahead of print.
- Nasser AF, Greenwald MK, Vince B, Fudala PJ, Twumasi-Ankrah P, Liu Y, Jones JP III, Heidbreder C (2016) **Sustained-Release Buprenorphine (RBP-6000) Blocks the Effects of Opioid Challenge with Hydromorphone in Subjects with Opioid Use Disorder.** J Clin Psychopharmacol. 36(1): 18-26.
- Laffont CM, Gomeni R, Zheng B, Heidbreder C, Fudala PJ, Nasser AF (2015) **Population pharmacokinetic modeling and simulation to guide dose selection for RBP-7000, a new sustained-release formulation of risperidone.** J. Clin. Pharmacol., 55(1): 93-103.
- Nasser AF, Henderson DC, Fava M, Fudala PJ, Twumasi-Ankrah P, Kouassi A, Heidbreder C (2016) **Efficacy, safety and tolerability of RBP-7000 once monthly risperidone for the treatment of acute schizophrenia: An 8-week, randomized, double-blind, placebo-controlled, multicenter Phase 3 study.** J. Clin. Psychopharmacology, Feb 9th.
- Micheli F, Cremonesi S, Semeraro T, Tarsi L, Tomelleri S, Cavanni P, Zonzini L, Feriani A, Braggio S, Heidbreder C (2016) **Novel morpholine scaffolds as selective dopamine (DA) D3 receptor antagonists.** Bioorganic & Medicinal Chemistry, 26(4): 1329-1332.
- Liu Y, Li X, Xu A, Nasser AF, Heidbreder C (2015) **Simultaneous determination of buprenorphine, norbuprenorphine and naloxone in human plasma by liquid chromatography/tandem mass spectrometry.** J. Pharm. Biomed. Analysis, 120: 142-152.

An innovative pipeline designed to improve patient outcomes



Research & Development: Pioneering pipeline

Continued

PRODUCTS IN PIPELINE: OPIOID, ALCOHOL, SCHIZOPHRENIA

> Opioid use disorder (OUD)

Buprenorphine Monthly Depot

With Buprenorphine Monthly Depot, patients do not need to make a daily decision to take their medication. This has the potential to cut 'decision days' to just 12 a year.

Treatment need: Reduce risk of relapse, misuse and diversion

For patients: Monthly depot can reduce decision days from 365 a year to 12

For physicians: Aims to improve compliance and reduce potential for diversion

For payors: Potential decrease in overall healthcare costs

Technology: Uses existing Atrigel platform

Stage: Phase 2 data published. Phase 3 efficacy trial – all patients enrolled; in progress

Estimated approval: 2017

Atrigel®
is an FDA-approved drug delivery platform used for the treatment of prostate cancer, under the brand name ELIGARD®.

Using Atrigel, the medication is injected as a liquid, subcutaneously in the abdomen, where it solidifies, releasing the drug slowly (typically over a month) before biodegrading.

ELIGARD is a trademark of the TOLMAR group

> Alcohol use disorder (AUD)

Arbaclofen Placarbil

With Arbaclofen Placarbil, patients do not have to abstain from drinking or detoxify first. This could transform the treatment of alcohol use disorders – just as buprenorphine has done with opioid dependency.

Treatment need: Reduced harmful drinking days

Significant undertreated population: 124.2m worldwide

No mainstream treatment currently available

Transforms treatment: Does not require detoxification before treatment

Leverages 'the known': Existing compound completed Phase 3 safety trials for different therapeutic indication

Stage: Initiated Phase 2 trial

Estimated approval: 2020

Alcohol use disorder
Recently, the US FDA released draft industry guidance to assist in the clinical development of AUD medications, reinforcing growing interest in reducing harmful drinking among a much larger population, who are drinking more than is good for their health, but who would not necessarily be classified as alcoholics.

> Co-morbidities of addiction

Risperidone Monthly Depot in Atrigel

Research tells us physicians and psychiatrists prefer a monthly treatment for schizophrenia. This will be the only monthly depot of risperidone, the most widely prescribed compound for the treatment of schizophrenia.

Treatment need: Improved adherence

Existing risperidone is only a two-week depot

Leverages 'the known': Existing compound that uses Atrigel platform, already on market (prostate cancer)

Stage: Phase 3 long-term safety study ongoing and on track. Compelling preliminary data for Phase 3 efficacy trial published May 2015

Estimated approval: 2017

Risperidone
is an efficacious and trusted molecule with 20+ years of data and physician experience supporting its efficacy. It is the most commonly used antipsychotic to treat schizophrenia. The monthly depot is targeted to be the first risperidone product to enable once-a-month dosing, not requiring on-top dosing with oral tablets to supplement efficiency.

RELENTLESS FOCUS ON UNMET PATIENT NEEDS

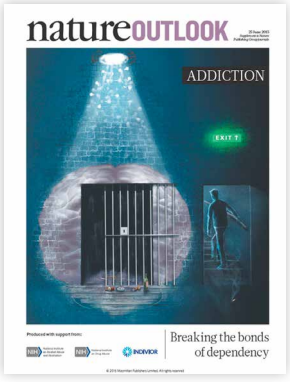
Contributing to public health innovation on addiction

The key to expanding treatment options for patients is expanding understanding of the disease of addiction and patients' unmet needs. To help spur innovation and new thinking across the scientific, public health and treatment community, as well as the pharmaceutical industry, in 2015, Indivior supported a supplement to the US-based journal Nature: **'Addiction: Breaking the bonds of dependency'.**

The supplement was also co-sponsored by the National Institute on Drug Abuse (NIDA) and the National Institute on Alcohol Abuse and Alcoholism (NIAAA). We also contributed to the content with our own White Paper on pioneering research and treatment development.

2016: Accelerating progress, pursuing excellence

Our long-term strategic alliances with public health policymakers such as NIDA, the Substance Abuse and Mental Health Services Administration (SAMHSA) and NIAAA, as well as our ongoing collaboration with key opinion leaders in the addiction community, have enabled Indivior to be at the forefront of new treatment options for patients. In the year ahead, we will continue our relentless pursuit of progress toward potentially transformational treatments for addiction for patients worldwide.



Nature supplement 'Addiction: Breaking the bonds of dependency'

Indivior's White Paper

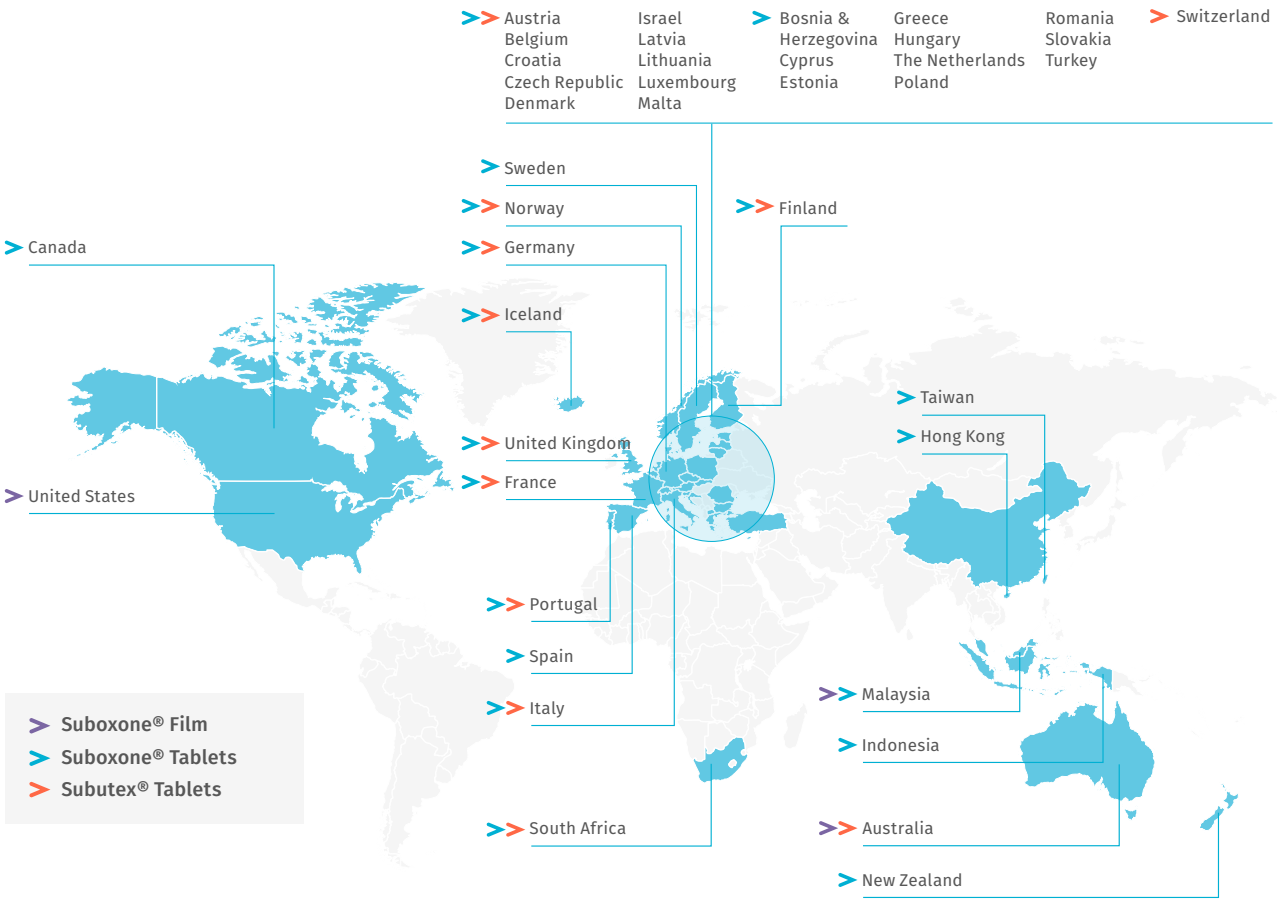
Christian Heidbreder
Chief Scientific Officer, Indivior

WE FOCUS ON PATIENTS
WE PIONEER LIFE-TRANSFORMING TREATMENT
WE LEAD IN ADDICTION TREATMENT

Indivior's core products, which are currently available in over 40 countries, are Suboxone® Film (buprenorphine and naloxone), Suboxone® Tablet (buprenorphine and naloxone), and Subutex® Tablet (buprenorphine), all of which are approved to treat opioid dependence.

Indivior's main geographic market (based on the country where the sale originates) is the US, which accounted for 80% of net revenues in 2015 (2014: 77%) and where Suboxone® Film is the buprenorphine market leader. Rest of world, Suboxone® therapies and Subutex® Tablet are market leaders.

Indivior's global presence



* Represents licensed and commercially available products.

GROWTH STRATEGIES DETAIL

Indivior continues to pursue four main routes to growth:

1. Expanding access to treatment for addiction for patients around the world.
2. Strengthening our leadership position in markets where the Company is already established.
3. Bringing to market our innovative pipeline of potentially transformational treatments to improve patient outcomes.
4. Growing our business through carefully targeted business development and acquisitions to diversify the risks and widen the range of treatments offered.

1. Expanding access to treatment for addiction for patients around the world.

In the US, expanding access is mainly driven by encouraging more physicians to train and become DATA 2000 waivered to prescribe Suboxone® Film in an office setting. Over 30,000 physicians have been through this process since 2000. Through online search engines, we help patients find appropriately qualified physicians in their locality who can help them into treatment. It is the combination of growing awareness of addiction as a disease that can be treated and greater availability of qualified physicians that will help most to expand treatment.

There continues to be significant growth potential in the US, based on the fact that there are up to 2.5 million people today who are dependent on opioids.

In Europe, the Company has begun pilot initiatives to develop awareness of the under-recognized population that are dependent on prescription opioid painkillers. These programs will take time to establish the need; growth will not be a short-term opportunity, but the Company remains convinced that it is the right thing to do for patients.

Outside North America and Europe, our business in Australia continues to bring a greater number of patients into treatment, assisted by enlightened regulation, which has allowed us to pioneer treatment for opioid painkiller dependence. In China, a pivotal Phase 3 efficacy trial and Multiple Dose study of Suboxone® Tablets were completed in December 2015, paving the way for preparation of an NDA to be submitted to China FDA in 2016. However, it will be some years yet before this investment begins to pay back in commercialization.

2. Strengthening our leadership position in markets where we are already established.

In the face of growing competition from branded as well as generic products, Suboxone® Film continues to be the leading buprenorphine treatment for opioid dependence in the US market. Suboxone® Film actually marginally increased its share of the total buprenorphine market in the US in the year to 59% (compared to 58% at the end of 2014), proving its resilience with more than 800,000 unique patients treated with Suboxone® Film.

In the European market where our Subutex® and Suboxone® Tablets have held up well in share terms against generic alternatives and have clear market leadership, pricing is under constant pressure from government austerity measures.

3. Bringing to market our innovative pipeline of potentially transformational treatments to improve patient outcomes.

The Company's pipeline has the potential to transform the treatment of addiction in the next decade, delivering a new generation of opioid use disorder treatments and an expanded range of products covering alcohol use disorder, overdose rescue and psychiatric co-morbidities of addiction.

Buprenorphine Monthly Depot: This product, designed to treat opioid dependence, has entered Phase 3 efficacy trials. The Company also published Phase 2 safety data, and we continue to estimate an approval in 2017 by the FDA in the US under the assumption of an accelerated review.

Buprenorphine Hemiadipate: The Company's next improvement to buprenorphine-based treatment is an oral, swallowable capsule of Buprenorphine Hemiadipate. The product has just entered its first trials in humans. The next phase of our development plan is contingent upon the outcome of our Phase 1 pharmacokinetics trial, which will be available by Q2 2016.

Arbaclofen Placarbil: Also in earlier stage of clinical development is Arbaclofen Placarbil, a potential treatment for alcohol use disorders. This has just begun its Phase 2 safety trial in humans. The Company believes this compound, if approved, could transform the treatment of alcohol use disorders similar to the way buprenorphine changed opioid dependency.

Risperidone Monthly Depot: Slightly outside addiction, the Company published compelling preliminary data for the Phase 2 efficacy trial of its Risperidone Monthly Depot in May 2015. This is a depot of the most widely prescribed compound for the treatment of schizophrenia. We are in the process of evaluating how best to monetize this asset, exploring out-licensing, partnerships or outright sale, alongside evaluating its value under our own ownership. With our Phase 3 efficacy trial recently completed, and with an objective to file the NDA in 2016, we expect to solve this opportunity in the year ahead.

How we performed

Continued

Opioid Overdose Rescue: The US FDA did not approve the Company's Intranasal Naloxone product for opioid overdose rescue in November 2015. In France, Temporary Authorisation for Use (ATU) dossier was approved by ANSM in November 2015. Following the Complete Response Letter from the FDA, Indivior has reviewed the future strategy for Intranasal Naloxone. In light of the timeline for reformulation and clinical development, and the existence of an approved competitor in the US, the decision has been taken to discontinue further development of the existing formula other than supporting the ATU in France.

Other candidates: The Company's published pipeline of new, innovative potential treatments for addiction and its consequences has not grown in the past year, but the Company continues to focus on qualifying more candidates, both internal and external. The Company has two early-stage projects, one in stimulant use disorder, the other in alcohol use disorder.

4. Growing the business through carefully targeted business development and acquisitions to diversify the risks and widen the range of treatments offered.

The Company has not made any significant external investments or acquisitions during the past year. This is not a reflection of lack of interest or effort, but rather a prudent view by the Company's Board that the timing was not yet right.

Considerations include: the need for the Company to consolidate after the demerger; the lack of clarity around the medium-term financial outlook given continuing patent litigation involving the Company's leading product, Suboxone® Film; the high price of many specialty pharmaceutical assets in the market; and finally, a determination by management and the Board that the Company would wait for the right deals rather than pursue the short-term market fashion for acquisition, often with limited focus on strategy.

The Company's leadership in addiction gives it much room for organic growth potential. Where the Company believes it can enhance this through acquisitions at sensible valuations, it will do so. The Company continues to look actively for opportunities in three possible areas:

- Assets in addiction that would add to its business and pipeline and offer interesting improvements in treatment. These are likely to be relatively modest deals, many with a longer-term objective, and could happen at any time.
- Diversification into adjacencies in which it could profitably apply its business model of intensive treatment and therapy development to other disease spaces.
- Transformative deals that would project the business into a different scale.

The Company is optimistic it will find suitable opportunities to reinvest its cash flow in diversifying and strengthening the business. The Company maintains its strategic discipline and intends to progress M&A for the right opportunity.

2016 Priorities

The Company's belief in the growing medium-term opportunity for Indivior continues to be strong. In 2016, Indivior's priorities are to:

- Continue to expand access to treatment for the chronic, relapsing disease of addiction in the US and globally;
- Build on the resilience of our existing franchise with Suboxone® Film in the US;
- Continue relentless progress in developing our pipeline of potentially transformational treatments for addiction;
- Seek appropriate diversification of the business into strategically interesting new sources of revenue and cash flow; and
- Strengthen the Company's financial position.

TRANSFORMING ADDICTION

Advocating, engaging and connecting for patients

Advocating for public health

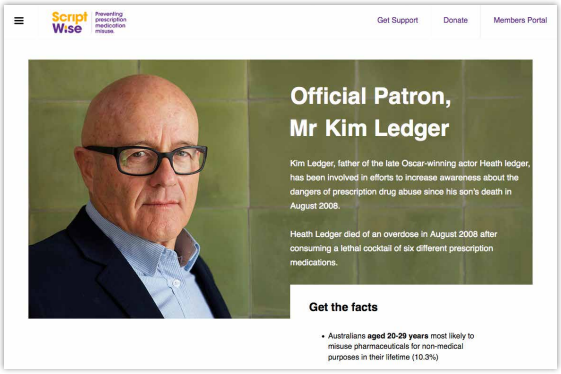
Opioid painkiller addiction is a growing concern in Europe and Australia where heroin had previously been the primary focus. Indivior is helping to educate the public about opioid painkiller addiction.

International Overdose Awareness Day

In Australia, Indivior actively partnered with Scriptwise, a non-profit organization that aims to raise awareness on prescription medication misuse and overdose, to support International Overdose Awareness Day.

Script Wise — Preventing prescription medication misuse.

Created visibility of the disease through **9 MILLION** media impressions



Opioid Painkiller Addiction Awareness Day (OPAAD)

On September 22, 2015, OPAAD was established by Indivior as the first annual public health education day on opioid dependence in the UK. OPAAD generated news stories, social media, and a national radio conversation, reaching 46.8 million listeners.

OPAAD
OPIOID PAINKILLER ADDICTION AWARENESS DAY

Opioid Painkiller Addiction Awareness Survey

In the UK, an Opioid Painkiller Addiction Awareness Survey, commissioned by Indivior, found that one in six adults surveyed are concerned about the amount of opioid painkillers they take on a continuous basis and feel they have put themselves at risk of addiction.

Supporting medical education and research

Indivior has a long-standing history of providing unrestricted educational grants and sponsorships to support the scientific analysis of treatment models for addiction and supported multiple thought-leader forums in 2015.

Improving Outcomes in the Treatment of Opioid Dependence (IOTOD)

An annual CME-accredited international conference that provides high-quality training to physicians working in the field of opioid dependence.

IMPROVING OUTCOMES
IN THE TREATMENT OF OPIOID DEPENDENCE

French Society of Pain and Addiction Specialists

A series of three symposia to address opioid painkiller dependence, attended by 600 delegates.

9th Congress of the European Pain Federation EFIC®

A symposium supported through an unrestricted educational grant: 'Managing analgesic dependence: Case-based insights from the world of addiction', which provided practical insight into the extent of the disease in Europe, as well as discussion on screening, diagnosis and management.

Investigator Initiated Trials (IITs)

Indivior is supporting approximately 35 Investigator Initiated Trials (IITs), providing funding or medication in 13 countries. The total value of IITs ongoing in 2015 is $1.5m. These cover a range of research from neuroimaging in opioid misusers to treatment of neonatal opioid dependence.

How we performed

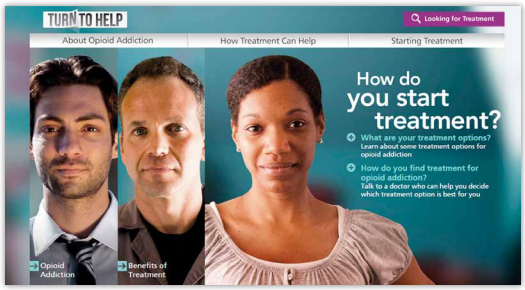
Continued

Connecting patients to help

With the disease of addiction, people generally only have a small window of time to pursue treatment. We want to be there when they are ready to take that first step.

In the US, nearly 6 million unique visitors accessed our online opioid dependence websites:

Turn-to-Help.com educates on the disease of opioid addiction and how treatment can help, as well as provides a search tool for patients to locate a waivered physician in their area.

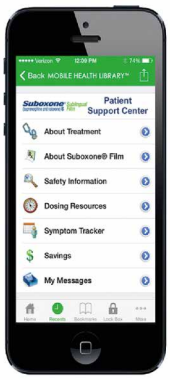


Suboxone.com is aimed at supporting patients at each stage of their journey, including tools to find a trained and waivered physician and savings cards for medication.

Indivior also sponsors disease education and Suboxone® websites in Canada and the UK designed to help educate on the disease of addiction and find treatment services.

Innovations for patients and physicians

We continue to innovate ways to help enhance the patient treatment experience and outcomes, including tools for patients and physicians. In 2015, we piloted a Suboxone® Film app on the Mobile Health Library platform with features to assist patients with their treatment plan and to aid patient-physician communications.



- In pilot, the Suboxone® Film app generated an unprecedented patient and physician response rate in three months that has taken similar apps in other disease conditions 10-14 months to achieve.
- In 2016, the Suboxone® Film app will be expanded with additional enhancements.

Access to medicine

In 2015, Indivior provided Suboxone® Film product valued at $16m through its Patient Assistance Program in the US. Since 2010, the program has provided access to medicine for more than 30,000 financially needy patients, an average of 5,000 per year.

Reclaiming lives

We intend to transform addiction and that means also breaking the cycle of addiction that impacts families and communities. This year, Indivior became a corporate sponsor of Camp Mariposa, a program of the Moyer Foundation.

Camp Mariposa is designed to help children impacted by family addiction to break the intergenerational cycle of addiction.

The Camp offers mentoring, coping skills, knowledge and tools in weekend camp sessions in eight locations across the US.

Camp Mariposa – where kids transform

The Moyer Foundation
Giving Hope to Children Experiencing Grief and Family Addiction
CELEBRATING 15 YEARS OF HELPING CHILDREN

Around the world, we partner with patient advocacy groups and community support programs to help reclaim lives and rebuild families.

OPERATIONAL DETAIL

Management

Indivior's management team has over 60 years cumulative experience in leading the business. Biographies of the Executive Committee, the Company's global leadership team, are on page 57.

To elevate the Company's patient focus and to advance our own and other stakeholders' understanding of addiction and its treatment, the Company has chartered a Patient Advocacy Leadership Committee. The Committee guides strategies and programs to educate stakeholders on the disease of addiction and informs our product development approach. Given their vast knowledge of the addiction disease state and respect within the global addiction community, the Committee is globally led by:

- Dr. Chris Chapleo, Clinical and Scientific Affairs Director, who has been involved in buprenorphine research since the 1980s and was Indivior's principal investigator of the Co-operative Research and Development Agreement with the National Institute on Drug Abuse (NIDA) to develop buprenorphine products for the treatment of opioid dependence.
- Dr. Ed Johnson, Vice President, Treatment and Health Policy, who was the lead collaborative investigator for numerous clinical studies during his 17-year tenure at NIDA's Intramural Research program and his 12 years at the Johns Hopkins School of Medicine, including the first pivotal clinical trial and supporting studies leading to FDA approval of buprenorphine for the treatment of opioid dependence.

Employees

As of December 31, 2015, Indivior employed 885 people worldwide (2014: 728). Of these, 541 were located in North America and 344 were located in the rest of the world. Of Indivior's 885 employees, approximately 403 were employed in commercial sales and marketing positions; 149 were employed full time in research and development, clinical and regulatory positions; 160 were employed in general management and other support positions; 93 were employed in medical affairs positions; and, 80 were employed in supply positions. The senior managers identified below for the purposes of s414C(8) of the Companies Act 2006 are members of the Executive Committee and Directors of the Company's subsidiaries.

Diversity	Number of women	Number of men
Board of Directors	2	9
Senior managers	14	33
Total employees	470	415

Culture

Management believes Indivior's Guiding Principles have successfully framed decision-making and created the blueprint for the Company's success since the launch of the US business in 2003. The Guiding Principles define the Company's philosophy and how we operate: patients are at the center of decision-making. Employees consciously live by the Guiding Principles, and management and employees maintain the Company's culture through:

- **Annual global survey:** Management conducts an annual global survey to assess its culture and identify opportunities for improvement.
- **Culture champions:** Designated employees act as ambassadors and create opportunities for employee engagement, as well as informally assess where the culture is working well and where improvement is needed.
- **Performance reviews:** Annual performance reviews emphasize both what business results were achieved and how behaviors and actions were aligned with Indivior's Guiding Principles.
- **Leadership development:** Leadership development programs focus on specific competencies to cultivate coaching skills that foster growth through the Guiding Principles.
- **New employee orientation:** New employees attend a full-day culture induction workshop to accelerate their integration and engagement within the team.

Quality, safety and compliance

Quality, safety and compliance are embedded in Indivior's culture as well as the Company's patient-centric business model. The Company believes patient safety is not just an obligation, but a responsibility. To ensure quality, safety and compliance, the Company:

- Adheres to regulations determining product quality, safety and business standards.
- Employs a robust Quality Policy, Management System and Manual, and all systems are governed by appropriate policies.
- Establishes its own qualification requirements around how to develop medicines and train employees.
- Employs scientifically or medically qualified Medical Science Treatment Advisors (MSTA), who provide non-commercial medical education to healthcare professionals and other stakeholders worldwide.
- Designs safety and vigilance into its systems, including flexibility to respond to growth and legislative change.

How we performed

Continued

- Operates a Risk Evaluation and Mitigation Strategies (REMS) program to mitigate risks of accidental overdose, misuse, and abuse, and informs prescribers, pharmacists and patients of serious risks associated with Suboxone® products.
- Measures the impact of its REMS program and reports results annually to FDA as required.
- Operates a Patient Safety Group, which includes pharmacovigilance medical teams that monitor, investigate and report side effects.
- Drives safety across its operations through integrated processes and systems, including the packaging of its medications.
- Trains all employees in patient safety requirements.

Corporate compliance

In 2015 the Company enhanced its Corporate Compliance department as part of its risk mitigation strategy. A number of changes were implemented, including installing a high-level compliance officer to oversee this global function and enhancing the resources dedicated to corporate compliance.

The department will work to assure that key business functions are conducted in line with best practices in pharmaceutical marketing, healthcare fraud and abuse prevention, and anti-corruption guidance, including: regulation and laws administered by the U.S. Department of Health & Human Services (HHS), including its Office of Inspector General and U.S. Food & Drug Administration (FDA); industry codes and guidelines outlined by the Pharmaceutical Research and Manufacturers Association (PhRMA), the US industry's trade association; and, the relevant industry codes, laws and regulations in all the countries that we operate in.

The Corporate Compliance department has a number of objectives and responsibilities that are designed to ensure that the Company achieves its goals. These include:

- Ensuring that the department functions at a high level within the organization, with access to the Board and Executive Committee which oversees the program at a corporate governance and executive level.
- Establishing, maintaining and communicating standards of conduct for the business as a whole.
- Ensuring appropriate internal and external due diligence systems are in place to mitigate unethical or potential criminal activity.
- Maintaining a confidential reporting system and ensuring that its existence and purpose are communicated effectively across the organization.
- Ensuring that effective and prompt investigation and response processes are in place following the receipt of reports submitted through the confidential system.
- Ensuring that robust monitoring and investigative processes are in place to ensure that any instances where the Company's activities have not been in line with good practice are detected and corrective action is taken promptly.
- Designing and conducting enforcement processes that include incentives and disincentives that are consistent with related levels of risk and opportunity.

The scope of the department's remit covers all aspects of the Company's activities including commercial meetings, interactions with healthcare providers, marketing, research and development activities, and interactions with business partners and other stakeholders. The Company is committed to developing its compliance resources in line with the anticipated growth of the organization.

Research and Development (R&D)

The Company's R&D function has 10 programs in development, and this year, as Indivior, we managed an unprecedented number of ongoing trials to deliver pipeline products that address unmet needs of patients. To maximize the Company's potential for success with its next-generation treatments in opioid use disorders and innovations in other areas of addiction, the following actions were taken this year:

- Expanded global infrastructure, which we expect will top 196 employees by year-end 2016, uplifting functional capabilities, deepening already industry-leading scientific expertise and expanding clinical trial breadth.
- Established new functional roles to enhance cross-organizational integration with Finance, Strategic Planning, M&A and Commercial Development to ensure alignment on target product profiles.
- Initiated four major pharmacoeconomic studies to assess the cost-effectiveness of the Company's pipeline products to address payors' increasing focus on overall cost reductions.

Manufacturing

Our manufacturing operations include:

Active pharmaceutical ingredients

The active pharmaceutical ingredients used in the Company's products are manufactured at the Fine Chemical Plant (FCP) located in Hull, UK. In April, formal operation of the FCP was transferred to Indivior. The Hull facility produces buprenorphine hydrochloride (HCl) for use in the manufacture of the Company's opioid dependence treatment products, Subutex® Tablet, Suboxone® Tablet, Suboxone® Film and two non-promoted, commercial pain medications, Temgesic and Buprenex. The FCP has the capacity to produce all of the Company's current buprenorphine HCl requirements for opioid dependence medications with approximately 35% available capacity remaining. Buprenorphine HCl and products containing buprenorphine HCl are classified as controlled narcotics and require permits for import and export. An annual importation assessment value of buprenorphine HCl and products containing buprenorphine HCl is set by each importing country through the International Narcotics Control Board (INCB).

The Hull facility has a compliant environmental, health and safety record and maintains ongoing relationships with relevant regulatory agencies. In 2015, the Company invested in a phased capital expenditure program to streamline and enhance production processes and improve the facility, including:

- pipework improvements;
- the installation of new access platforms and lighting units;
- production improvements such as the introduction of sealed reactor charging (partly paid for by RB) to strengthen procedures that isolate operators from hazardous materials and reduce solvent emissions;
- installation of a new effluent system enhancing waste water treatment compliance;
- security system enhancements including the replacement of cameras, the provision of a new local monitoring system, an upgraded access procedure and strengthening the protection of the controlled drug store. The store is planned to move into a new location within the Company's Hull site building in 2016; and
- the provision of new office and staff changing facilities.

The program is planned to continue in 2016 and 2017 and projects include further enhancements to production processes, such as the replacement of machinery and the introduction of new software. We also intend to continue to improve the site infrastructure and scheduled developments include the construction of a new perimeter wall and upgrading the existing water plant.

Tablet and injection products

At separation from RB, Indivior entered into a seven-year supply agreement with Reckitt Benckiser Health (RBH), whereby RBH assumes responsibility for the formulation, compressing and finished goods packaging of Subutex® Tablet and Suboxone® Tablet, as well as the formulation, filling and terminal sterilization of Temgesic and Buprenex.

Suboxone® Film

Suboxone® Film is manufactured under an exclusive license and supply agreement with MonoSol RX (MSRX) signed in August 2008. Under the terms of the agreement, MSRX is the global exclusive manufacturer and primary packager of Suboxone® Film and is prohibited from developing any other film product containing buprenorphine without the Indivior Group's written consent. The agreement expires upon expiry of the last MSRX patent. Both buprenorphine HCl and naloxone HCl are supplied free of charge by Indivior to MSRX to be used in the manufacture of Suboxone® Film.

MSRX has two manufacturing facilities located in Portage, Indiana. Manufacture and primary packaging of all Suboxone® Film output is currently approved at one facility, and the Indivior Group is executing a project plan to enable both manufacture and primary packaging at the second facility. The second facility is currently approved for primary packaging of the majority of US Suboxone® Film volume.

Serialization and secondary packaging of global Suboxone® Film output is performed by Sharp Packaging Solutions, located in Allentown, Pennsylvania, under a supply agreement that expires in December 2016. Indivior is currently under negotiation to extend the agreement. All finished Suboxone® Film product from Sharp is shipped to the Indivior Group's US third-party distribution service provider, Integrated Commercialization Solutions, located in Brooks, Kentucky, and either distributed for sale within the US or exported to other markets where it is approved for sale.

Information technology (IT)

When the company became independent from RB at the end of 2014, much of Indivior's IT operations were still reliant on RB's infrastructure. Consequently, we put plans in place at the start of the year to ensure that, by the end of 2015, Indivior had an independent IT infrastructure and organization.

The aim of this project was to ensure that the Company's medium- and longer-term aims are being effectively supported by the Company's own IT resources. It also aimed to enhance the efficiency of many of the Company's operations and ensure that related areas of risk were being managed robustly on an ongoing basis.

By the end of the year, the Company had outperformed its transition timelines and established its own IT framework supported by a department of talented IT professionals. This result was assisted by a comprehensive company-wide communications and training program conducted in 2015. These steps ensured that any disruption to the Company's day-to-day activities was kept to a minimum during the conduct of the project. The Company has also invested in and implemented an ERP system based on SAP. This was chosen because of its ability to be scalable and fully support organizational expansion including any through acquisition. It principally supports the Company's finance and supply chain activity.

Over time the department intends to expand its headcount and global footprint in line with the Company's development plans. Indivior now operates its own core IT infrastructure independently from RB as well as its own key business applications. Transition work continues in 2016 and is focused on the Company's smaller markets that are located outside the US and UK.

The successful completion of this project in a relatively short space of time underlines the Company's determination to ensure that it is fully prepared for its expected development opportunities and to deliver against its objectives now and in the future.

How we performed

Continued

Internal audit

The Company established an internal audit function in 2015. Its mission statement outlines its aim of giving assurance to the Company's key internal stakeholders that its financial, operating and internal controls are being managed effectively. It is also tasked with ensuring that the Company is conducting its business in an efficient, effective and responsible manner, risks are minimized and suspected fraudulent activities are investigated. It is also responsible for ensuring that its work is aligned with the activities of the external auditor.

The department is independent of the Company's management and reports to the Audit Committee of the Board. Its activities are conducted free from influence by any part of the organization. This in particular relates to matters for audit selection, scope, frequency, report content and preparation.

The scope of its operations addresses all of the Company's financial and non-financial operations and those of its associated entities. It has full and unrestricted access to all functions, records, property and personnel at all levels of the business. The department also has the authority to allocate resources (including external advice), set activity frequencies, select subjects, determine work scope and apply the techniques necessary to enable it to achieve its work objectives.

The department's activities during 2015 covered a variety of topics and risks to the business. They included loss of key management, supply continuity planning, M&A activity, IT security, cash and liquidity management, disaster recovery procedures and the Company's management of taxation matters.

RB demerger

Work on separation from RB 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, UK, where buprenorphine is manufactured for all our Suboxone® and Subutex® products, was transferred to Indivior. On July 1, 2015, major operating companies changed their name to Indivior including the US, the UK and Canada. Australia changed its operating name in February 2015. Subsequent to the Company name changes, product packaging and branded materials have been updated. The project to implement a new, company-wide, ERP system is fully on track with the first countries, including US and UK, operating live successfully in January 2016. It is expected that the whole Company will have transitioned to SAP well before the end of 2016.

Litigation update

ANDA litigation

- Trial in the lawsuits against Actavis and Par involving the Orange Book-listed patents for Suboxone® Film took place in November and December 2015. A decision in these lawsuits will follow post-trial briefing and is expected early in Q2 2016, prior to any potential generic launch. Actavis' 30-month stay of FDA approval expires February 28, 2016. Par's 30-month stay of FDA approval expires on September 25, 2016.
- Trial against Teva, Actavis and Par in the lawsuits involving the two recently granted process patents (US Patent No. 8,906,277 and US Patent No. 8,900,497) is scheduled for November 2016.
- Trial against Teva in the lawsuit involving the Orange Book-listed patents for Suboxone® Film is scheduled for November 2016, with Teva's 30-month stay of FDA approval on ANDA No. 20-5806 expiring April 17, 2017. Indivior believes Teva's 30-month stay of FDA approval on ANDA No. 20-5299 also expires on April 17, 2017, however Teva disputes the applicability of the stay to this ANDA.
- Trial against Alvogen in the lawsuit involving the Orange Book-listed patents and process patents for Suboxone® Film is scheduled for April 2017, with Alvogen's 30-month stay of FDA approval expiring October 29, 2017.
- Trial against Mylan and Sandoz in the lawsuit involving the Orange Book-listed patents and process patents for Suboxone® Film is scheduled for September 2017, with Mylan's stay expiring March 24, 2018 and Sandoz's stay expiring April 2, 2018.
- Indivior received a Paragraph IV notification from Teva, dated February 8, 2016, indicating that Teva had filed a 505(b)(2) New Drug Application (NDA) for a 16mg/4mg strength of buprenorphine/naloxone sublingual film. Indivior intends to file suit against Teva within 45 days which will trigger a 30-month stay of approval of Teva's 505(b)(2) NDA.

BDSI proceedings

- In Indivior's appeal of the Patent Trial and Appeal Board's (PTAB) decision in the Inter Partes Review of claims 15-19 of Indivior's US Patent No. 8,475,832 (the '832 Patent) for Suboxone® Film, Indivior's opening brief was filed on January 15, 2016. Following further briefing by both sides, the Court of Appeals for the Federal Circuit will set a date for oral argument.

Federal Trade Commission (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 report and recommendation relating to the first tranche of privileged documents reviewed by the Special Master is expected to be finalized in March 2016. Both the Company and the FTC will have an opportunity to file objections to the Special Master's report, and the Court ultimately will determine whether to adopt the Special Master's recommendations in whole or in part. The Court's decision then may be subject to appeal in the United States Court of Appeals by either party.
- In August 2015, the Company was informed that a contingent of additional states has initiated a coordinated investigation into the same conduct that is the subject of the FTC investigation and the Class Action litigation. The existing investigation of these same issues by the State of New York has now been incorporated within this multi-state investigation.
- Fact discovery is underway in the Class Action litigation.
- Amneal Pharmaceuticals LLC filed a complaint against the Company in December 2015. Amneal's complaint contains antitrust allegations similar in nature to those set out in the class action complaints, and Amneal has also alleged violations of the Lanham Act.

Department of Justice investigation

- A federal investigation of Indivior's marketing and promotion practices initiated in December 2013 is continuing. The United States Attorney for the Western District of Virginia has served a number of subpoenas relating to Suboxone® Film, Suboxone® Tablet, Subutex® Tablet, buprenorphine and the Group's competitors, among other issues. Indivior is in the process of responding by producing documents and other information in connection with this ongoing investigation. It is not possible at this time to predict with any certainty or to quantify the potential impact of this investigation on the Company. Indivior is cooperating fully with the relevant agencies and prosecutors and will continue to do so.

Corporate responsibility

Indivior's current approach to corporate responsibility and environmental sustainability consists of legacy policies, practices and programs based on its former relationship with RB and its sustainability strategy. Indivior recognizes the need to develop a comprehensive approach of its own to address stakeholders' expectations of responsible business, and, in particular, of the pharmaceutical industry. In 2016, the Company will initiate a process under the direction of the Company's Board, to establish a framework for action to define responsibility for the Company based on our core business purpose, operations and value chain, as well as external best practice and stakeholder engagement. There is a range of corporate responsibility and sustainability considerations affecting the Company, some of which we currently address through existing policies and practices:

- **Climate change:** The effects of climate change could disrupt the Company's supply chain by affecting our ability to source raw materials and manufacture and distribute products.
- **Water scarcity:** Water is vital for the making of raw packaging materials and manufacturing of our products. While water is plentiful in some areas of the globe, it is increasingly scarce in others. Similar to the effects of climate change, which are interconnected with water availability, water scarcity could affect the Company's ability to source materials and make and deliver relevant products for patients.
- **Restricted substances:** As ingredient regulations, safety and sustainability requirements evolve, it is vital that product ingredients are monitored to ensure continued compliance with governing regulations.
- **Supply chain responsibility:** Most product component and raw material supply chains present a number of responsibilities for companies, including: labor standards; health, safety and environmental standards; raw material sourcing; and the social, ethical and environmental performance of third-party manufacturers and suppliers.
- **Health and safety:** Accidents caused through failure of the Company's safety management systems could potentially lead to loss of life for one or more of the Company's employees.
- **Access to medicines:** Ensuring equitable access to medicines is an important topic for the pharmaceutical industry.
- **Human rights:** Adherence to internationally proclaimed principles on human rights, including equality and freedom of association in business operations.

How we performed

Continued

FINANCIAL DETAIL

Full year highlights

- Net revenue at $1,014m (2014: $1,115m) declined 9% versus prior year with strong market growth offset by lower average market share and higher rebates, in connection with formulary access in the US, versus prior year. Net revenue at constant fx declined by 6%.
- Operating profit of $346m (2014: $562m), reflected lower net revenues, and expected higher operating costs as a stand-alone PLC, including $31m exceptional costs, $15m arising from the establishment of Indivior PLC plus $16m relating to Nasal Naloxone following a Complete Response Letter from FDA in November 2015 and a decision by the Company to discontinue further development of the existing formulation.
- Net income was $228m (2014: $403m) after net financing costs of $61m (2014: $1m) and tax rate of 20% (2014: 28%) including $13m exceptional credit.
- Cash balance at period end of $467m after the buyback of $75m of debt in December. Net debt of $174m (vs. 2014: $428m).

Period to December 31 (as reported)	FY 2015 $m	FY 2014 $m	% Δ actual FX	% Δ constant FX
Net revenue	1,014	1,115	-9	-6
Operating profit	346	562	-38	-36
Net income	228	403	-43	-42
EPS (cents per share)	32	56	-43	-41

US market detail

The market for buprenorphine products continued to grow in 2015, showing volume growth of low double digit percentage in line with expectation. As expected, the market passed the anniversary of the impact of the Affordable Care Act in Q2 and there has been modest slowing in year-on-year market growth as a result. A key driver of growth remains encouraging more physicians to train and become waivered to prescribe Suboxone® Film in an office setting.

Suboxone® Film had a market share of 59% on average in 2015, compared to 62% in the same period in 2014. This was slightly ahead of the exit share at the end of 2014, so market share has been more than maintained through the year to date. 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 branded competitors although these competitors have made limited market share impact.

In addition, the Company increased its coupon for cash-paying patients in 2015; the coupon has had strong uptake, resulting in recovering market share of cash-paying patients but at some marginal cost to net pricing.

While share has been maintained at 59% in 2015, Suboxone® Film has lost a number of managed Medicaid and one fee for service account (price-sensitive payors) to heavily discounted prices from branded competitors which, when annualised, will more than outweigh the recovery of formulary access at CVS from January 2016. As a result, it is likely that there will be some modest erosion in Suboxone® Film's share over the next six months. However, the lost accounts typically were at higher rebate levels and therefore lower margin than average.

At the end of 2015 a fifth generic buprenorphine/naloxone tablet was approved and entered the market, manufactured by Akorn Inc. (formerly Hi-Tech).

Financial performance detail

Total net revenue decline of 9% to $1,014m (2014: $1,115m) at actual exchange rates were a result of the following:

- strong US market growth;
- lower average market share versus prior year;
- higher rebates to payors in connection with formulary access;
- higher coupons for cash-paying patients in the US versus prior year, and
- 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 6%.

US net revenue declined by 6% to $807m (2014: $855m). Volume was ahead of last year reflecting market growth offset by lower average 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, plus the effect of increased coupons for cash-paying patients.

Rest of World net revenue declined by 20% to $207m (2014: $260m) as reported in USDs but the majority of this decline, 12%, was due to translation into a much stronger USD. At constant exchange, the net revenue decline was 8%, reflecting continuing price constraints from government austerity measures and forced switching to generics in Europe, offset by continuing growth in Australia. European market share has been resilient, with growth in Suboxone® Tablet off-setting slight erosion of Subutex® Tablet.

Gross margin was 90%, slightly below last year (2014: 91%).

SD&A expenses for the full year increased by 23% to $423m (2014: $343m). The increase mainly reflects stand-alone public company costs in line with the guidance given at the time of the demerger plus increased legal expenses. Exceptional costs of $15m were included in SD&A (2014 $24m). These relate to one-off costs arising from the demerger and establishment of Indivior PLC, such as product and company re-registration.

R&D expenses for the year increased by 29% to $148m (2014: $115m), reflecting the level of activity in the Company's clinical development pipeline, which has advanced compared to prior year. In particular, there were four pivotal Phase 3 trials running in 2015, together with the commencement of two new clinical trials. The level of investment in R&D was consciously increased during the year. R&D expenses as reported of $148m included an exceptional charge of $16m relating to Nasal Naloxone following the Complete Response Letter from the FDA in November 2015. Following a review, Indivior has decided to discontinue further development of the existing formulation other than in support of the French ATU.

Operating profit for the year was $346m, 38% below prior year (2014: $562m) and was 36% lower at constant exchange. Excluding exceptional costs, operating profit was $377m, 36% below prior year.

EBITDA for the full year was $370m (2014: $588m), and excluding the exceptional costs was $401m (2014: $612m).

Operating margin was 34% (2014: 50%) as reported. Excluding the exceptional costs, the operating margin was 37% (2014: 53%). This margin reflects lower net revenues and higher operating costs, primarily due to the additional costs of operating as a stand-alone public company compared to 2014.

Finance expenses for the full year were $61m (2014: $1m) being the full all-in cost of interest and amortisation for the $750m borrowing facility.

The tax charge for the full year was $57m, an effective rate of 20% (2014: 28%) including $13m exceptional tax credit driven by the resolution of prior year tax matters and provision for tax contingencies. The underlying tax rate of 22% on the pre-tax profit for the period reflected the mix of profits in the period plus the benefit of a change in US taxation relating to R&D expenses plus some one-off items.

Net income for the year was therefore $228m (2014: $403m), a decline of 43% compared to 2014 as reported. At constant exchange rates, the decline was 42%. Excluding exceptional costs, the net income was $246m, a decline of 41%.

EPS for the full year was 32 cents (2014: 56 cents) basic and 31 cents (2014: 56 cents) on a fully diluted basis. On an adjusted basis, excluding the effect of exceptional costs of $31m, basic and fully diluted EPS were both 34 cents.

Cash flow

Cash generated from operations was $518m (2014: $523m), a decrease of $5m reflecting a significant improvement in net working capital with a release of cash of $127m partially offsetting $216m lower operating profits in the year compared to 2014. Depreciation, amortization and write-off (non-cash items) increased to $40m, partly reflecting the impact of the write-off for Nasal Naloxone.

Net cash inflow from operating activities was $320m (2014: $440m) reflecting the slight increase in cash from operating activities plus higher tax payments in the period of $131m (2014: $59m), interest paid of $44m (2014: nil) and transaction costs relating to the loan facility of $23m (2014: $24m).

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 $27m (2014: nil). Purchase of intangible assets of $4m related to the outright purchase of the Nasal Naloxone technology during the year. In 2014, the intangible assets purchases of $26m related to Nasal Naloxone rights and the in-licensing of Arbaclofen Placarbil for the treatment of alcohol use disorders.

During the year, the Group repaid $112m of its term loan as part of its commitment under the syndicated debt facility. This repayment included the $75m buyback of debt in December 2015. The Group also repaid $9m of overdrafts. In the same period in 2014, the Group transferred $349m to its then owners. The interim dividend in 2015 was $23m. In 2014, the Group paid a dividend of $500m to its then owners.

The net increase in cash and cash equivalents in the period therefore was $145m, being the sum of the cash inflow from operating activities of $320m, less net cash outflows from investing and financing activities of $31m and $144m respectively. Added to the cash and cash equivalents at the beginning of the period of $331m, and adjusting for exchange differences of $9m, that gave the Group a total cash and cash equivalents balance of $467m at the year end.

Balance sheet

Non-current assets increased to $216m at the year end (2014: $182m), due to increases in property, plant and equipment (PPE) and deferred tax assets, offset by further amortisation of intangible assets and depreciation of PPE. The write-off of the intangible asset related to Nasal Naloxone is included in the further reduction of intangible assets.

Inventories increased to $48m (2014: $41m). Trade and other receivables were $206m (2014: $193m). The overall increase in current assets was primarily due to the $136m increase in cash and cash equivalents in the year.

Trade and other payables increased to $528m (2014: $383m), reflecting higher levels of rebates in the US in connection with formulary access and in response to heightened branded competition. The 2014 trade payables were slightly lower due to the timing of some payments ahead of the demerger.

Current tax liabilities decreased to $41m (2014: $62m) following significant tax payments in the year.

Net working capital (inventory plus trade and other receivables, less trade and other payables) was ($274m) at the year end, an improvement of $125m on December 2014. This represents a ratio of (27%) of annual total net revenue.

Cash and cash equivalents at the year end was $467m, reflecting a net cash increase of $136m in the year.

Borrowings, net of issuance costs, were $605m at the year end (2014: $736m).

How we performed

Continued

The net debt of the Group was $174m at the year end (2014: $428m) including the unamortised cost of the debt facility.

At the year end, therefore, the Group had net liabilities of $279m (2014: $475m), consisting of assets of $937m (2014: $747m), and liabilities of $1,216m (2014: $1,222m).

Following the restructuring of the Company's share capital, the capital and reserves consisted of share capital of $72m (2014: $1,437m), other reserves of $1,295m (2014: $1,295m), foreign currency translation reserve of $23m (2014: $16m), and retained earnings of $967m (2014: ($601m)).

Dividend

The Board announced a second interim dividend of 9.5 cents per share. Together with the first interim dividend of 3.2 cents per share paid in October 2015, this brings the total dividend for the year to 12.7 cents per share. This fulfils the Company's indication, at the time of the demerger from RB, that the Company would pay out 40% of net income as a dividend, payable in US$s, for financial year 2015.

The second interim dividend will be paid on July 29, 2016, to shareholders on the register on June 17, 2016. The ex-dividend date will be June 16, 2016. The US$/GB£ exchange rate to be applied will be announced on July 8, 2016.

Shareholders will be given the option to have dividends reinvested by the Company's Dividend Reinvestment Plan.

Future dividend policy

The Board, as indicated in the prospectus for the demerger in November 2014, has considered future dividend policy in the light of the Company's current financial position, strategy and prospects. Given the increasing need to invest in pipeline advancement and market development, the uncertainties facing the Company, including generic challenges to the intellectual property of Suboxone® Film, the level of gross debt together with the associated covenants and the need to seek to diversify the sources of revenue and cash flow, the Company does not expect to pay ordinary dividends for the foreseeable future.

Guidance for full year 2016

On December 9, 2015 the Company issued its preliminary financial guidance for 2016. This guidance is confirmed at net revenue in a range of $945m to $975m, an operating margin maintained at or above 30%, and net income in a range of $155m to $180m, all at constant exchange.

- This guidance is based on the assumption of no material change to current US market conditions – no disruption to US generic tablet pricing, no generic film entry, and limited impact of branded competition in 2016. The net income guidance excludes exceptional items.
- The guidance also reflects a strategic decision to reinvest an increased portion (currently expected to be at least an additional $35m) of the profit generated in excess of original assumptions; this will be invested in pre-commercialization activity in preparation for the launch of Buprenorphine Monthly Depot for opioid dependence; and in additional R&D activity to support the existing pipeline including additional clinical trials.
- This additional investment is designed to give pipeline projects a strong start on launch as Indivior will be better prepared in terms of training, market access and sales capability.

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 harbor 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.

RISK FACTORS AND RISK MANAGEMENT

The Board of Directors have carried out a robust assessment to ensure that the principal risks, including those that would threaten the Group's business model, future performance, solvency or liquidity are effectively managed and/or mitigated to help ensure the Group is viable. While the Group aims to identify and manage such risks, no risk management strategy can provide absolute assurance against loss.

Set out below are what the Group consider to be the principal risks that could cause the Group's business model, future performance and solvency or liquidity to differ materially from expected and historical results, and how the risks relate to the Group's strategic priorities. Additional risks, not listed here, that the Group cannot presently identify or does not believe to be equally significant may materially and adversely affect the business, results of operations and financial position. The principal risk factors and uncertainties are not listed in order of significance.

Principal Risks:

Business operations and business continuity

- The Group's revenues are primarily derived from sales of Suboxone® Film and any decrease in sales due to competition or supply or quality issues could significantly affect the results of operations and prospects.
- Competition for qualified personnel in the biotechnology and pharmaceutical industries is intense, and high-performing talent in key positions is a business-critical requirement.
- Failures or disruptions to the Group's systems or the systems of third parties on whom the Group relies, due to any number of causes, particularly if prolonged, could result in a loss of key data and/or affect operations.
- The Group's systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code or cyber threats that could have a security impact. All of these could be costly to remedy and we may be subject to litigation.

Specific risks we may face	How we manage risk	Possible impacts	Link to strategic priorities
• Dependence on single product line. • Approval and launch of generic or branded products that compete with our products. Unfavorable outcome in the case of generic product, the 30-month stay for the first generic ANDA filer expired in Q1 2016 and a Court decision from recent trials is expected to occur in Q2 2016. • Inability to deliver continuous supply of compliant finished product. • Inability to retain or attract high-performing and high-potential staff could adversely impact achievement of Group objectives. • Significant disruptions of information technology systems or breaches of data security could disable critical systems and cause loss of sensitive data. • Failure to protect and restrict access to critical or sensitive computer systems or information.	• Continue to expand the market by expanding access to treatment and working with physicians and payors to improve patient outcomes. • Capitalize on international growth opportunities and disciplined acquisitions. • Obtain and enforce product patents and other IP rights, and develop and implement strategies, including new product(s), to face generic competition if the outcome of current patent litigation is unfavorable. • Explore settlement options with all generic filers. • Continuity planning for certain black swan events to secure business continuity in worst case scenarios. • Establish and closely monitor stock levels. • Ongoing partnerships with manufacturers and packagers to optimize manufacturing and Quality Assurance (QA) processes. • Continuously review talent retention program with focus on identifying key roles and successors. • IT disaster and data recovery plans in place to support overall business continuity plans. • Review business and IT policies, processes and systems and create improvement plans as Indivior now operates independently from RB. Implement End User Cyber Security Awareness training.	• Hinder patient access to treatment. • Loss of market share. • Loss of revenue and profits which in worst case scenarios may require business restructure and recapitalization. • Damage to reputation. • Exposure to litigation.	• Build resilience of our franchise. • Expand global treatment. • Business development.

Risk factors and risk management

Continued

Product safety, regulation and litigation

- As an innovative pharmaceutical company, the Group seeks to obtain appropriate intellectual property protection for its products. Its ability to obtain and enforce patents and other proprietary rights particularly for its products, drug formulation and delivery technologies and associated manufacturing processes is critical to business strategy and success. Specifically see disclosures on page 42 referring to the current status of ANDA litigation and to the going concern statement on page 69 contained within the Statement of Directors' Responsibilities, which discusses the risks associated with current ANDA litigation, and the contingent liabilities disclosures at Note 20 of the financial statements on page 118.
- The manufacture of the Group's products is highly exacting and complex due in part to strict regulatory and manufacturing requirements. Active Pharmaceutical Ingredients (API) in many of the Group's products and product candidates are controlled substances that are subject to extensive regulation in all the countries in which the Group markets its products.
- The testing, manufacturing, marketing, and sale of pharmaceutical products entail a risk of product liability claims, product recalls, litigation, and associated adverse publicity, each of which could have a material adverse impact on the business, prospects, results of operations and financial condition.

Specific risks we may face	How we manage risk	Possible impacts	Link to strategic priorities
• Failure to obtain, maintain, and protect patents and other proprietary rights; including potential invalidity or non-infringement findings in the current US Federal court or US Patent and Trademark Office proceedings. • Events such as product liability claims, patient adverse drug experiences, government enforcement and/or private litigation against improper promotional activities and product recalls. • Potential liability and/or additional expenses associated with ongoing regulatory obligations and oversight.	• Obtain and enforce patents and other proprietary rights. • Suboxone® Film in the US is covered by three Orange Book-listed formulation patents and two process patents having terms that run from 2022 to 2030, which are currently in litigation in the US Federal court and/or US Patent and Trademark Office. • Develop and implement strategies, including new product(s), to prepare for generic competition in the event of adverse outcomes in these proceedings. • Quality, safety and compliance are embedded in the Group's processes and culture. • The Group has instituted policies, systems, and training programs to ensure adherence to regulations governing product quality, patient safety and business standards.	• Loss of revenue and profits. • Significant legal cost. • Damage to reputation. • Adverse impact on the Group's ability to raise funds necessary to continue its operations.	• Build resilience of our franchise.

Product development

The regulatory approval process for new pharmaceutical products and expansion of existing pharmaceutical products is expensive, time-consuming and uncertain.

Even if product candidates are approved there is no guarantee that they will be able to achieve expected market acceptance.

Specific risks we may face	How we manage risk	Possible impacts	Link to strategic priorities
• Failure to receive regulatory approval to successfully commercialize a pipeline product. • Failure of third-party Clinical Research Organizations to properly/successfully perform their legal, regulatory, and contractual obligations. • Inability of product candidates, if approved, to achieve expected market acceptance.	• Increased R&D investment to enhance clinical capabilities and support the development of pipeline products. • Thorough contract review process in place to ensure that third-party vendors are properly vetted, inherent risks are identified and mitigated, and deliverables and obligations are clearly defined before contracts are finalized. • Ongoing monitoring of the third-parties' activity and performance to ensure that good clinical practices ('GCP') are being followed and milestones are met. • Financial models and external support in place to provide market valuation and due diligence support.	• Potential delays or inability to develop new products. • Hinder patient access to treatment. • Loss of revenue and profits. • Damage to reputation. • Adverse impact to long-term growth.	• Develop our pipeline. • Expand global treatment.

Commercial and governmental payor account, pricing and reimbursement pressure

The Group's revenues are partly dependent on the availability and level of coverage provided to the Group by private insurance companies and governmental reimbursement schemes for pharmaceutical products, such as Medicare and Medicaid in the US.

Changes to governmental policy or practices could adversely affect the Group's revenues, financial condition and results of operations. In addition, the reimbursement of treatment established by healthcare providers, private health insurers and other organizations may be reduced.

Specific risks we may face	How we manage risk	Possible impacts	Link to strategic priorities
• Reduced reimbursement levels and increasing pricing pressures. • Price reductions as a result of commercial and governmental payor austerity measures (e.g., price controls, policy change, or other price-setting action).	• Continue to work with payors, commercial or governmental, to ensure access to and coverage of our products. • Establishment of health economic business case to justify existing pricing.	• Loss of revenue and profits. • Hinder patient access to treatment.	• Build resilience of our franchise. • Expand global treatment.

Risk factors and risk management

Continued

Compliance with law and ethical behavior

Business practices in the pharmaceutical industry are subject to increasing scrutiny by government authorities. Failure to comply with applicable laws and rules and regulations in any jurisdiction may result in fines, civil and/or criminal legal proceedings.

Specific risks we may face	How we manage risk	Possible impacts	Link to strategic priorities
• Non-compliance with anti-corruption, healthcare, data privacy, or local laws could result in business interruption or restructuring, fines, loss of reimbursement, damage to reputation and criminal penalties. • Failure to comply with payment and reporting obligations under the US Medicaid Drug Rebate program or other governmental pricing programs. • Restrictions on Group's ability to sell products or product candidates in certain markets/ countries due to controlled substance legislation, regulation, scheduling and/or classification. • Government investigations of the Group's business activities alleged to be improper.	• The Group has established a global compliance program applicable to all employees and agents. • All employees required to complete a comprehensive compliance training program annually. • Reviews and controls put in place over government pricing and reporting. • Increased oversight and monitoring of controls and procedures in emerging markets. • Continued cooperation with the authorities on on-going investigations utilizing external counsel as needed.	• Loss of revenue and profits. • Damage to reputation. • Fines and/or penalties.	• Build resilience of our franchise. • Expand global treatment.

Acquisitions and business development

The Group may seek to acquire businesses or products as part of our strategy to enhance our current portfolio.

Specific risks we may face	How we manage risk	Possible impacts	Link to strategic priorities
• Inability to identify, acquire, close or integrate acquisition targets successfully. • Acquisitions and strategic alliances, including distributor collaboration, may be unsuccessful. • Inability to raise capital in order to finance acquisitions.	• Board of Directors reviews all significant transactions. • Executive Management have worked in conjunction with their key advisors to identify key integration operational risk areas and mitigation plans. • Internal and external resources in place to ensure rigorous due diligence and integration of acquisitions and/or new product initiatives. • Ongoing regular appraisal of debt & equity capital markets advisors and counterparties.	• Adverse impact to long-term growth. • Loss of revenue and profits. • Damage to reputation.	• Build resilience of our franchise. • Business development. • Expand global treatment. • Develop our pipeline.

Risk management

To achieve our objective of being the leading pharmaceutical company focused on treatment of addiction, we recognise that we must have a good understanding of the risks we face, those inherent in our strategy and operations and those presented by external conditions. We take a systematic and robust approach, which aims to continuously monitor those risks and internal controls systems accordingly.

Our approach

Our systematic risk management approach is designed to identify risks that would threaten the Group's business model, future performance, solvency or liquidity. Effective risk management is fundamental to our ability to meet our operational and strategic objectives. The competitive market in which we operate has industry specific risks, particularly those relating to new product development, intellectual property enforcement and legal proceedings, and compliance with laws and regulations. This requires effective decision making to ensure that the risks the business takes are assessed and appropriately measured, whilst ensuring that there is overall resilience to risks the business has limited control over through disaster recovery and business continuity procedures.
Our overall risk management approach remains to foster and embed a culture of risk management that is responsive, forward looking, consistent and accountable.

The Executive Committee helps to establish the risk agenda, for the reporting and on-going management of risks and for the stewardship of the risk management approach. The Executive Committee reviews the risk register on a quarterly basis and identifies and assesses Indivior's principal risks on an on-going basis.

Risk control assurance

The Board has overall responsibility for the Group's risk management framework. The Board reviews the Group's principal risks with focus on the key risk areas framework. The Board's Committees regularly review risks relevant to their area of focus; this includes, but is not limited to, risks relating to legal, financial and compliance matters. Assurance on risk controls is provided by internal management information, internal audits, external audits and Board oversight. There is also an externally supported whistleblowing reporting system in place.

VIABILITY STATEMENT

1. Assessment of prospects

The context

The Group's business model and strategy are central to an understanding of its prospects, and details can be found on pages 2 to 10. The nature of the Group's activities is focused on expanding access and treatment options for both opioid dependence and other addictions and disorders.

The Board continues to concentrate the focus of the Group's strategy on both the current challenges by generic manufacturers to the intellectual property of Suboxone® Film and the anticipated development timeline of the Group's R&D pipeline.

The Board has considered the changes in the risk profile of the Group with the evolution of the business and determined that they are acceptable in the context of the risk profile of the Group as a whole: the expected longer term returns through successful research and development programmes mean that there is more appetite for risk as we seek to expand our treatments in the addiction markets.

The assessment process and key assumptions

The prospects of the Group are evaluated throughout the year as part of the planning process. The budget for the upcoming year is developed in the third quarter and subject to forecast updates at the end of each subsequent quarter. The process is led by the Chief Executive Officer and Chief Financial Officer through the Executive Committee and involves all relevant functions such as R&D, Supply, Commercial, Treasury, Tax, and Finance. The operating plan for the upcoming year is the basis for the medium- and long-term strategic plans of the Group. The Board reviews and approves the budget for the upcoming year as well as the medium- and long-term strategic plans.

The output of the annual review process is a set of objectives, an analysis of the risks that could prevent the plan being delivered, and a financial forecast. As a result of this focus, financial forecasts were also prepared for the five year period to 2020. The first year of the financial forecasts forms the Group's operating budget and is subject to a re-forecast process at each quarter end. The second year is in a similar level of detail and is flexed based on the actual results in year one. Years three to five of the forecasts are more subjective and based on a greater number of assumptions. In determining a time period to assess the viability of the Group, the Directors considered the following factors:

- the significance of revenue and profit contributions of Suboxone® Film and the potential impact of generic manufacturers entering the market in the near term;
- the development timeline of the Group's R&D pipeline; and
- the ability to finance acquisitions and business development opportunities under the current capital structure.

Based on these criteria, the Directors believe that a period of three years is an appropriate timeframe to assess the viability of the Group.

In addition to the assessment of generic manufacturers' challenges to the intellectual property of Suboxone® Film and the development of our research and development portfolio, we have also assessed our ability to maintain compliance with financial covenants in our debt facility and raise additional funding in the financial markets. These key assumptions are reflected in the following principal risks which are set out on pages 47 to 50:

- Business operations and business continuity
- Product safety, regulation and litigation
- Acquisitions and business development.

The purpose of the principal risks table is primarily to summarise those matters that could prevent the Group from delivering on its strategy. A number of other aspects of the principal risks – because of their nature or potential impact – could also threaten the Group's ability to continue in business in its current form if they were to occur. This was considered as part of the assessment of the Group's viability, as explained below.

2. Assessment of viability

Although the strategic plan reflects the Directors' best estimate of the future prospects of the business, they have also tested the potential impact on the Group of a number of scenarios over and above those included in the plan, by quantifying their financial impact and overlaying this on the detailed financial forecasts in the plan. These scenarios, which are based on aspects of principal risks listed on page 52, represent 'severe but plausible' circumstances that the Group could experience.

The scenarios tested included:

- unfavorable outcome in the ANDA case involving generic manufacturing of Suboxone® Film and regulatory approval and subsequent commercial launch of generic Suboxone® Film; and
- inability to raise capital in the financial markets.

The results of this stress testing showed that, due to the stability of the core business, the Group would be able to withstand the impact of these scenarios occurring over the period of the financial forecasts by making adjustments to its operating plans within the normal course of business.

3. Viability statement

Based on their assessment of prospects and viability above, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period ending December 31, 2018.

Strategic Report

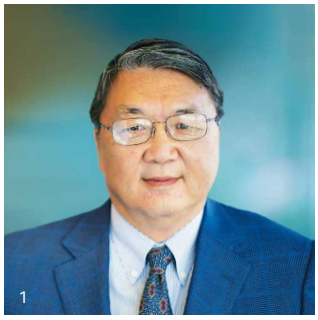
The Strategic Report set out on pages 1 to 53 was approved by the Board on March 8, 2016.

By Order of the Board

Kathryn Hudson
Company Secretary

Our Board of Directors

The transformation of addiction from a global human crisis to a recognized and treated disease worldwide must be thoughtfully navigated and guided by experience. Indivior's Board members continue to provide a unique combination of business, scientific, pharmaceutical, and disease expertise – the most diverse set of experience and insight in the addiction space. This knowledge, coupled with a pioneering spirit, will be the catalyst to helping millions around the world reclaim their lives.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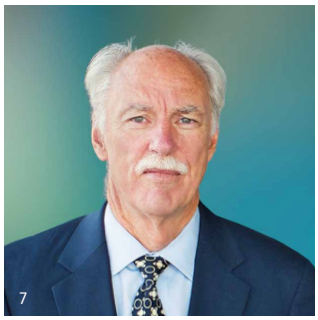
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1. Howard Pien
Chairman

Skills and experience:
- Over 30 years of pharmaceuticals and biotechnology industry experience
- Vanda Pharmaceuticals, Inc.: Non-Executive Chairman (2010-2014)
- GlaxoSmithKline PLC: various Executive positions (1991-2003)
- Chiron, Corp: President and CEO (2003-2006)
- Medarex Inc.: CEO, President and later Chairman of the Board (2007-2009)
- Abbott Laboratories and Merck & Co.: Product Manager, Business Unit Director, cardiovasculars, anti-infectives

Other current appointments:
- Juno Therapeutics Inc.: Chairman of the Board
- Vanda Pharmaceuticals, Inc.: Director
- ImmunoGen, Inc.: Director
- SAGE Therapeutics: Director

Board Committees: None

2. Shaun Thaxter
Chief Executive Officer

Skills and experience:
- Over 25 years of pharmaceuticals and prescription products industry experience
- Led Reckitt Benckiser Pharmaceuticals Inc. (RBP), building a global company after acquiring global marketing rights from Merck
- RBP: CEO and President
- Spearheaded RBP's growth since launching US Suboxone® Tablet business in 2003
- RB: Global Category Manager for the prescription product portfolio

Other current appointments: None

Board Committees: None

3. Cary J. Claiborne
Chief Financial Officer

Skills and experience:
- Over 30 years of financial leadership in public and private companies in several industries
- Sucampo Pharmaceuticals Inc.: CFO (2011-2014)
- New Generation Biofuels Holdings Inc.: President and CEO (2009-2010) CFO (2007-2010)
- Osiris Therapeutics Inc., CFO (2004-2007)
- Constellation Energy Group, Inc., Home Depot Corporation, MCI Corporation: VP, Financial Planning and Analysis (1997-2004)
- General Electric: various senior management roles (1982-1997)

Other current appointments:
- MedicAlert Foundation: Board member and Audit Committee (Chair)

Board Committees: None

4. Rupert Bondy
Senior Independent Director

Skills and experience:
- Over 25 years of legal and corporate experience across various practice areas including M&A, pharmaceuticals and oil and gas
- GlaxoSmithKline PLC: various roles (1995-2008) including Group General Counsel (2001-2008)
- Morrison & Foerster: legal practice
- Lovells: legal practice

Other current appointments:
- BP PLC: Group General Counsel and member of the Executive Team

Board Committees:
- Nomination & Governance Committee (Chair)
- Remuneration Committee

5. Yvonne Greenstreet MBChB
Independent Non-Executive Director

Skills and experience:
- Over 20 years of pharmaceuticals industry experience
- Experienced in medicines development, medical affairs and business development
- Pfizer Inc.: SVP Medicines Development (2010-2013)
- GlaxoSmithKline PLC: various executive positions (1992-2010)
- Molecular Insight Pharmaceuticals Inc., (2008-2010): Independent Director, Chairman of Compensation Committee and Member of Research Regulatory and Clinical Committee

Other current appointments:
- Pacira Pharmaceuticals, Inc.: Director
- Advance Accelerator Applications S.A.: Director
- Moelis & Company: Independent Director
- Bill and Melinda Gates Foundation: Advisory Board

Board Committees:
- Science & Policy Committee (Chair)
- Audit Committee

6. Adrian Hennah
Non-Executive Director

Skills and experience:
- Over 30 years of pharmaceuticals, FMCG and engineering industry experience
- Smith & Nephew PLC: CFO (2006-2012)
- Invensys PLC: CFO (2002-2006)
- GlaxoSmithKline PLC: various senior management positions (1984-2002)
- PricewaterhouseCoopers: Management consultant

Other current appointments:
- Reckitt Benckiser Group plc: CFO
- Reed Elsevier Group PLC: Independent Non-Executive Director
- Reed Elsevier NV: Non-Executive Director

Board Committees:
- Audit Committee

7. A. Thomas McLellan, PhD
Independent Non-Executive Director

Skills and experience:
- Over 35 years as a career researcher in the treatment and policy-making around substance use and abuse field
- Published over 400 articles and chapters on addiction research
- Treatment Research Institute (TRI): Co-founder and CEO until September 1, 2014
- White House Office of National Drug Control Policy (2009-11): Deputy Director

Other current appointments:
- Treatment Research Institute (TRI): Chairman
- Serves on several editorial boards of scientific journals

Board Committees:
- Nomination & Governance Committee
- Science & Policy Committee

8. Lorna Parker
Independent Non-Executive Director

Skills and experience:
- Over 25 years of executive search and board consulting experience across a range of industries
- Spencer Stuart: Partner (1989-2008); led the private equity practice across Europe and the legal search practice globally
- Advent (venture capital) and Kleinwort Benson (Investment Banking)

Other current appointments:
- BC Partners: Senior Advisor
- Royal Horticultural Society and the BC Partners Foundation: Trustee
- Future Academies: Director
- Pimlico Academy, Pimlico Primary and Millbank Academy: Governor

Board Committees:
- Remuneration Committee
- Nomination & Governance Committee

9. Daniel J. Phelan
Independent Non-Executive Director

Skills and experience:
- Over 30 years of pharmaceuticals and executive management experience
- Extensive experience dealing with executive remuneration and CEO succession planning
- GlaxoSmithKline: Advisor to three CEOs and various executive positions (1981-2012)

Other current appointments:
- TE Connectivity Ltd: Board Director
- Computer Sciences Corporation: Advisory Board member
- Rutgers University Board of Trustees: Member
- RiseSmart: Advisory Board member

Board Committees:
- Remuneration Committee (Chair)
- Nomination & Governance Committee

10. Christian Schade
Independent Non-Executive Director

Skills and experience:
- Over 20 years of pharmaceuticals and financial industry experience
- Novira Therapeutics, Inc.: CEO (2014-2015)
- Omthera Pharmaceuticals, Inc.: CFO, EVP (2011-2013)
- NRG Energy, Inc.: CFO, EVP (2010-2011)
- Medarex Inc.: CFO, SVP (2000-2009)
- Merrill Lynch & Co.: MD, Debt Capital Markets (1992-2000)

Other current appointments:
- Integra LifeSciences Holdings Corporation: Director

Board Committees:
- Audit Committee (Chair)
- Science & Policy Committee

11. Daniel Tassé
Independent Non-Executive Director

Skills and experience:
- Over 20 years of pharmaceuticals and financial industry experience
- Ikaria Holdings, Inc.: CEO and President (2008-2015), Chairman (2009-2015)
- Baxter International: General Manager of Pharmaceuticals and Technologies Business Unit
- GlaxoSmithKline PLC: various senior management positions including President and Regional Director for Australasia (2001-2004)

Other current appointments:
- Bellerophon Therapeutics (Nasdaq BLPH): Director
- Diatech Oncology: Chairman

Board Committees:
- Remuneration Committee
- Audit Committee

Our Executive Committee

The Executive Committee is strong, experienced, and long-serving, with many years of industry experience and more than 60 years of experience at the Group. Each member is committed to the successful execution of our patient-focused business model while continuing to identify and address unmet market needs to drive growth. With extensive experience across industry sectors and in the addiction disease space, each member brings unique insights and perspectives to deliver Indivior's vision.


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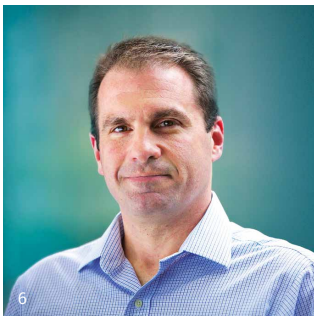
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1. Shaun Thaxter
Chief Executive Officer

(Board Director)

2. Cary J. Claiborne
Chief Financial Officer

(Board Director)

3. Tim Baxter
Chief Medical Officer

Industry experience:
25+ years

Professional qualifications:
- University of London: MD (specialty, Anesthesia)
- Clinical Medicine at Virginia Commonwealth University: Associate Professor

Key previous roles:
- Reckitt Benckiser Pharmaceuticals Inc.: Global Medical Director
- Reckitt Benckiser plc: Medical Director responsible for buprenorphine and healthcare (OTC)
- Schwarz Pharma Ltd: Medical Director
- Parexel International Ltd: Business Development Manager
- Covance: Pharmaceutical Physician

4. Debby Betz
Chief Corporate Affairs and Communications Officer

Industry experience:
27+ years

Key previous roles:
- Reckitt Benckiser Pharmaceuticals Inc.: Director of Marketing (North America) and Director of Commercial Development and Strategic Planning (North America)
- Purdue Pharma and Stuart Pharmaceuticals: Various sales and marketing leadership roles including District Sales Manager

5. Mark Crossley
Chief Strategy Officer

Industry experience:
16+ years

Professional qualifications:
National Association of Corporate Directors Leadership Fellow

Key previous roles:
- Reckitt Benckiser Pharmaceuticals Inc.: Global Finance Director
- Procter and Gamble: Associate Director Corporate Portfolio Finance
- Procter and Gamble: Associated Director Female Beauty Strategy and Business Planning Finance
- US Coast Guard: Officer

6. Jon Fogle
Chief Human Resources Officer

Industry experience:
22+ years

Professional qualifications:
Certified professional in Human Resources.

Key previous roles:
- Reckitt Benckiser Pharmaceuticals Inc.: Global Human Resources Director
- Reckitt Benckiser Pharmaceuticals Inc.: Human Resources Director for the US
- Capmark Finance (formerly GMAC Commercial Mortgage): Senior Vice President of Human Resources, North America

7. Tony Goodman
Chief Business Development Officer

Industry experience:
22+ years

Key previous roles:
- Reckitt Benckiser Pharmaceuticals Inc.: Director of US Business Development, Director of US Commercial Managed Care, Global Director of Category Development, Global Director of Commercial Development and Strategic Planning
- Purdue Pharma: Marketing, Managed Care and Global Category; and in Licensing, Mergers and Acquisitions. Group Product Manager and Director of Managed Health Strategies
- PRA International: Director of Strategic Marketing and Business Development

8. Christian Heidbreder
Chief Scientific Officer

Industry experience:
25+ years

Professional experience:
- 25 years' leadership in neurosciences across academia, government, industry; 350+ publications
- Academic roles: Affiliate Professor, Dept. Pharmacology and Toxicology, Virginia Commonwealth University School of Medicine

Key previous roles:
- Reckitt Benckiser Pharmaceuticals Inc.: Global R&D Director
- Altria: Client Services' Health Sciences
- GSK: Center of Excellence for Drug Discovery in Psychiatry
- SmithKline Beecham: Neuroscience Department

9. Javier Rodriguez
Chief Legal Officer

Industry experience:
12+ years

Professional qualifications:
Admitted to practise law in New York, New Jersey and Virginia (Corporate Counsel)

Key previous roles:
- Reckitt Benckiser Pharmaceuticals Inc.: VP General Counsel
- Reckitt Benckiser LLC: Senior Counsel (Healthcare), helping to acquire the global (ex-US) marketing rights to buprenorphine
- Bayer AG and Berlex Laboratories, Inc.: Corporate Counsel

10. Richard Simkin
Chief Commercial Officer

Industry experience:
20+ years

Key previous roles:
- Reckitt Benckiser Pharmaceuticals Inc.: President, North America
- Reckitt Benckiser: General Manager Portugal
- Reckitt Benckiser: Marketing Director UK Healthcare
- Reckitt Benckiser: Two Global Category roles and a number of Sales and Marketing positions in Healthcare

11. Frank Stier
Chief Supply Officer

Industry experience:
27+ years

Key previous roles:
- Reckitt Benckiser Pharmaceuticals Inc.: Global Supply Director (heading logistics, customer service, demand planning and manufacturing)
- Reckitt Benckiser Pharmaceuticals Inc.: Supply Services Director then Global Supply Services Director
- Reckitt Benckiser: Supply Services Director, Central Europe
- Reckitt Benckiser: Industrial Customer Service Manager
- Colgate-Palmolive GMBH: various roles

Chairman's statement on corporate governance

"As a Board, we are committed to developing and maintaining high standards of governance. During the year, the Board and its Committees have focused on continuing the implementation and development of good governance practices across the Company."

On behalf of the Board, I am pleased to present Indivior's Corporate Governance Report for 2015.

The Board has monitored compliance with the UK Corporate Governance Code ('the Code') and I am pleased to report that we have complied with all provisions, with the exception that Adrian Hennah, who is not considered independent under the Code, served as a member of the Audit Committee. Given Adrian's historical knowledge and understanding of the business, his insight has proved to be incredibly valuable.

Culture and behavioral standards

Indivior's purpose is to pioneer life-transforming treatments for patients suffering from addiction and its co-morbidities. Our Guiding Principles, which the Board believe have influenced decision-making and the successful operation of the business, are:

- focus on patient needs to drive decisions;
- believe that people's actions are well intended;
- seek the wisdom of the team;
- see it, own it, make it happen;
- care enough to coach; and
- demonstrate honesty and integrity at all times.

The Board believe that Indivior's culture is a powerful driver of success and we are pleased with the progress the business has made in its first year as a fully listed company.

Board balance and diversity

Ensuring a diverse balance of skills, knowledge and experience on the Board is a fundamental aspect of successful corporate governance. I am pleased to confirm that the Board members are individuals with skill sets that complement one another and collectively bring an appropriate mix and wide range of relevant skills and experience to ensure effective decision-making. The transformation of addiction from a global human crisis to a treated disease worldwide must be thoughtfully navigated and guided by experience. Your Board members bring with them a well-balanced and complementary combination of business, scientific, pharmaceutical, disease and intellectual property expertise. This knowledge, coupled with a pioneering spirit and insight into the addiction space, are catalysts to help millions around the world reclaim their lives.

The Board is supportive of diversity in its broadest form and supports Lord Davies' recommendations on improving gender balance on Boards.

Succession

As a newly formed Company, the Board and the Nomination & Governance Committee have spent time focusing on the development of succession plans for the Board and members of the Executive Committee. We plan to spend more time on this in 2016.

Evaluation

During the year, the Board undertook its first evaluation of its own performance. I am pleased to report that the Board has developed well since its inception. As a result of the review we have agreed to spend more time in 2016 focusing on the Company's long-term strategy.

Looking ahead to 2016

Looking ahead to 2016, I will continue to work alongside my fellow Board members in the development of Indivior as a world leader in the addiction space.

Howard Pien
Chairman
March 8, 2016

Corporate Governance Report

The Board is responsible for ensuring that there is a robust and trasparent governance framework in place. Indivior PLC (the 'Company') is subject to the UK Corporate Governance Code, published in September 2014 by the Financial Reporting Council (the 'Code') and available on their website www.frc.org.uk. During the financial year to December 31, 2015, the Company confirms that it has applied the main principles of the Code and has complied with all provisions, save for the following exception:

- Provision C.3.1 states that an Audit Committee should comprise at least three independent Non-Executive Directors. The Audit Committee currently comprises four Non-Executive Directors, of which three are considered independent in accordance with the Code. Adrian Hennah, who is the Chief Financial Officer of the Company's former parent company, Reckitt Benckiser Group plc, acts as the fourth member of the Committee. The Board considers that Adrian's skill and experience are of considerable benefit to the Committee and his historic insight will continue to be invaluable during the period of transition.

Role and responsibilities of the Board

The Board is responsible for the long-term success of the Company and for delivering value to shareholders. The Board's primary focus is to support and further the Company's purpose of pioneering life-transforming treatments for patients suffering from addiction and its co-morbidities.

Led by the Chairman, it approves the strategy and risk appetite for the Group and reviews and approves Indivior's product pipeline, capital structure and plans presented by management for the achievement of strategic objectives.

The Board is responsible for:

- approval of the Group's strategic aims and objectives, and performance against those aims and objectives;
- approval of the Group's annual budget and corporate plans;
- approval of the Group's annual, half-yearly and quarterly financial reports;
- approval of the Annual Report and Accounts and all reports included therein;
- approval of the Company's dividend policy and recommendation of any final dividend;
- approval of all Board appointments or removals, remuneration arrangements and termination payments;
- appointment and dismissal of the Company Secretary;
- approval of the membership and chairmanship of Board Committees, and succession planning for senior management;
- approval of major capital projects, acquisitions or divestments;
- approval of any increase in, or significant variation in the terms of, the borrowing facilities of the Company;
- approval of capital expenditure projects outside the scope of the approved annual budgets and plans; and
- approval of treasury and risk management policies.

The Board has a formal schedule of matters reserved to it and has delegated certain matters to its principal committees. The Board has delegated responsibility for the day-to-day management of the business to the Chief Executive Officer.

The Board

The Board has established a formal schedule of matters reserved for its approval and has delegated specific responsibilities to its principal committees: the Audit Committee, Remuneration Committee, Nomination & Governance Committee and Science & Policy Committee. Each committee operates under its own clearly defined Terms of Reference, which are available to view on the Company's website www.indivior.com. Further information about the committees and their responsibilities is set out on pages 63 to 68.

Board composition

The Board currently comprises 11 members: the Non-Executive Chairman, Howard Pien, the Chief Executive Officer, Shaun Thaxter, the Chief Financial Officer, Cary Claiborne and eight Non-Executive Directors. All of the Non-Executive Directors, with the exception of Adrian Hennah, are considered independent for the purposes of the UK Corporate Governance Code. The Chairman was considered independent on appointment.

The current balance of experience and skills has been considered during the year and is considered appropriate for the business.

Biographical details of each of the Directors are set out on page 55.

Chairman and Chief Executive Officer

There is a formal division of responsibilities between the Chairman and Chief Executive Officer, which is set out in writing.

The Chairman and Chief Executive Officer work together to set the Board's agenda.

Howard Pien is the Chairman and has led the Board since its inception. He provides leadership to the Board and is responsible for ensuring its effectiveness. He is responsible for maintaining high standards of corporate governance and probity. The Chairman is responsible for, and ensures constructive relations between, the Executive and Non-Executive Directors. He is responsible for setting the tone and culture in the boardroom.

Shaun Thaxter is the Chief Executive Officer. He is responsible for the executive management of the Company's business, for implementing the Company's strategy and for delivering performance against plans. He leads Indivior's interactions on matters of policy and reform with regards to the biopharmaceuticals industry.

During the year, the Chairman met and maintained contact with the Senior Independent Director and the Non-Executive Directors. A part of each Board meeting is reserved for a meeting of the Chairman and the Non-Executive Directors, without executive management present.

Senior Independent Director

Rupert Bondy is the Senior Independent Director. He supports the Chairman in his role and leads the annual evaluation of the performance of the Chairman, supported by the Non-Executive Directors. The Senior Independent Director is available to the Directors and to shareholders who have concerns which are unable to be addressed through the normal channels of the Chief Executive or Chairman of the Board.

Corporate Governance Report
Continued

Non-Executive Directors

The Non-Executive Directors bring an independent perspective, constructively challenge and help develop proposals on strategy, scrutinize the performance of management in meeting agreed goals and objectives, and monitor the Group's risk profile and reporting of performance. The Non-Executive Directors bring a broad range of skills and experience from business, academic, scientific, private equity and pharmaceutical sectors.

The Nomination & Governance Committee has considered the independence of each of the Non-Executive Directors against the criteria set out in the Code, and has concluded that all Non-Executive Directors, with the exception of Adrian Hennah, remain fully independent of management and free from any relationship that could interfere with their judgment.

Adrian Hennah is Chief Financial Officer of Reckitt Benckiser Group plc, the Company's former parent. The Board considers that his skills and experience, combined with his historic insight, have been invaluable during the period of transition.

Company Secretary

Kathryn Hudson acts as Secretary to the Board and the Remuneration and Nomination & Governance Committees. She supports the Chairman and the Board in the execution of their duties. She advises the Chairman, Chief Executive Officer and senior management on regulatory and governance matters. With the consent of the Board, secretarial responsibilities for the Audit and Science & Policy Committees are delegated to suitably qualified staff.

Role of the Board Committees

The Board is supported by a number of committees including the following principal committees: Audit, Nomination & Governance, Remuneration and Science & Policy Committee.

The Chairman of each principal committee reports on the activities of the committee at the following Board meeting and copies of the minutes of principal committee meetings are circulated to all Directors.

The Terms of Reference of each of the principal committees were reviewed during the year and a number of enhancements were made. The Terms of Reference of each of the principal committees are available on the Company's website.

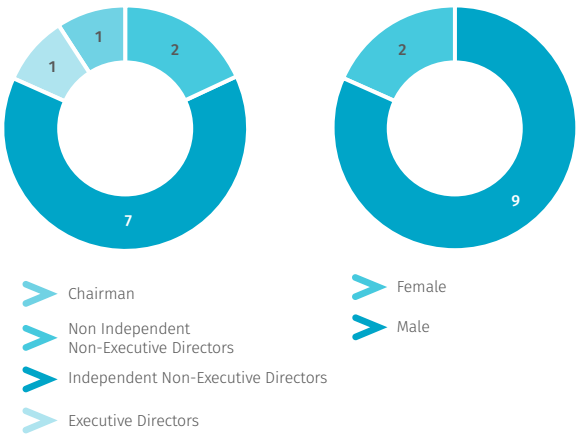
The reports of the Audit, Nomination & Governance and Science & Policy Committee are set out on pages 63 to 68. The report of the Remuneration Committee is set out on pages 70 to 83.

In addition to the principal committees described above, the Company also operates an Executive Committee, which is convened and chaired by the Chief Executive Officer. The Executive Committee comprises key functional leaders from the business and its purpose is to assist the Chief Executive Officer in discharging his duties. The Executive Committee meets monthly. Biographical details of the members of the Executive Committee are set out on page 57.

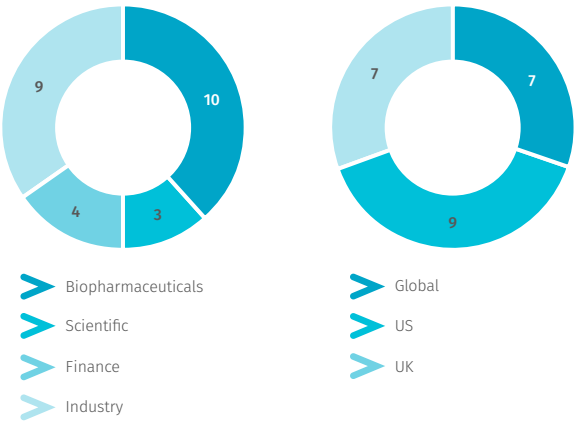
Diversity and inclusion

Diversity and Indivior's Board

Composition



Experience



Board effectiveness

Board and Committee attendance

The table below gives details of Directors' attendance at Board and Committee meetings held during the year.

The Chairman of the Board, the Chief Executive Officer and the Chief Financial Officer regularly attend committee meetings at the invitation of that Committee.

In addition to the scheduled meetings, a number of ad-hoc meetings were held during the year to deal with specific matters including post-demerger activities, remuneration matters and financial results announcements.

As the Board was formed on demerger, a number of Directors had pre-existing commitments which meant that they were unable to attend some of the meetings. In these circumstances, Directors are provided with briefing materials and have the opportunity to discuss any matters that will be considered with the Chairman, Chief Executive Officer or relevant Committee Chairman.

Activities during the year

During the year the Board held five scheduled meetings and an additional four ad-hoc meetings. The Board considers that it met sufficiently frequently to enable Directors to effectively discharge their duties.

In addition to regular reports from the Chief Executive Officer and Chief Financial Officer, the Board also considered the following key matters:

- regularly reviewed the Company's performance and considered the Company's annual, half-yearly and quarterly results announcements;
- as a result of the strong performance of the business and maintenance of market share in the US, and following input from the Group's advisors, agreed to increase market guidance for 2015 in July and again in November;
- reviewed and approved the Company's budget for 2016;
- visited the Fine Chemical Plant ('FCP') in Hull, UK where the active pharmaceutical ingredient, used in Indivior's products, is manufactured. The Directors undertook a tour of the FCP, meeting key personnel and reviewing the process by which the active ingredient is manufactured;
- undertook a detailed review of the succession plans for members of the Board and Executive Committee;
- undertook a detailed review of business development opportunities;
- received regular updates from the Group's Chief Legal Officer and external counsel regarding the Group's on-going litigation; and
- undertook a review of its performance and that of its principal committees.

Time commitment of the Chairman and Non-Executive Directors

The letters of appointment for the Chairman and Non-Executive Directors state the expected time commitment to fulfil their roles. Non-Executive Directors are expected to set aside sufficient time to prepare for meetings.

All Directors are subject to annual re-appointment. However, Non-Executive Directors are appointed for an initial term of three years as well as being subject to annual re-appointment by shareholders at the Company's Annual General Meeting ('AGM').

External directorships

The Nomination & Governance Committee has approved a formal policy in respect of the number of external appointments that a member of the Executive Committee may hold. Members of the Executive Committee may hold one non-executive appointment subject to the approval of the Nomination & Governance Committee.

	Board		Audit Committee		Nomination & Governance Committee	Remuneration Committee		Science & Policy Committee
	Scheduled	Ad-hoc	Scheduled	Ad-hoc	Scheduled	Scheduled	Ad-hoc	Scheduled
Chairman								
Howard Pien	5/5	4/4	–	–	–	–	–	–
Executive Directors								
Shaun Thaxter	5/5	4/4	–	–	–	–	–	–
Cary Claiborne	5/5	4/4	–	–	–	–	–	–
Non-Executive Directors								
Rupert Bondy	4/5	3/4	–	–	5/5	5/5	5/6	
Yvonne Greenstreet	5/5	4/4	5/5	6/7	–	–	–	6/6
Adrian Hennah	5/5	3/4	5/5	7/7	–	–	–	
Tom McLellan	4/5	4/4	–	–	4/5	–	–	6/6
Lorna Parker	5/5	4/4	–	–	4/5	5/5	6/6	
Dan Phelan	5/5	4/4	–	–	5/5	5/5	6/6	
Chris Schade	5/5	4/4	5/5	7/7	–	–	–	6/6
Daniel Tassé	5/5	4/4	5/5	7/7	–	4/5	6/6	

Corporate Governance Report
Continued

No formal limit on other board appointments applies to Non-Executive Directors under the policy, but prior approval from the Chairman on behalf of the Board is required in the case of any new appointment. In the case of the Chairman, prior approval of the Nomination & Governance Committee is required on behalf of the Board.

The Chairman holds various directorships as detailed on page 55. These directorships have not impacted the time and commitment required by him to serve as Chairman of the Company throughout the year.

Induction and training

A bespoke training and induction programme for the Board and its committees was devised to help provide the Directors with a broad understanding of the business and regulatory and governance matters. The Company Secretary monitors the on-going training needs and arranges for updates to be scheduled as required.

During the year, the Board visited the Fine Chemical Plant ('FCP') in Hull where the active pharmaceutical ingredient used in Indivior's products is manufactured. The Directors undertook a tour of the FCP, meeting key personnel and reviewing the process by which the active pharmaceutical ingredient is manufactured.

In addition, the Company Secretary arranged a number of training sessions for the Board and Committees. These included sessions focusing on cyber risk, succession planning and changes to the UK Corporate Governance Code.

Information and support

All Directors have direct access to the advice and services of the Company Secretary. Directors may also obtain independent professional advice as required at the Company's expense.

Performance evaluation

In accordance with the Code, the Board undertook an evaluation of its performance and of its principal committees.

The Company Secretary worked with the Chairman and the Non-Executive Directors to develop an evaluation which would assess the development of the Board and its committees in its first year and also identify areas for development in future. The key areas of focus were:

- strategic and operational oversight;
- Board meetings and support;
- Board effectiveness;
- succession planning and human resource management; and
- priorities for the future.

The responses to the evaluation were collated and analyzed. The responses and analysis were circulated to each of the Directors and formed the basis of individual meetings with each Director and the Chairman and Company Secretary. The results of the survey and feedback from the meetings were discussed by the Board at its meeting in November 2015.

The Directors concluded that the Board and each of its committees were operating effectively and that the Board had developed a strong, collaborative culture since its inception.

As a result of the review, it was agreed:

- to extend one of the Board's meetings in 2016 by an extra day to allow the Board to focus in detail on the Company's long-term strategic goals;
- to continue to visit key Indivior sites;
- to ensure that the full Board reviews the succession plans for the Chief Executive Officer. This was considered in detail at a subsequent Board meeting; and
- to continue to focus on training and development, tailored to the individual needs of the Directors.

The Board intends to comply with the provisions of the Code regarding performance evaluation and to conduct an externally facilitated review by 2017.

The Non-Executive Directors, led by the Senior Independent Director, carried out the review of the performance of the Chairman.

Appointment and replacement of Directors

There is a formal, rigorous and transparent procedure for the appointment of new Directors to the Board. The Board may appoint an individual as a Director to either fill a vacancy or as an additional member of the Board. The process for new appointments is led by the Nomination & Governance Committee which ultimately makes a recommendation to the Board.

All the Directors are seeking re-appointment at the forthcoming AGM to be held on May 11, 2016, at which Non-Executive Directors' terms of appointment and service contracts will be made available for inspection by shareholders.

Letters setting out the terms of appointment of each Non-Executive Director are also available for inspection at 103-105 Bath Road, Slough, Berkshire SL1 3UH.

Conflicts of interest

The Board has adopted a policy and procedure to authorize situations where a Director has an interest that conflicts, or could potentially conflict, with the interests of the Company. A review of situational conflicts which have been authorized is conducted annually by the Board.

The Nomination & Governance Committee is responsible for the Company's procedures for dealing with conflicts of interest notified by the Directors to the Board, and for making recommendations to authorize conflicts or implement other measures in relation to such conflicts.

Re-appointment of Directors

At the Company's first AGM in May 2015 all Directors sought election in accordance with the Company's Articles of Association, which require newly appointed Directors to stand for election at the first AGM following their appointment.

At the AGM in May 2016, all Directors will offer themselves for re-appointment in accordance with the Code.

The Board may appoint any Director to hold any employment or executive office and may revoke or terminate any such appointment. Shareholders may, by ordinary resolution, appoint a person as Director or remove any Director before the expiration of their period of office.

Engagement with shareholders

The Board recognizes the importance of regular, effective and constructive communications with its shareholders. The principal event for the Board to engage with all shareholders is the Company's AGM, the first of which was well attended.

The Company announces its financial results on a quarterly basis, and these are released to the London Stock Exchange via Regulatory News Service and subsequently published on the Company's website. Half and full-year results are accompanied by a presentation by the Chief Executive Officer, Chief Financial Officer and other executives for investors, which is webcast live and archived on the Company's website. The Chief Executive Officer also presented financial and operational results, together with future strategy, at the Company's AGM in May 2015. Q1 and Q3 results are accompanied by a conference call with the Chief Executive Officer, Chief Financial Officer and other Executives for investors and analysts – such calls are also live webcast.

During the year the Chief Executive Officer, Chief Financial Officer and the Director of Investor Relations met regularly with the Company's major shareholders and financial analysts to discuss matters relating to the Company's business strategy and current performance. In addition, the Chief Executive Officer, Chief Financial Officer and members of the senior management team held a Research & Development Day in New York on December 9, 2015, hosted by Dr Christian Heidbreder, the Company's Chief Scientific Officer. The Company presented at four healthcare sector investor conferences and attended a further four healthcare investor conferences for the purposes of meeting investors. Over the course of the year management held well over one hundred one-to-one and small group meetings with investing institutions in the US, UK and Europe.

The Non-Executive Directors regularly receive presentations and updates from the Chief Executive Officer, Chief Financial Officer and the Director of Investor Relations on their discussions with the Company's institutional shareholders and are informed of any issues or concerns raised by them. This process allows the Non-Executive Directors to develop necessary understanding of the views of these shareholders and also enables the Board to judge whether investors have a sufficient understanding of the Group's objectives.

The Remuneration Committee has reflected on the feedback from shareholders regarding the Company's remuneration arrangements. The Chairman of the Remuneration Committee and the Senior Independent Director met with a significant number of shareholders following the AGM in 2015, and as a result some changes have been made to the Company's approach to remuneration. Further information regarding these changes is included in the Directors' Remuneration Report on pages 70 to 83.

Annual General Meeting

The Annual General Meeting ('AGM') provides all shareholders with an opportunity to vote on the resolutions put to them.

The AGM will be used as a main opportunity for the Directors to meet directly with private investors. The AGM is attended by the Directors, and shareholders are given the opportunity to ask questions of the Chairman, the chairs of Board committees and the Board as a whole.

All resolutions will be voted on by way of poll, with one vote for each share. The results of the poll will be announced to the London Stock Exchange and published on Indivior's website shortly after the conclusion of the AGM.

Board accountability

The Board is responsible for the integrity of Indivior's consolidated and the Company's financial statements, and recognizes its responsibility to present a fair, balanced and understandable assessment of the Company's position and prospects. The Board has assessed, together with the Audit Committee, all information available in considering the overall drafting of the Company's financial statements and the process by which they were compiled and reviewed. In doing so the Board ensured that adequate time was dedicated to the drafting process so that linkages and consistencies were worked through and tested. Drafts were received by knowledgeable executives and senior management not directly involved in the year-end process. The Board recognizes that this responsibility extends to interim and other price-sensitive information, information required to be presented in relation to statutory requests, and reports to regulators. In relation to these requirements, reference is made to the Statement of Directors' Responsibilities for preparing the financial statements, set out on page 69.

The Audit Committee

The Audit Committee makes formal and transparent arrangements for considering how financial reporting and internal control principles are applied, and for maintaining an appropriate and transparent relationship with the independent External Auditor, PricewaterhouseCoopers LLP. Details of the role and activities of the Audit Committee are set out on pages 63 to 66.

Further disclosures

Information fulfilling the further disclosure requirements contained in the Companies Act 2006, Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and the FCA's Listing Rules and Disclosure and Transparency Rules are set out on page 84 of the Directors' Report which are incorporated by reference into this Corporate Governance Report.

Audit Committee

Committee composition

The Audit Committee comprises four Non-Executive Directors, three of whom are considered independent for the purposes of the Code:

Christian Schade (Chairman)
Yvonne Greenstreet
Adrian Hennah
Daniel Tassé

Role of the Committee

The purpose of the Committee is to provide effective governance by overseeing the Group's financial reporting process including the Internal Audit Function and External Auditors, and to maintain oversight of the Group's system of internal control and risk management activities. Accordingly, the Committee's primary purposes are:

- to monitor the integrity of the Group's financial reporting, compliance with auditing standards and to review going concern assumptions;
- to challenge where necessary the consistency of, and any changes to, accounting and treasury policies;
- to review the Group's internal control systems;

Corporate Governance Report
Continued

- to review the Group's strategy for the management of key financial risks;
- to monitor and review the effectiveness of the Group's Internal Audit Function;
- to monitor the relationship between the Group and the External Auditor; and
- to monitor the Group's policies, procedures and controls for preventing bribery, money laundering and the Group's arrangements for whistleblowing.

The Committee met 12 times during the year and the agendas were linked to events in the Group's financial calendar. Details of attendance at committee meetings is detailed on page 61.

The Committee has unrestricted access to Company documents and information as well as employees and the External Auditors. The Committee may also take independent professional advice on any matters covered by its Terms of Reference at the Company's expense.

Significant issues the Committee has considered	How the issue was addressed by the Committee
Meeting the new reporting requirements of being a listed entity	Indivior PLC listed on the London Stock Exchange in December 2015 bringing with it additional regulatory and reporting requirements. The Group's 2015 Annual Report is the first full year prepared under such requirements. Management have employed experienced individuals to ensure all reporting requirements are met. The Audit Committee reviewed the disclosures in the Annual Report, including those included for the first time, and discussed them with management and the Group's Auditors.
Cyber security	Data security updates were given to the Committee regarding data held for patients and employees, as well as other key data areas which could be detrimental if leaked. At the request of the Committee, the Group's Executive Committee carried out a risk assessment and identified the top ten most important cyber risks to the Group.
Going concern	The Committee conducted a detailed evaluation of whether the Company is a going concern when preparing the annual and half-yearly financial statements. To help reach its conclusion the Committee took into account the Company's forecasts, budgets, medium- and long-term plan, borrowing facilities, contingent liabilities and operational risk management.
Enterprise Resource Planning	Following the demerger from Reckitt Benckiser Group plc ('RB'), the Indivior Group undertook a major IT project to separate the Indivior IT systems from the existing RB platforms. The Committee were appraised at all stages of the project and reviewed detailed key project milestone, timelines and costs for the completion of the project.
Investment policy	During the year a review of the Group's investment policy was undertaken to ensure the activities of the Group Treasury department were in line with the Group's policy on risk.
Revenue recognition process, including sales rebates, returns and discounts	The Committee received a presentation from US management covering revenue recognition and the sales rebates, discounts and returns adjustments used to reach net revenue. The Committee reviewed the Group's accounting policy for revenue recognition in light of management's process and considered the policy to be reasonable. The Committee discussed the Group's various sales rebates and discounts, including both the process and judgments applied by management in calculating these estimates. The Committee has also reviewed the control environment and the findings of Internal Audit relating to trade spend with management. The Committee concluded that management operates an appropriate control environment which minimises the risks in this area.
Taxation	The Committee considered any on-going and new tax disputes raised in the year, as well as areas of potential risk and agreed with management's judgment on the levels of tax contingencies required. In addition where tax disputes developed during the year, the Committee received updates from the Group Tax Director as information became available.
Provisioning for litigation and regulatory investigations	The Committee received updates from management on key ongoing regulatory investigations and litigations. Management outlined the levels of provision and corresponding disclosure requirements for potential adverse litigation outcomes and also those on-going regulatory investigations where it is not yet possible to determine if a provision was necessary, or its amount. The Committee considered the levels of provision and disclosure to be appropriate. At December 31, 2015 the Group held provisions of $41m in respect of actual legal claims brought against the Group and disclosures have been made in Note 18 in relation to these provisions recognised, as well as the disclosure of contingent liabilities in Note 20 relating to on-going regulatory investigations where no claim has been brought at the balance sheet date.

The Committee normally invites the Chief Financial Officer, Group Financial Controller, Head of Internal Audit and a partner and other representatives from the External Auditor to attend meetings of the Committee, although it reserves the right to request any of these individuals to withdraw. For part of each meeting the Committee will meet separately with representatives from the External Auditor and the Head of Internal Audit without any other persons present.

Activities during the year

In order to fulfil the Committee's Terms of Reference, the Committee received and considered presentations and reports from the Group's senior management and, where necessary, consulted with the External Auditor.

During the year the Committee:

- reviewed the integrity of externally reported financial information and financial statements for 2015. This included reviewing the Group's quarterly trading announcements, including the Annual Report and trading updates;
- reviewed litigation and contingent liabilities affecting the Group;
- evaluated the revisions to the UK Corporate Governance Code with particular emphasis on:
  - Viability Statement
  - going concern confirmation
  - assessment of Principal Risks
  - monitoring and review of risk management and internal control;
- provided oversight of the Group-wide Enterprise Resource Planning project, separating the Group's existing IT systems from those operated by Reckitt Benckiser Group plc with particular emphasis on the new SAP platform;
- provided oversight of the establishment of, and assumed responsibility for, overseeing the Group's whistleblowing policy and the continuing provision of a whistleblowing hotline; and
- evaluated matters, and the conclusion reached, with respect to significant transactions, judgments and estimates.

Significant issues and material judgments

An important responsibility of the Audit Committee is to review and agree the most significant management judgments and issues. To satisfy this responsibility, the Committee receives an update at every committee meeting from the Chief Financial Officer and other senior managers within the finance and treasury function of the Company. The Committee also requires regular reports from the External Auditors at each committee meeting. The Committee carefully considers the content of these reports, and the most significant issues and areas of judgment raised. The key areas of judgment in the year are detailed on page 101.

The significant issues considered in relation to the financial statements are also detailed on page 64, together with a summary of the outcomes. In addition, the Committee and the External Auditors have discussed the significant issues addressed by the Committee during the year and the areas of particular focus as described in the Independent Auditor's Report on pages 88 to 94.

Internal Audit

The Audit Committee is required to assist the Board in fulfilling its responsibilities regarding the adequacy of resourcing and the planning of the Internal Audit Function of the Group. Accordingly, during the year, the Committee reviewed:

- the Internal Audit Function, including reporting lines and its access to the Committee and all Board members. The review included input from members of the Audit Committee, Executive Committee and External Auditor. The results of the review were considered by the Audit Committee and no significant issues were identified or highlighted;
- results of key audits and the adequacy of management's response and the timeline for resolution; and
- Internal Audit's plans and its achievement of planned activity.

During the year, the Audit Committee also considered and approved the Internal Audit Plan for 2016, which included monitoring and review of the Internal Audit Function.

The Audit Committee receives updates at each scheduled meeting, from the Head of Internal Audit, on the work carried out by the Internal Audit Function.

Risk management and internal control

The Board acknowledges its responsibilities for the Group's risk management and internal control systems and its duty to facilitate the identification, assessment and management of risk, and the protection of Group assets and shareholder investments. The Board also acknowledges that it is responsible for providing a return to shareholders, consistent with responsible assessment and mitigation of risks.

All business areas of the Group prepare annual operating plans and budgets and these are regularly reviewed and updated as necessary throughout the year. Performance against budget is monitored centrally and at operational level. The cash position of the Group is monitored daily and variances from expected levels are thoroughly investigated.

Clear guidelines are in place for capital expenditure and investment decisions. These include budget preparation, appraisal and review procedures and delegated authority levels.

Effective controls ensure that the Group's exposure to avoidable risk is minimized and that proper accounting records are maintained, financial information used within all business areas is reliable and up to date, and the financial reporting processes comply with relevant regulatory reporting requirements.

The Company has in place internal controls and risk management systems in relation to the Company's financial reporting process for preparation of consolidated accounts. These systems include policies and procedures that relate to the maintenance of records which accurately and fairly reflect transactions; provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements; required representatives of the Company to certify that their reported information gives a true and fair view of the state of affairs of the business and its results for the period, and review and reconcile reported data.

During the year the systems accord with the Financial Reporting Council ('FRC') Guidance on risk management, internal control and related financial and business reporting.

Management accounts are reviewed by senior management and the Board. Performance against budget and forecasts is discussed at each Board meeting, including key performance indicators covering all areas of the business. The adequacy of key performance indicators is reviewed regularly.

It should be recognized that all control processes are designed to manage, rather than eliminate, the risk of assets being unprotected and guard against their unauthorised use, culminating in the failure to achieve business objectives. Internal controls will only provide reasonable and not total assurance against material misstatement or loss.

Corporate Governance Report
Continued

Accordingly, the Board confirm there is a process for identifying, evaluating and managing risks faced by the Group and the operational effectiveness of the appropriate controls, all of which have been in place throughout the year and up to the date of approval of the 2015 Annual Report and Accounts.

Reviewing the effectiveness of internal control

As referred to above, throughout the financial year the Board, through the Audit Committee, reviews the effectiveness of internal control and the management of risk. In addition to financial and business reports, the Board has reviewed medium- and longer-term strategic plans, reports on key operational issues, tax, treasury, risk management, insurance, legal matters and Audit Committee reports, including Internal and External Auditors' reports.

Significant failings or weaknesses

The Audit Committee confirms that no significant weaknesses or failings were identified during the year and, therefore, no remedial actions were required.

External Auditors

PricewaterhouseCoopers LLP ('PwC') were appointed as the Company's External Auditor on demerger and were appointed by shareholders at the Company's AGM in May 2015. As this has been PwC's first year as the Company's External Auditor, focus has been placed on assisting them develop a good understanding of the business.

The Audit Committee oversees the work undertaken by the External Auditor, PwC. During the year the Audit Committee regularly met with PwC without members of management being present.

Auditor effectiveness

To assess the effectiveness of the External Auditors, the Audit Committee reviewed:

- the External Auditors' fulfilment of the agreed Audit Plan and variations from it;
- reports highlighting the major issues that arose during the course of the audit; and
- a report from the Audit Partner at each Audit Committee meeting.

To fulfil its responsibility for oversight of the External Audit process, the Audit Committee reviewed:

- the terms, areas of responsibility, associated duties and scope of the audit as set out in the External Auditors' engagement letter;
- the overall Audit Plan and fee proposal;
- key accounting and audit judgments;
- the level of errors identified during the audit; and
- recommendations made by the External Auditors in their management letters and the adequacy of management's response.

PwC were appointed as the Company's External Auditors at the time of demerger from Reckitt Benckiser Group plc ('RB'). PwC are also External Auditors to RB. As the Company previously operated as a business unit of RB the Audit Committee considered it appropriate for PwC to be appointed as the Company's External Auditor. The Audit Committee will review annually the appointment of the External Auditor, taking into account the Auditor's effectiveness, independence and audit partner rotation, and make a recommendation to the Board accordingly.

Any decision to open the external audit to tender would be taken on the recommendation of the Audit Committee. To date no tender has yet been conducted. There are no contractual obligations that restrict the Company's current choice of External Auditor.

Full details of the External Auditor's remuneration for the year are disclosed in Note 5 to the Financial Statements.

Further details on the responsibilities of the Audit Committee regarding the engagement of the external auditor and the supply of non-audit services can be found in the Audit Committee's Terms of Reference on the Company's website www.indivior.com.

External Auditor independence

Indivior has a formal policy in place to safeguard Auditor independence. The Audit Committee and the Chief Financial Officer keep the independence and objectivity of the External Auditors under review. The Audit Committee will review the nature and level of non-audit services undertaken by the External Auditor during the year to satisfy itself that there is no effect on their independence.

Non-audit services

The Audit Committee keep under review the nature and level of non-audit services undertaken by the External Auditor. It is recognized that in certain circumstances the nature of the advice required may make it more timely and cost-effective to appoint the External Auditors who already have a good understanding of the business. During the year there were no material non-audit services provided by PwC.

The Company's published policy on non-audit fees states that, on an annual basis, non-audit fees should not normally be in excess of 70% of the Group's external audit fees billed over the last three years.

The Board confirms that for the year ended December 31, 2015, non-audit fees were less than 70% of the audit and audit-related fees. A copy of the Company's Non-Audit Fees Policy is available on the Company website www.indivior.com.

External Auditor re-appointment

The Audit Committee has recommended to the Board that PwC be proposed for re-appointment by shareholders as the Company's External Auditor at the May 2016 AGM.

The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Process and Audit Committee Responsibilities Order 2014) – statement of compliance

The Company confirms that it complied with the provisions of the Competition and Markets Authority's Order for the financial year under review.

The Committee evaluation

During the year, the Committee undertook its first evaluation of its own performance. It was acknowledged that the Committee had established itself well since its formation. One area of focus identified for the Committee in 2016 was to consider further training to ensure they remain abreast of developments in best practice.

Chris Schade
Chairman of the Audit Committee
March 8, 2016

Nomination & Governance Committee

Committee composition

The Nomination & Governance Committee comprises four independent Non-Executive Directors:

Rupert Bondy (Chairman)
A. Thomas McLellan
Lorna Parker
Daniel J. Phelan

At the invitation of the Committee, the Chairman of the Board, the Chief Executive Officer, the Chief Legal Officer and the VP Corporate Compliance attended meetings of the Committee throughout the year.

Role of the Committee

The Nomination & Governance Committee has delegated authority from the Board, which is set out in its Terms of Reference and available to view on the Company's website. The primary purposes of the Nomination & Governance Committee are:

- to review the size, composition and balance of skills and experience on the Board and its committees, and make recommendations to the Board regarding any proposed changes;
- to conduct the search and selection process for new Directors and recommend appointments to the Board and its committees;
- to review succession plans for the Directors and senior executives within the Company;
- to evaluate the procedures relating to Directors' conflicts of interest, evaluate any conflicts notified by Directors, and recommend authorizations or other measures to the Board;
- to oversee compliance with the UK Corporate Governance Code and keep under review other corporate governance matters; and
- to oversee the Group's Corporate Compliance Program.

The Chairman of the Committee reports on the activities of the Committee at the following Board meeting, and copies of the minutes of committee meetings are circulated to all Directors.

The Nomination & Governance Committee is supported by the Company Secretary. The Committee has authority to appoint search consultants and other advisors at its discretion.

Meetings

The Committee met five times during the year. Details of attendance at committee meetings is detailed on page 61.

The Committee regularly meets without members of the executive management team being present.

Activities in 2015

During the year the Nomination & Governance Committee considered the following matters:

- reviewed the succession plans for members of the Board and of the Executive Committee. The succession plans for the Chief Executive Officer were considered by the Board as a whole;
- considered and agreed the policy on external appointments for members of the Executive Committee;
- considered the process for evaluating the performance of the Board and its committees;
- conducted a review of its own performance and reported to the Board on the results of that review;
- reviewed its Terms of Reference and recommended a number of changes to the Board, which included taking on responsibility for oversight of the Company's Corporate Compliance Program;
- reviewed the Company's Corporate Compliance Program and held a private session with the VP Corporate Compliance, without executive management present;
- reviewed and agreed the induction and training program for Directors;
- received training on the role and responsibilities of the Nomination & Governance Committee; and
- reviewed Indivior's Corporate Diversity and Inclusion Policy and the Board's diversity statement.

Rupert Bondy
Chairman of the Nomination & Governance Committee
March 8, 2016

Science & Policy Committee

Committee composition

The Science & Policy Committee comprises three independent Non-Executive Directors:

Yvonne Greenstreet (Chair)
A. Thomas McLellan
Christian Schade

Role of the Committee

The Science & Policy Committee has delegated authority from the Board, which is set out in its Terms of Reference and available to view on the Company's website www.indivior.com. The primary purposes of the Science & Policy Committee are:

- to provide assurance to the Board regarding the quality, competitiveness and integrity of the Company's Research & Development ('R&D') activities, by way of meetings and dialog with the Company's R&D leaders and other scientist employees, and visits to Company R&D sites;
- to review the approaches adopted in respect of Indivior's chosen therapy area of addiction and its co-morbidities;
- to review the scientific technology and R&D capabilities deployed within the business;
- to assess the decision-making processes for R&D projects and programs;
- to review benchmarking against industry and scientific best practice, where appropriate; and
- to review relevant and important bioethical issues and assist in the formulation of, and agree on behalf of the Board, appropriate policies in relation to such issues.

The Chairman of the Committee reports on the activities of the Committee at the following Board meeting and copies of the minutes of committee meetings are circulated to all Directors.

The Committee is supported by the Company Secretary. The Committee has authority to appoint consultants and other advisors at its discretion.

Meetings

The Committee met six times during the year. Details of attendance at committee meetings is detailed on page 61.

At the invitation of the Committee, the Chief Scientific Officer regularly attended meetings of the Committee throughout the year.

Activities in 2015

During the year the Science & Policy Committee considered the following matters:

- monitored and reviewed the progress and development of the Company's product pipeline;
- conducted a review of its own performance and reported to the Board on the results of that review;
- reviewed the Company's comprehensive Opportunity Identification Strategy in addiction medicine & adjacencies over the last ten years (2005-2015); and
- reviewed and approved the agenda and content of the first Indivior R&D Day held in New York on December 9, 2015.

Yvonne Greenstreet
Chairman of the Science & Policy Committee
March 8, 2016

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the European Union, and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). In preparing the Group financial statements, the Directors have also elected to comply with IFRS, issued by the International Accounting Standards Board ('IASB').

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company, and of the profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union, IFRS issued by IASB, and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Parent Company financial statements respectively; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, and disclose with reasonable accuracy, at any time, the financial position of the Company and the Group, and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the Annual Report

The Directors consider that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable, and provide the information necessary for shareholders to assess a Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed on page 55, confirm that, to the best of their knowledge: the Group financial statements, which have been prepared in accordance with IFRS, as adopted by the EU, give a true and fair view of the assets, liabilities, financial positions and profit and loss of the Company and Group; and the Directors' Report, contained on pages 84 to 87 and the Strategic Report, contained on pages 2 to 53, include a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

Disclosure of information to auditors

A Directors' statement in relation to disclosure of relevant audit information can be found in the Directors' Report on page 84.

Going concern

The Group's business model, strategy, and viability assessment are set out in the Strategic Report on pages 2 to 53, along with the principal risks that could threaten the Group's business model, future performance, solvency or liquidity and the Group's risk management strategy. The Group's financial position, cash flows, liquidity position and financial assets and liabilities are discussed in Note 15 to the Group Financial Statements, along with the Group's objectives, policies and processes for managing its financial risks, and the Group's exposure to liquidity risk and capital risk.

The Directors have given the going concern assessment due consideration and have concluded that it is appropriate to prepare the Group financial statements on a going concern basis. The Directors have considered the Group's strategic plan, in particular with reference to the period through June 30, 2017. In addition to the assessment of generic manufacturers' challenges to the intellectual property of Suboxone Film and the development of the Group's research and development portfolio, the Directors have assessed the Group's ability to maintain compliance with the financial covenants in its debt facility and raise additional funding in the financial markets.

After making appropriate enquiries, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence through the period ending June 30, 2017. However, as disclosed in Note 20 of the Group financial statements relating to the ANDA litigation, the outcome remains uncertain. In the event of a negative ruling against the Group and, should there be a regulatory approval and subsequent commercial launch of generic Suboxone Film, there is the likelihood that revenues and operating profits will decline. In these circumstances the Group has the ability to take necessary measures to reduce its cost base and improve its cash flow to ensure that the Group can continue as a going concern for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis for accounting in preparing these financial statements.

This statement is made to fulfil the requirements of Provision C.1.3 of the UK Corporate Governance Code.

By Order of the Board

Kathryn Hudson
Company Secretary of Indivior PLC
103-105 Bath Road
Slough, Berkshire, SL1 3UH

Company Registration number: 9237894

March 8, 2016

Directors' Remuneration Report

"The Committee believe the Remuneration Policy in place will support and drive the Company's strategic direction."

Part one – Annual Statement from the Chair of the Remuneration Committee

Dear Shareholder,

On behalf of the Board I am pleased to present the Directors' Remuneration Report for the financial year ended December 31, 2015, which represents our first full year as a listed company.

This has been a challenging year for the Committee and the Company alike but greatly helped by shareholders approving our Remuneration Policy and Annual Report on Remuneration at our AGM on May 13, 2015. No changes are proposed to our Remuneration Policy for this year and a summary of our Remuneration Policy has been included within this report. The Annual Report on Remuneration on pages 70 to 83 will be subject to a shareholder vote at the AGM in 2016.

During the year, the Committee met with many shareholders and, following their feedback, have made some changes to how we will implement our Remuneration Policy in 2016. A summary of these changes is included in this letter and further details provided in this report.

My colleagues and I on the Committee hope that you find the report clear, transparent and informative, and that we can count on your continued support. The Committee believe the Remuneration Policy in place will support and drive the Company's strategic direction and support the ambition of remaining a world-leading speciality pharmaceutical company which is fully aligned with shareholder interests.

Context for remuneration at Indivior

Our remuneration philosophy continues to be focused on incentivizing our senior executives in a manner which is aligned to our strategy and the five value drivers of the business that have been identified:

- sustainability versus current competition
- sustainability versus future competition
- pipeline
- opportunities to grow the market
- inorganic opportunities.

As I set out in my letter last year, Indivior will continue to apply a remuneration philosophy which is simple, focused on delivering exceptional performance and aligned with shareholders' interests.

Our remuneration structure needs to take into account that the majority of our revenues are from our US operations and the majority of our management team are based in the US. We therefore compete for talent against global pharmaceutical companies, predominately based in the US, whose pay model is very different to typical UK market practice.

Index of the Directors' Remuneration Report

This Report has been prepared in accordance with the provisions of the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and is compliant with the requirements of the UK Listing Authority's Listing Rules and the Disclosure and Transparency Rules. This Report is set out into key sections, detailed below:

However, this needs to be carefully balanced with recognizing that Indivior is a UK-listed company operating within UK Corporate Governance guidelines and best practice.

This results in a remuneration structure which is different in some respects to a typical UK plc package, but the Committee consider is required to be able to retain and incentivize our strong management team to continue to deliver long-term value creation for our shareholders.

Remuneration outcomes in 2015

2015 has been a strong year for Indivior, with delivery against our key financial metrics exceeding expectations. Performance in respect of developing our pipeline has also been very strong and this continues to provide a solid base for the business going into 2016.

This performance was also reflected through our share price which, from the point of listing, had increased by c.25% as at December 31, 2015.

Remuneration outcomes for the year reflect this strong performance as summarized below.

Base salary
The Executive Directors did not receive a base salary increase during 2015.

Annual bonus
As set out above, the performance of the business during 2015 was strong and the Company delivered performance significantly above expectations across all of its key financial targets and the vast majority of its strategic Key Performance Indicators (KPIs). This has resulted in a bonus payment of 94.5% of the maximum opportunity.

Reckitt Benckiser Long-Term Incentive Plan ('RB LTIP')
The performance period for the RB LTIP awards that were made in December 2012, and converted into Indivior shares upon the completion of the transaction ended on December 31, 2015. As set out in last year's Remuneration Report, as the performance period covers a time when Indivior was part of the Reckitt Benckiser Group ('RB') and a period where it has been a stand-alone company, the vesting of this award has been assessed by taking into account RB and Indivior's performance over the performance period.

This has resulted in a vesting level of 93.33% which takes into consideration both the vesting level in respect of RB's performance over the period and the exceptional performance of Indivior against all financial and strategic objectives. Further details of how the vesting level for these awards has been determined is set out on page 75.

Changes to the remuneration framework for 2016

Base salary
The Executive Directors received a base salary increase of 3% effective January 1, 2016 aligned with the average increase for the wider workforce. Base salaries for the Executive Directors remain below the median in comparison to both UK and US peers.

Annual bonus
The annual bonus for 2016 will operate on a very similar basis to 2015. The only change is that the proportion of the bonus subject to EBIT will be replaced by another profit measure, net income. Net income is the profit measure which is the primary focus of management internally and is also aligned with how the Group reports profit externally. As such, it is considered to be the most appropriate measure of profit to be used for bonus purposes going forwards.

Indivior Long-Term Incentive Plan (LTIP)
Taking into account feedback from shareholders, we have removed the absolute Total Shareholder Return ('TSR') performance measure for awards made under the LTIP in 2016 and replaced this with a measure of relative TSR.

For 2016, awards will be subject to key pipeline milestones (weighting reduced from 50% to one-third), relative TSR vs the constituents of the FTSE 250 excluding Investment Trusts (one-third weighting) and relative TSR vs the constituents of the S&P1500 Pharmaceutical and Biotech Index (one-third weighting).

The Committee considered TSR to remain a relevant metric as it is directly aligned with shareholders, but noted shareholder concerns in respect of the use of TSR on an absolute basis.

The use of two relative TSR comparator groups is intended to balance the fact that Indivior is a FTSE 250 listed company but also recognize that Indivior operates within a specialized sector where the majority of its direct peers are listed in the US.

The Committee considers that the revised measures further align the interests of management with shareholders, and will only deliver value to executives if Indivior out-performs both the UK general market and its direct peers. Only 12.5% of the award will vest for threshold (median) performance. Further details can be found on page 79.

In addition, for LTIP awards granted in 2016 and future years, we are introducing an additional two-year holding period following the end of the three-year performance period.

Long-term shareholder alignment is already a key focus of our Remuneration Policy, with the Executive Directors having a shareholding requirement of 500% of salary. The introduction of an additional holding period will further align the interests of executives with shareholders and is also aligned with the long-term nature of our business.

Shareholding guidelines
Both Executive Directors have made good progress towards the substantial shareholding guidelines of 500% salary, which are significantly above typical UK practice. The Chief Executive Officer currently holds shares with a value equivalent to 184% of salary and the Chief Financial Officer holds shares with a value of 50% of salary.

All-employee share plans
US Employee Stock Purchase Plan
At the AGM to be held on May 11, 2016, shareholders will be asked to approve the US Employee Stock Purchase Plan (the 'ESPP'). The ESPP is a stock purchase plan which allows eligible participants to invest up to 10% of their base salary to purchase shares at a 15% discount to the market. Executive Directors will not be invited to participate in the ESPP. The ESPP will be a qualified plan under s423 of the US Internal Revenue Code.

Indivior UK Savings Related Share Option Plan (the 'ShareSave Plan')
During the year, the first options were granted under the Company's ShareSave Plan. The ShareSave Plan is designed to encourage ownership of shares in the Company and all eligible UK resident employees may save up to a maximum monthly savings limit, currently £500 per month, for three and/or five years. At the end of the savings period, participating employees may use their savings to exercise their option to acquire ordinary shares, which may be granted at a discount of up to 20% to the market price at the date of invitation.

Shareholder engagement

We continue to value the feedback provided by our shareholders. The changes to the LTIP outlined above were made in direct response to the issues raised by shareholders with, whom we have consulted during the year. We hope to receive your support for our Annual Report on Remuneration at our Annual General Meeting to be held on May 11, 2016.

Daniel J. Phelan
Chairman of the Remuneration Committee
March 8, 2016

Directors' Remuneration Report
Continued

Part two – Annual Report on Remuneration

The following report outlines our remuneration framework, how the Remuneration Policy was implemented in 2015, and how the Committee intends to apply the policy in 2016. This Annual Report on Remuneration will be submitted to an advisory shareholder vote at the AGM on May 11, 2016.

Remuneration Committee membership in 2015

As of December 31, 2015 and the date of this Annual Report on Remuneration, the Remuneration Committee comprised four Non-Executive Directors, all of whom are considered to be independent for the purposes of the UK Corporate Governance Code:

Daniel J. Phelan (Chairman)
Rupert Bondy
Lorna Parker
Daniel Tassé

The Committee's purpose is to assist the Board of Directors in fulfilling its oversight responsibility by ensuring that Remuneration Policy and practices reward fairly and responsibly; are linked to corporate and individual performance; and take account of the generally accepted principles of good governance. On behalf of, and subject to approval by, the Board of Directors, the Committee primarily:

- sets and regularly reviews the Company's overall remuneration strategy;
- determines the general Remuneration Policy for senior executives; and
- in respect of the Chairman, the Executive Directors and members of the Executive Committee it sets, reviews and approves:
  - remuneration policies, including annual bonuses and long-term incentives;
  - individual remuneration and compensation arrangements;
  - individual benefits including pension arrangements;
  - terms and conditions of employment, including the Executive Directors' service agreements;
  - participation in any of the Company's bonus and long-term incentive plans; and
  - the targets for any of the Company's performance-related bonus and long-term incentive plans.

The Chairman of the Board of Directors and the Chief Executive Officer are responsible for evaluating and making recommendations to the Board of Directors on the remuneration of the Non-Executive Directors.

At the invitation of the Committee, the Chairman of the Board, the Chief Executive Officer, the Chief Human Resources Officer, the Global Compensation & Benefits Director and the Company Secretary attended meetings and provided advice to the Committee. Members of the Committee and any person attending its meetings do not participate in any discussion or decision on their own remuneration.

The Remuneration Committee held 11 meetings during the year.

Advisors

Deloitte LLP has been the advisor to the Committee from the date of listing in December 2014. Deloitte LLP is a member of the Remuneration Consultants' Group and, as such, voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK. The Committee is satisfied that the advice provided by Deloitte is objective and independent. Fees for advice provided to the Remuneration Committee for the year were £118,150. Deloitte LLP also provided other tax-related services to the Group during the year.

Towers Watson LLP also provided the Committee with benchmarking information during the year and fees for this were £106,773.

Single total figure of remuneration for Executive Directors (audited)

The table below sets the remuneration of each of the Executive Directors for the financial year ended December 31, 2015 and comparative figures for the financial year ended December 31, 2014. The figures for Shaun Thaxter in respect of 2014 relate to the whole of 2014, including the period whilst the Company was a business unit of the Reckitt Benckiser Group (up to December 23, 2014). The figures for Cary Claiborne for 2014 are shown from his date of appointment in November 2014. The values of each element of remuneration are based on the actual value delivered, where known.

	Base salary $'000		Taxable benefits[1] $'000		Annual bonus[2] $'000		LTIP[3] $'000		Pension benefit[4] $'000		Total $'000	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Shaun Thaxter	730.0	540.3	48.9	104.0	1,379.7	1,163.2	3,134.8	–	139.7	160.6	5,433.1	1,968.1
Cary Claiborne	465.0	62.0	221.7	–	527.3	111.6	–	–	19.8	3.3	1,233.8	176.9
Total	**1,195.0**	**602.3**	**270.6**	**104.0**	**1,907.0**	**1,274.8**	**3,134.8**	**–**	**159.5**	**163.9**	**6,666.9**	**2,145.0**

1 Taxable benefits consist primarily of healthcare. For Cary Claiborne benefits included $194,000 of relocation costs incurred and agreed by the Company as part of the terms of his appointment in November 2014.

2 Cash payment for performance during the year. See 'Annual bonus in respect of 2015 performance' on page 71 for details.

3 Value of the 2012 RB LTIP which was converted into Indivior shares upon completion of the demerger. Performance was assessed up to December 31, 2015 (see page 71 for further details) and the value shown has been based on the three-month average share price to December 31, 2015 and has been converted to US$ using the US$/GB£ fx rate on December 31, 2015. The actual value of awards will be determined when the awards vest in May 2016.

4 Pension benefits in the year comprised profit sharing contributions into the US qualified 401(K) plan, 401(K) matching, contributions to a non-qualified plan and cash.

5 $248,920 was paid by the Company to the US IRS on December 31, 2015 in respect of the taxation due on the exercise of Shaun Thaxter's RB awards. Shaun Thaxter was notified of the payment in January 2016 and the amounts were repaid by him to the Company in February 2016.

Incentive outcomes for the year ended December 31, 2015 (audited)

Annual Incentive Plan in respect of 2015 performance

In line with the Remuneration Policy, the Annual Incentive Plan opportunity for the Chief Executive Officer was 200% of base salary and 120% of base salary for the Chief Financial Officer. At the start of the year, the Remuneration Committee set stretching performance targets in the context of the business plan for the year. These were equally weighted between net revenue, EBIT and key pipeline milestones. For threshold performance 25% of the maximum bonus was paid, for target performance 50% of the maximum bonus opportunity was paid and the full maximum bonus would only be paid for the delivery of exceptional performance.

Following the half-year results, it became apparent that some of the assumptions upon which the original bonus targets had been set in respect of expected loss of market share to generics had not materialized. As such, the Remuneration Committee agreed at its meeting in July 2015, to increase the maximum performance target for both the net revenue and EBIT measures to ensure that these remained appropriately stretching for the remainder of the year.

Despite the increase in the performance targets outlined above, the Company delivered exceptional performance in respect of both net revenue and EBIT, which were both significantly above expectations and the revised maximum targets were achieved.

The table below illustrates the performance against the targets set in respect of net revenue and EBIT:

Measure	Weighting	Achieved	Threshold	Target	Maximum	Bonus to be delivered
Net revenue	1/3	$1,014m	$825m	$870m	$980m[1]	100%
EBIT	1/3	$377m	$242m	$275m	$340m[2]	100%

1 Increased from $912m part-way through the year.

2 Increased from $308m part-way through the year.

In respect of the Pipeline KPIs, 15 separate targets were set across various segments of the business. For threshold performance five of these targets needed to be achieved, for target performance seven of these targets needed to be achieved and for maximum performance 13 or more of the 15 targets needed to be achieved.

Directors' Remuneration Report
Continued

The table below illustrates the performance against each of these KPIs:

Segment	Project	Deadline	Target	Points achieved
Geographical Expansion and New Film Indications	Suboxone® Tablet China	December 31, 2015	Last Patient Last Visit, multiple dose	1
		December 31, 2015	Last Patient Last Visit, efficacy	1
	Suboxone® Film re-formulation	December 31, 2015	Final Clinical Study Report	1
US Market Growth	Buprenorphine once-monthly injection	March 31, 2015	First Patient in Phase 3 Efficacy study	1
		December 31, 2015	Last Patient in pivotal Phase 3 Efficacy	1
EU Market Growth	Buprenorphine oral swallowable capsule with physical abuse deterrence properties using Encap's Abusolve®	September 30, 2015	First Patient in pharmacokinetic study	
Business Diversification	Intranasal Naloxone	April 30, 2015	Final Clinical Study Report	1
		May 31, 2015	NDA submission to FDA	1
		July 31, 2015	HEOR US Payor Dossier	1
	Risperidone once-monthly injection	June 30, 2015	Final Clinical Study Report Phase 3 Efficacy Study	1
		September 30, 2015	HEOR Final Study Report	1
	Cocaine Esterase	May 7, 2015	Type B meeting with FDA	0
	Arbaclofen Placarbil	January 29, 2015	Pre-IND meeting with FDA	1
		June 30, 2015	IND submission	1
		September 30, 2015	First Patient in Phase 2A study	1

14 of the 15 KPIs that were set at the start of the financial year were achieved. However, despite achieving each of the targets set, the Intranasal Naloxone product was not approved by the U.S. Food and Drug Administration. As a result, the Committee concluded that it was not appropriate to award the three points achieved in respect of the Intranasal Naloxone product, and reduced the number of successful KPIs achieved to 11/15 for the purposes of the Annual Incentive Plan payment to Executive Directors.

This resulted in the following payments under the Annual Incentive Plan for the Executive Directors:

Measure	Weighting	Performance multiplier (multiple of target opportunity)	Bonus outcome (multiple of total target opportunity)
Net revenue	1/3	2x	0.67x
EBIT	1/3	2x	0.67x
Pipeline KPIs	1/3	1.67	0.56x
Total			**1.89x**

The Chief Executive Officer received a bonus payment of $1,379,700 equivalent to 189% of base salary and the Chief Financial Officer received a bonus payment of $527,310 equivalent to 113% of base salary.

Long-Term Incentive Plan Awards vesting in 2016

In December 2012, the Chief Executive Officer received awards under the Reckitt Benckiser Long-Term Incentive Plan. The majority of the award was subject to Compound Average Annual Growth ('CAAG') in the adjusted Earnings Per Share ('EPS') of Reckett Benckiser Group plc ('RB') over the three-year period to December 31, 2015. On demerger this award was exchanged on a value-neutral basis for a new award over Indivior shares under the Indivior Long-Term Incentive Plan. As disclosed in last year's report, the Committee determined that the level of vesting for this award would take into account RB's actual EPS performance and Indivior's achievements over the performance period.

The Committee determined that the level of vesting would be weighted one-third on RB's performance and two-thirds on Indivior performance. This was on the basis that Indivior was only a fully integrated part of the RB business for the first year of the performance period, following which it was preparing for being a stand-alone business prior to demerger in December 2014.

In respect of the one-third attributable to RB performance, we have estimated, based on the numbers published by RB in their preliminary announcement on February 14, 2016, that 80% of the awards will vest, subject to confirmation in RB's Annual Report and Accounts.

In respect of the two-thirds attributable to Indivior's performance, the Committee has taken into consideration performance against a wide range of the Company's stated KPIs detailed below:

Performance metric	Summary of performance
Absolute TSR	From the point of listing to December 31, 2015, TSR has increased by 43.1%. This is significantly above the maximum target under the 2015 LTIP of growth of 26% p.a.
Key pipeline / strategy milestones	14 of the 15 key pipeline milestones for 2015 were achived, however the number of successful KPIs was reduced to 11/15 as the Intranasal Naloxone product was not approved by the U.S. Food and Drug Administration.
Net revenue	Net revenue in FY15 was $1,014m which was 3.5% above the revised increased maximum target under the bonus of $980m.
EBIT	EBIT in FY15 was $377m which was 10.9% above the revised increased maximum target under the bonus of $340m.
Film share retention	Film share retention was maintained and the exit share was 59.1% at the end of 2015 in comparison to 58.5% in 2014.
Successful completion of the demerger	This was a key focus of Indivior management in both 2014 and 2015 which has resulted in successful listing as a stand-alone business and delivery of significant value to shareholders over the last 12 months.

Taking all of the above into account, the Committee determined that 100% of the portion of the award relating to Indivior performance will vest on May 11, 2016.

This results in the following level of vesting for the 2012 RB LTIP award:

Company	Weighting	Level of vesting
Reckitt Benckiser	1/3	80%
Indivior	2/3	100%
Total		**93.33%**

Shaun Thaxter	Date of conversion to Indivior shares	Indivior shares over which awards converted	Exercise price per share	Level of vesting	No of shares vesting in May 2016	Estimated value[1] $'000
Performance shares	December 29, 2014	495,600	Nil	93.33%	462,543	1,375.5
Share options	December 29, 2014	987,315	111p	93.33%	921,461	1,232.9
Restricted Shares (time vesting only)	December 29, 2014	177,000	Nil	100%	177,000	526.3
Total					1,561,004	3,134.8

1 The awards are scheduled to vest on May 11, 2016. As the market price on the date of vesting is not yet known, the value is estimated using the average market value in Indivior shares over the last quarter of 2015 of 201.8p and converted to US$ using the US$/GB£ exchange rate on December 31, 2015.

Scheme interests awarded in 2015 (audited)

Indivior Long-Term Incentive Plan

Conditional awards were made under the Indivior Long-Term Incentive Plan ('LTIP') to the Executive Directors on March 11, 2015.

	Date of award	Maximum number of shares under award	Market price at date of award	Face value[1] $'000	Performance period	Normal vesting date
Shaun Thaxter	March 11, 2015	1,659,091	175p	4,278.4	Jan 2015 – Dec 2017	March 11, 2018
Cary Claiborne	March 11, 2015	1,056,818	175p	2,725.3	Jan 2015 – Dec 2017	March 11, 2018

1 The face value of the awards has been calculated using the market price at the date of the award and converted to US$ using the US$/GB£ exchange rate on December, 31 2015.

2 Shaun Thaxter and Cary Claiborne received awards with a face value of 600% of salary; for Cary Claiborne this included an enhanced award of 100% salary as part of the terms of his appointment.

Directors' Remuneration Report
Continued

The vesting of the awards is conditional upon continued employment and the achievement of the following performance measures:

Measure	Weighting
Absolute TSR	50%
Key pipeline/strategy milestones	50%

The pipeline milestones are tied to the achievement of certain key mid- to long-term R&D pipeline advancement milestones. These strategic milestones also span multiple R&D projects that are based on two key objective measures that are expected to be achieved during the three-year performance period. These two key metrics are:

- submission of applications to regulatory bodies (e.g. NDA/MAA submission to FDA/CFDA/EMA); and
- regulatory approval of these submissions.

The actual targets relating to the pipeline milestones have not been disclosed prospectively as the Committee believes that these details are commercially sensitive. The milestones are integral to the development of the business, and competitors may gain a distinct advantage if these targets are disclosed on a prospective basis.

We will disclose the actual targets and the level of performance achieved against them following the completion of the performance period in 2018, at which point the targets will no longer be considered commercially sensitive. As outlined above, 2015 has been a strong year for Indivior and good progress has been made in respect of the pipeline targets. Further details of progress against the key pipeline milestones in respect of the submission and approval dates which fall in 2016 will be disclosed in next year's Annual Report on Remuneration.

Absolute TSR was chosen as a performance metric as it is directly aligned to the value that is created for shareholders. Performance will be measured over three financial years with the base TSR, in this first year, being a 30 day average from listing (December 23, 2014) and the end TSR being a 30 day average to December 31, 2017.

Absolute TSR achievement	Three-year TSR growth	% of maximum award vesting
Threshold	25%	10%
Target	50%	50%
Maximum	100%	100%

Vesting will be on a straight-line basis between threshold and target and between target and maximum.

Percentage change in Chief Executive Officer remuneration

The following table illustrates the change in Chief Executive Officer salary, benefits and bonus between 2014 and 2015 compared to the average percentage change of the rest of the US employee population, where the majority of the Company's employees are based.

	CEO (% change 2014-15)[1]	Other employees (% change 2014-15)
Base salary	0%	3%
Taxable benefits	-53%	26%
Bonus	18.6%	3%

1 As part of the demerger from RB and Shaun Thaxter becoming CEO of Indivior as a listed entity the structure of compensation package was adjusted upon the demerger. The salary of the CEO was increased to reflect the increase in the size and scope of the role and remains below the market median. In addition some benefits such as car allowance and International Pension Plan were removed from the package. The 2014 benefits also included relocation expenses which were not paid during 2015.

Relative importance of spend on pay

The following table shows total employee pay compared to distribution to shareholders (i.e. dividends) and underlying PBT for FY15 and FY14.

	2015 $m	2014 $m	% change
Total employee pay	178	142	25%
Shareholder distributions	23	Nil	n/a

Executive Directors' shareholdings and share interests (audited)

In line with Indivior's Remuneration Policy, Executive Directors are required to hold shares in the Company equivalent to 500% of base salary. They have five years from the date of demerger or the date of appointment, whichever is later, in which to reach this shareholding requirement.

The table below shows the shareholding of each of the Executive Directors against their respective shareholding requirement and a summary of the outstanding awards as at March 8, 2016.

	Number of shares owned outright		Awards and options held					
	At December 31, 2015	At December 31, 2014	Performance tested but unvested	Unvested and subject to performance conditions and continued employment[1]	Vested but not exercised	Shareholding requirement (% of salary)	Shareholding at December 31, 2015 (% of Salary)	Date by which shareholding requirement to be achived
Shaun Thaxter	500,000	425,000	1,561,004	3,780,445	–	500%	184%	December 2019
Cary Claiborne	85,780	–	–	2,182,878	–	500%	50%	December 2019

1 Includes conditional awards made to Shaun Thaxter and Cary Claiborne on February 19, 2016 over 2,121,354 and 1,126,060 shares respectively under the Indivior Long-Term Incentive Plan. The awards will normally vest on February 19, 2019 and are subject to the performance conditions set out on page 74.

Payments for loss of office (audited)

No exit payments were made during the year.

Payments to past Directors (audited)

No payments were made to past Directors in the year.

External appointments

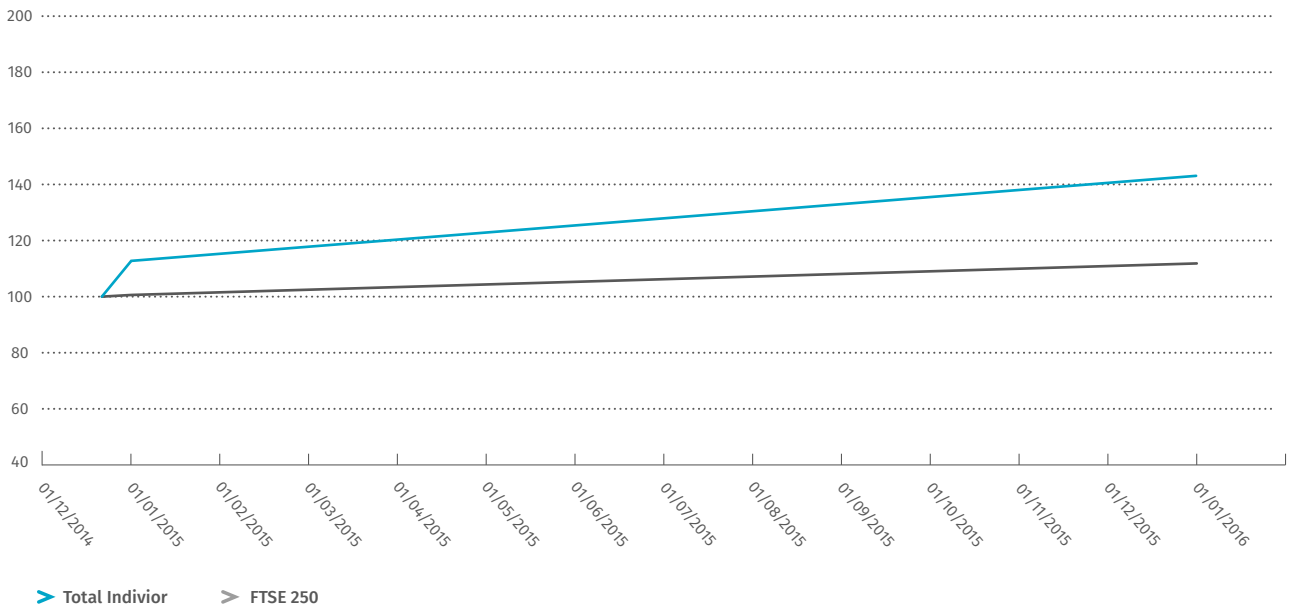
Subject to the approval of the Nomination & Governance Committee, Executive Directors are able to accept an external appointment to a corporate board outside the Company and can retain the fees paid for these services. The Chief Executive Officer does not hold any external appointments. The Chief Financial Officer currently holds one external appointment as Director and Chair of the Audit Committee of the MedicAlert Foundation, a non-profit organization. He does not receive any remuneration in respect of this role.

Review of past performance (audited)

Historical Total Shareholder Return performance

The graph below shows the Total Shareholder Return ('TSR') of the Company and the UK FTSE250 index over the period from admission on December 23, 2014 to December 31, 2015. The index was selected on the basis that the Company was a member of the FTSE250 index in the UK during that period.

Growth in the value of a hypothetical holding of £100 invested from admission to December 31, 2015.



Directors' Remuneration Report
Continued

Historical Chief Executive Officer pay

The historical total remuneration for the role of Chief Executive Officer for the financial years ended December 31, 2015 and December 31, 2014 is set out in the table below. Historical data is not provided prior to 2014 as the Company was a division of Reckitt Benckiser Group plc during this period.

Shaun Thaxter	2015	2014
Single figure of remuneration	$5,433.1	$1,968.1
Annual bonus (% of maximum)	94.5%	100%[1]
LTIP (% of maximum)	93.33%	N/A

1 The Chief Executive Officer participated in the RB annual bonus plan in 2014. The maximum bonus of 214% of base salary was paid.

Summary of shareholder voting at the 2015 Annual General Meeting

The table below shows how shareholders voted in respect of the Directors' Remuneration Report and Directors' Remuneration Policy at the AGM held on May 13, 2015.

	Votes for (%)	Votes against (%)
Approve the Directors' Remuneration Policy[1]	91.25%	8.75%
Approve the 2014 Directors' Remuneration Report[2]	71.61%	28.39%

1 92,227 votes withheld.
2 1,799,022 votes withheld.

Whilst the Directors' Remuneration Policy received the support of the vast majority of shareholders, the Committee was disappointed with the level of votes in favour of the 2014 Directors' Remuneration Report. Having had discussions with shareholders, the Committee noted that the main reason for the relatively low level of support was due to the use of the absolute TSR metric on the LTIP, and the lack of prospective disclosure in respect of the key pipeline targets.

Following consultation with shareholders, the absolute TSR performance measure has been replaced with relative TSR metrics for the 2016 LTIP Award. We also recognize shareholders' concerns with respect to the disclosure of the pipeline metrics. However, we consider these to remain commercially sensitive as they are integral to the development of the business and the disclosure of these targets could result in the loss of value to shareholders. We have committed to providing an update of performance against the pipeline metrics on an annual basis and will disclose these targets fully on a retrospective basis at the end of the performance period.

Indivior remains committed to ongoing shareholder dialog and values the feedback provided by its shareholders.

Dilution limits

Indivior's share plans provide that awards can be satisfied by newly issues shares, the transfer of treasury shares or existing shares (purchased in the market and held in an employee benefit trust). Indivior's share plans state that the aggregate amount of shares that may be issued to satisfy awards made under those plans must not exceed 10% in any ten-year period. During the year, the Committee reviewed the number of shares subject to award to ensure that these limits would not be breached by the granting of awards in 2016.

Implementation of Executive Director Remuneration Policy for 2016

Base salary

Base salaries are reviewed taking into account competitive practice for similar roles in the Company's remuneration peer group. Both of the Executive Directors have received a 3% salary increase in line with the average merit increase provided to the wider workforce in both the UK and US with effect from January 1, 2016.

The current salaries of the Executive Directors are set out below:

	Base salary $'000		
	As at January 1, 2016	As at January 1, 2015	% increase
Shaun Thaxter	$752.0	$730.0	3%
Cary Claiborne	$479.0	$465.0	3%

Pension

No changes have been made to the pension arrangements for 2016. The Chief Executive Officer will receive pension contributions (or equivalent cash allowances) of 17.5% of salary plus any Company matching on 401k elected deferrals. This is made up of profit-sharing contributions of 4% of pay directed into the Indivior Inc. Profit Sharing and 401(K) plan, with any outstanding balance between these contributions and the 17.5% of annual base salary paid in cash and/or the deferred compensation account. The Chief Financial Officer will continue to receive pension contributions of profit-sharing contributions of 4% of pay directed into the Indivior Inc. Profit Sharing and 401(K) plan, plus any Company match of 75% on elected deferrals up to 4.5% of pay. The Indivior Inc. Profit Sharing and 401(K) plan is governed by the plan limits as set by the Internal Revenue Services (IRS).

Performance-related annual bonus

No changes have been made to the opportunities under the Annual Incentive Plan for 2016. The Chief Executive Officer and Chief Financial Officer will have a maximum bonus opportunity of 200% and 120% of base salary respectively.

Bonuses will be based on the following measures and weightings:

Measure	Weighting
Net revenue	1/3
Net income	1/3
Pipeline milestones	1/3

Net income has replaced EBIT as a performance measure for 2016 as this is the profit measure which is the primary focus of management internally, and is also aligned with how we report profit externally. As such, it is considered to be the most appropriate measure of profit to be used for bonus purposes going forwards. As an additional underpin, if the Company violates its debt covenants, no award will be received in respect of the net income portion of the annual bonus.

We have not disclosed the actual performance targets for 2016 as we consider them to be commercially sensitive. However, we commit to disclosing the financial targets retrospectively in the Directors' Remuneration Report for the year ending December 31, 2016.

Indivior Long-Term Incentive Plan (the 'LTIP')

No changes have been made to the maximum opportunity under the LTIP with the Chief Executive Officer and Chief Financial Officer eligible to receive awards, subject to a three-year performance period, of 300% and 250% of base salary respectively at target. Both Directors can receive up to 2x the target award at maximum for achieving stretching targets.

Taking into account the feedback from shareholders in respect of the awards made in 2015, absolute TSR has been removed as a performance measure for awards to be made in 2016, and replaced by a relative TSR measure of performance.

The table below provides an overview of the performance measures for LTIP awards granted in 2016:

Measure	Weighting	Rationale for metric
Key pipeline / strategy milestones	One-third	The delivery of the pipeline remains a fundamental element of the business strategy and success of the business.
Relative TSR vs FTSE250 (excluding investment trusts)	One-third	Provides alignment with shareholders through the relative out-performance of other UK listed companies.
Relative TSR vs S&P1500 Pharmaceutical and Biotech sector	One-third	Provides alignment with shareholders through the relative out-performance of direct sector peers who are subject to similar market influences.

In respect of the relative TSR measures, 12.5% of the maximum award will vest for Indivior being ranked median in comparison to the peer group, and 100% of the award will vest for being ranked at upper quartile or above. Awards will vest on a straight-line basis between median and upper quartile.

In respect of the pipeline milestones, as set out in last year's report, the actual targets will not be disclosed prospectively as the Committee believes that these details are commercially sensitive. The milestones are integral to the development of the business and competitors may gain a distinct advantage if these targets are disclosed on a prospective basis. For awards made in 2016, the pipeline milestones will relate to the approval of key products over the performance period and the attainment of certain levels of market share in respect of these products by the end of FY2018.

We will disclose the actual targets and the level of performance achieved against them following the completion of the performance period in three years' time, at which point the targets will no longer be commercially sensitive. We will also provide an indication of the progress against the milestones on an annual basis.

In addition, for LTIP awards granted from 2016, awards will be subject to a two-year holding period following the vesting of the awards.

Directors' Remuneration Report
Continued

Single total figure of remuneration for the Chairman and Non-Executive Directors (audited)
The table below sets out the total remuneration received by the Chairman and the Non-Executive Directors for the year ended December 31, 2015. The fees paid to the Non-Executive Directors during 2014 were paid in cash and relate to the period from appointment to December 31, 2014. The Chairman and the Non-Executive Directors are not eligible to participate in the Company's bonus, share options, long-term incentives or pension schemes.

	2015 £'000	2014 £'000
Howard Pien	275.0	43.0
Rupert Bondy	95.0	14.9
Yvonne Greenstreet	85.0	13.3
Adrian Hennah	65.0	10.6
A. Thomas McLellan	70.0	10.9
Lorna Parker	70.0	10.9
Daniel J. Phelan	80.0	12.5
Christian Schade	85.0	13.3
Daniel Tassé	75.0	11.7

Implementation of Non-Executive Director Remuneration Policy for 2016

Chairman and Non-Executive Directors' fees
No increase has been made to the fees for the Chairman and Non-Executive Directors for 2016. To align Non-Executive Directors with the interests of shareholders, there is a mandatory investment into shares of the higher of £12,000 or 20% of base fees. Non-Executive Directors may also elect to receive up to 50% of total fees in Indivior shares. Details of the shareholdings of the Chairman and Non-Executive Directors are shown below.

	Fees at December 31, 2015 £'000	Fees at December 31, 2014 £'000	% increase
Chairman	275.0	275.0	
Non-Executive Director basic fee	55.0	55.0	0%
Senior Independent Director	20.0	20.0	0%
Chairman of Audit Committee	20.0	20.0	0%
Chairman of Remuneration Committee	20.0	20.0	0%
Chairman of Science & Policy Committee	20.0	20.0	0%
Chairman of Nomination & Governance Committee	10.0	10.0	0%
Member of Audit Committee	10.0	10.0	0%
Member of Remuneration Committee	10.0	10.0	0%
Member of the Science & Policy Committee	10.0	10.0	0%
Member of the Nomination & Governance Committee	5.0	5.0	0%

Chairman and Non-Executive Directors' shareholding requirements (audited)

With effect from January 1, 2015, Non-Executive Directors are required to use a minimum of 20% of their base fees, and can further elect to use up to a maximum of 50% of their total fees (comprising base fees plus any committee fees), to acquire Indivior shares. Each Non-Executive Director must submit their election prior to the end of the financial year in respect of fees for the following financial year. The on-market purchase of Indivior shares to fulfil the mandatory purchase, and any additional shares the Non-Executive Directors have elected to purchase for the FY 2016, will occur after the Company's AGM to be held on May 11, 2016.

The following table shows the shareholdings of each of the Chairman and Non-Executive Directors and their connected persons as at December 31, 2015.

	Total number of shares held at December 31, 2015	Total number of shares held at December 31, 2014
Howard Pien	22,943	-
Rupert Bondy	9,599	-
Yvonne Greenstreet	2,886	-
Adrian Hennah	34,253	26,851
A. Thomas McLellan	3,778	-
Lorna Parker	2,950	-
Daniel J. Phelan	4,980	-
Christian Schade	2,896	-
Daniel Tassé	6,209	-

There have been no changes to the beneficial interests of the Chairman and Non-Executive Directors between December 31, 2015 and March 8, 2016.

Terms of service

The terms of service of the Chairman and the Non-Executive Directors are contained in letters of appointment. Both the Chairman and each of the Non-Executive Directors are appointed subject to their election at the Company's next Annual General Meeting following their appointment and re-appointment at subsequent Annual General Meetings. None of the Non-Executive Directors are entitled to receive compensation for loss of office. Non-Executive Directors are subject to retirement, and election/re-appointment, in accordance with the Articles of Association of the Company.

The table below sets out the date of the letter of appointment of the Chairman and the Non-Executive Directors and the expiry of their current term.

	Date of letter of appointment	Expiry of current term	Length of service at December 31, 2015	Notice period
Howard Pien	October 29, 2014	November 3, 2017	1 year	1 month
Rupert Bondy	October 29, 2014	November 3, 2017	1 year	1 month
Yvonne Greenstreet	October 29, 2014	November 3, 2017	1 year	1 month
Adrian Hennah	October 29, 2014	November 3, 2017	1 year	1 month
A. Thomas McLellan	October 29, 2014	November 3, 2017	1 year	1 month
Lorna Parker	October 29, 2014	November 3, 2017	1 year	1 month
Daniel J. Phelan	October 29, 2014	November 3, 2017	1 year	1 month
Christian Schade	October 29, 2014	November 3, 2017	1 year	1 month
Daniel Tassé	October 29, 2014	November 3, 2017	1 year	1 month

Directors' Remuneration Report
Continued

Part three – Summary of Directors' Remuneration Policy

This section of the report sets out a summary of the Remuneration Policy that was approved by shareholders at the AGM on May 13, 2015, and was effective from that date. No changes are proposed for 2016. It is intended that the Policy will remain effective for a period of three years i.e. until 2018. The full policy can be found in the 2014 Remuneration Report on the Company's website www.indivior.com.

Remuneration element	Key features	How the Policy was implemented for 2015	Changes to implementation of Policy for 2016
Base salary	Base salaries are typically reviewed annually with effect from January 1. Any increases are normally aligned with increases across the Group as a whole.	Base salaries were set at the time of admission in December 2014 and no increases were made during the year.	Effective January 1, 2016 the base salaries of the Executive Directors were increased by 3% in line with the average increase across the wider workforce.
Benefits	Executive Directors may receive various market-competitive benefits, which may include: a company car (or cash equivalent), travel allowance, private medical and dental insurance, travel accident policy, disability and life assurance. Where appropriate, other benefits may be provided to take account of individual circumstances, such as but not limited to: expatriate allowances, relocation expense, housing allowance and education support.	Executive Directors benefits primarily consisted of healthcare. The CFO also received relocation support in accordance with the terms of his appointment.	No change.
Pension	Executive Directors may receive contributions into a defined contribution scheme, a cash allowance, pension benefits in the form of profit-sharing contributions into the US qualified 401(K) plan, Company matching on 401(K) elected deferrals, or a combination thereof.	The CEO received pension contributions of 17.5% of salary plus any Company matching on 401k elected deferrals. The CFO received pension contributions of profit-sharing contributions of 4% of pay, plus any Company match of 75% on elected deferrals up to 4.5% of pay.	No change.
Annual bonus	Maximum bonus opportunities of 200% of salary. Bonuses are paid in cash and based on a combination of stretching financial and non-financial/strategic performance measures, with the majority assessed against the financial performance metrics. Clawback provisions apply which allow the Company to seek redress in the event that the Committee determines that the Company's results have been materially misstated or an individual's conduct has amounted to gross misconduct.	The CEO had a maximum annual bonus opportunity of 200% of salary and the CFO 120% of salary. The 2015 annual bonus was subject to net revenue, EBIT, and pipeline milestones, each with a one-third weighting. As an additional underpin no bonus would be paid in respect of the EBIT portion of the bonus if the Company violates its debt covenants.	Net income has replaced EBIT as a performance measure.

Remuneration element	Key features	How the Policy was implemented for 2015	Changes to implementation of Policy for 2016
LTIP	The maximum award that may be made under the LTIP is 600% of salary. Awards may consist of grants of performance shares and or options which vest after a period of at least three years subject to the achievement of key financial and strategic performance conditions. Awards may be scaled back prior to vesting in the event that the Committee determines that the Company's results have been materially misstated or individual's conduct has amounted to gross misconduct. Where LTIP awards have vested, the Committee has the discretion to 'claw back' awards up to the fifth anniversary of the grant of the awards in the circumstances described above.	The CEO received an LTIP award with a face value of 600% of salary and the CFO 500% of salary. The CFO received an enhanced LTIP award upon appointment with an additional award of 100% of salary. Awards were subject to stretching absolute TSR performance targets and key pipeline milestones, equally weighted.	Following feedback from shareholders during the consultation process in 2015, we have removed the absolute TSR condition for the awards made in 2016. Awards made in 2016 are subject to: – Key pipeline milestones – Relative TSR vs FTSE250 – Relative TSR vs S&P1500 Pharma&Biotech. Each measure will have a one third weighting. Further details are provided on page 74. For LTIP awards granted in 2016 and future years, we are introducing an additional two-year holding period following the end of the three-year performance period.
All-employee plans	The Company may operate a HMRC-approved SAYE plan for UK employees and a Global Stock Profit Plan (GSPP) for US employees.	No awards were made to the Executive Directors under these plans in 2015.	The Company intends to operate these all-employee plans during 2016.
Shareholder alignment	The Committee recognizes the importance of aligning Executive Directors and shareholder interests through executives building up significant shareholdings in the Company. The shareholding requirement is 500% of salary for both the CEO and CFO.	The CEO and CFO both acquired shares during the year to build towards their shareholding guideline. Further details can be found on page 77.	No changes.

Daniel J. Phelan
Chairman of the Remuneration Committee
March 8, 2016

Directors' Report

The Directors of the Company present their Annual Report together with the audited consolidated financial statements of the Company for year ended December 31, 2015.

The UKLA's Disclosure and Transparency Rules and Listing Rules also require the Company to make certain disclosures, some of which can be included in other appropriate sections of the Annual Report and Accounts.

Indivior PLC ('Indivior' or the 'Company') is a Company incorporated in England and Wales and domiciled in the UK with registered number 9237894. The Company was incorporated as a public limited company on September 26, 2014.

Results and dividends

The consolidated income statement is on page 95. Profit for the financial year attributable to equity shareholders amounted to $346m.

On October 13, 2015 an interim dividend of 2.08p per share (3.2 cents per share) was paid to shareholders. On February 18, 2016 the Directors announced a second interim dividend will be paid on July 29, 2016 to shareholders on the register on June 17, 2016. The second interim dividend will be paid at the rate of 9.5 cents per share and the US$/GB£ exchange rate to be applied will be announced on July 8, 2016.

Strategic Report

The Strategic Report is set out on pages 2 to 53 and is incorporated into this Directors' Report by reference.

Corporate governance

The Company's Corporate Governance Report is set out on pages 58 to 68. In compliance with the Disclosure and Transparency Rules (DTR) 7.2.1, the disclosures required by DTR 7.2.2 to 7.2.7 are set out in this Report of the Directors and in the Corporate Governance Report which, together with the Statement of Directors' Responsibilities, are incorporated by reference into this Report of the Directors.

Directors and their interests

Directors of the Company who served during the financial year ended December 31, 2015 and up to the date of signing the financial statements appear on pages 54 to 55. Details of Directors' interests in the Company's ordinary shares, including any interest in share awards and long-term incentive plans, are set out in the Directors' Remuneration Report on pages 70 to 83.

No Director had a material interest at any time during the year in any derivative or financial instrument relating to the Company's shares.

Director indemnities and insurance cover

In accordance with the Company's Articles of Association and the extent permitted by law, the Directors have been granted an indemnity from the Company in respect of liability incurred as a result of their office. In addition, the Company maintained Directors' and Officers' liability insurance policy throughout the year. Neither the indemnity nor the insurance provide cover in the event that a Director is proven to have acted dishonestly or fraudulently.

Appointment and powers of Directors

The Company's Articles of Association give the Directors power to appoint and replace Directors. Under the Terms of Reference of the Nomination & Governance Committee any appointment must be recommended by that Committee for approval by the Board of Directors. The Articles of Association require Directors to retire and submit themselves for re-appointment at the first Annual General Meetings ('AGM') following appointment and all Directors who hold office at the time of the two preceding AGMs. Notwithstanding the Articles of Association, all Directors will stand for re-appointment at the AGM this year in compliance with the UK Corporate Governance Code. Details of unexpired terms of Directors' service contracts are set out in the Directors' Remuneration Report on page 81.

The Directors are responsible for managing the business of the Company and may exercise all the powers of the Company, subject to the provisions of relevant statutes, to any directions given by special resolution and the Articles of Association. Powers relating to the issuing of shares are also included in the Articles of Association and such authorities are renewed by shareholders at the AGM each year, see page 85.

Principal risks and uncertainties

The principal risks and uncertainties facing the Group have been reviewed by the Board and detailed on pages 47 to 49, where information is also provided on the performance of the Board in actively managing those risks.

People

During the year under review, the Company employed an average of 831 people worldwide (2014: 741). The Company's business priority is to safeguard the wellbeing, development and safety of its employees and those who work with it. It also wants employees to have opportunities to grow and progress as part of an enjoyable career.

The Company is an inclusive and equal opportunity employer that relies on HR specialists throughout its worldwide locations to ensure compliance with all applicable laws governing employment practices and to advise on all HR policies and practices, including for example recruitment and selection, training and development, promotion and retirement. Company policies seek to create a workplace that has an open atmosphere of trust, honesty and respect. Harassment or discrimination of any kind based on race, color, religion, gender, age, national origin, citizenship, mental or physical disabilities, sexual orientation, veteran status, or any other similarly protected status is not tolerated. This principle applies to all aspects of employment from recruitment and promotion, through to termination and all other terms and conditions of employment. It is Company policy not to discriminate on the basis of any unlawful criteria, and its practices include the prohibition on the use of child or forced labor. Employment policies are fair and equitable and consistent with the skills and abilities of the employee and the needs of the business.

The Company is committed to offering equal opportunities in recruitment, training, career development and promotion to all people, including those with disabilities, having regard for their particular aptitudes and abilities. As a matter of policy, full and fair consideration is given to applicants with disabilities and every effort is made to give employees who become disabled whilst employed by the Group an opportunity for retraining and for continuation in employment. It is Group policy that the training, career development and promotion of disabled persons should, as far as possible, be the same as that of other employees.

Employees and their representatives are briefed and consulted on all relevant matters on a regular basis in order to take their views into account with regard to decision-making and to achieve a common awareness of all the financial and economic factors affecting the performance of the Group. Information relevant to the employees is provided to employees and, where appropriate, to employee trade union representatives.

The Company supports the wider fundamental human rights of its employees worldwide, as well as those of its customers and suppliers.

Greenhouse gas emissions

Indivior has in place environmental systems to manage the effects of the Company's activities on the environment in line with the regulatory requirements which apply to its businesses around the world.

Baseline and reporting year

This is the first year Indivior has comprehensively reported greenhouse gas emissions as a separate entity. The Company engaged specialist and knowledgeable reporting advice to assist in calculating this information. Consequently 2015 will be the baseline year for our emissions reporting going forward.

The reporting period for emissions data is consistent with the Company's financial reporting period, being the calendar year ending December 31, 2015.

Scope

The Company has reported on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. These sources fall within the consolidated financial statements. The Company does not have responsibility for any emission sources that are not included in the consolidated statement. The Company has also reported Scope 3 data, where it was available, that relates to transmission and distribution losses (40.8 tonnes of CO_2e) and water supply (3.9).

Methodology

The method used to calculate emission is the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) using the location-based Scope 2 calculation method, together with the latest emission factors from recognized public sources, including but not limited to, DEFRA, the International Energy Agency, the US Energy Information Administration, the US Environmental Protection Agency and the Intergovernmental Panel on Climate Change.

Emissions

Type	Tonnes of CO_2e
Scope 1	147.3
Scope 2	1,344.6
Scope 3	44.8
Gross overall emissions	1,536.7

Emissions intensity

Type	Tonnes of CO_2e
Per tonne of production	45.1
Per full-time employee	1.74

Share capital

Details of the Company's share capital and the rights attached to the Company's shares are set out in Note 22 on page 120.

The Company has one class of ordinary share which carries no rights to fixed income. Each share carries the right to one vote at general meetings of the Company. The ordinary shares are listed on the Official List and traded on the London Stock Exchange. As of December 31, 2015, the Company had 718,577,618 ordinary shares in issue. The Company does not hold any shares in Treasury.

The rights and obligations attached to the Company's ordinary shares are set out in the Articles of Association. There are no restrictions on the voting rights attaching to the Company's ordinary shares or the transfer of securities in the Company except, in the case of transfers of securities:

- that certain restrictions may from time to time be imposed by laws and regulations (for example, insider trading laws); and
- pursuant to the Listing Rules of the UKLA whereby certain employees of the Company require approval from the Company, to deal in the Company's ordinary shares.

No person holds securities in the Company which carry special voting rights with regard to control of the Company. The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights.

The Company has a Sponsored Level 1 American Depository Receipt ('ADR') program in the US.

Authority to issue shares

At the AGM held on May 13, 2015, authority was given to the Directors to allot unissued relevant securities in the Company, up to a maximum of an amount equivalent to two-thirds of the shares in issue (of which one-third must be offered by way of rights issue). The authority expires on the date of this year's AGM to be held on May 11, 2016. The Directors propose to renew this authority at the forthcoming AGM.

A special resolution was also passed at the May 2015 AGM granting authority to the Directors to allot equity shares in the Company for cash, without regard to the pre-emption provisions of the Companies Act 2006. This authority also expires on the date of the 2016 AGM and the Directors will seek to renew this authority for the forthcoming year.

Directors' Report
Continued

Authority to purchase own shares
At the AGM in 2015, shareholders approved a resolution for the Company to make purchases of its own shares to a maximum number of ordinary shares, being approximately 10% of the issued share capital. This resolution remains valid until the conclusion of this year's AGM.

Shareholders will again be asked to approve a resolution for the Company to make purchases of its own shares at this year's AGM in May 2016. This authority will be limited to a maximum of 71,857,761 ordinary shares, being 10% of the issued capital, and set the minimum and maximum prices which may be paid.

Articles of Association
The Articles of Association may be amended by special resolution of the shareholders.

Significant agreements – change of control
There are a number of agreements that take effect, alter or terminate upon a change of control of the Company following a takeover, such as commercial contracts, bank agreements, property lease arrangements and employee share plans. None of these are deemed to be significant in terms of their potential impact on the business of the Group as a whole.

There are no significant agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid, except that provisions of the Company's share plans may cause options and awards granted under such plans to vest on a takeover.

There is no information that the Company would be required to disclose about persons with whom it has contractual or other arrangements which are essential to the business of the Company.

The Board acknowledge that there are other significant stakeholders, in addition to shareholders, who provide valuable feedback and help shape the Company's overall approach to governance.

Political donations
No political donations, as defined in the Companies Act 2006, have been made during the financial year. The Company's US subsidiaries do make 'political donations' as defined under UK law, but these donations are not subject to that law. Donations by US subsidiaries will not exceed US$500,000.

Branches
The Company, through a subsidiary entity, has established branches in a number of different countries in which the Group operates.

Disclosure of information to Auditors
Each of the Directors who held office at the date of approval of this Directors' Report confirm that:

- so far as he/she is aware, there is no relevant audit information of which the Company's Auditors are unaware; and
- each Director has taken all the reasonable steps to ascertain any relevant audit information and ensure the Auditors are aware of such information.

For these purposes, relevant audit information means information needed by the Company's Auditors in connection with the preparation of their report on pages 88 and 94.

Auditor
PricewaterhouseCoopers LLP have agreed to be re-appointed as Auditors of the Company. Resolutions for their re-appointment and to authorize the Audit Committee to determine their remuneration are to be proposed at the forthcoming AGM.

Financial risk management
Details of the Group's use of financial instruments, together with information on the Company's risk objectives, policies and exposure to price, credit, liquidity, cash flow and interest rate risks, can be found on page 115.

Substantial shareholdings
As at the date of this report, the Company had been notified under Rule 5 of the Disclosure and Transparency Rules of the following major interests in its issued ordinary share capital of the Company:

Shareholding entity	Number of ordinary shares held	Percentage of total voting rights
Scopia Capital Management	72,055,119	10.03%
Harbor International	48,650,545	6.77%
Janus Capital Management	40,953,067	5.70%
Prudential	37,217,232	5.17%
Fidelity Management & Research	36,483,568	5.07%
MFS	33,799,911	4.70%

Disclosures required under Listing Rule 9.8.4

The following table is included to meet the requirements of Listing Rule section 9.8.4.

	Applicable sub-paragraph within LR 9.8.4	Location
1	Interest capitalized by the Group	Not applicable
2	Unaudited financial information	Not applicable
4	Long-term incentive scheme only involving a Director	Directors' Remuneration Report
5	Directors' waver of emoluments	None
6	Directors' waivers of future emoluments	None
7	Non pro-rata allotments for cash (issuer)	None
8	Non pro-rata allotments for cash (major subsidiaries)	None
9	Listed company is a subsidiary of another company	Not applicable
10	Contracts of significance involving a Director	None
11	Contract of significance involving a controlling shareholder	Not applicable
12	Waivers of dividends	None
13	Waivers of future dividends	None
14	Agreement with a controlling shareholder	Not applicable

Post-balance sheet events

There have been no significant events affecting the Group from December 31, 2015 to the date of this Report requiring disclosure.

Further disclosures

Information fulfilling the further disclosure requirements contained in the Companies Act 2006, Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and the FCA's Listing Rules and Disclosure and Transparency Rules can be found in the following sections of the Annual Report for the period ended December 31, 2015 which are incorporated into the Directors' Report by reference:

	Pages
Future developments in the business	35
Research and development activities	30
Dividend	4
Financial risk management and financial instruments	115
Corporate Governance Report including internal control and risk management	58
Directors' Responsibility statements including disclosure of information to the Auditors	69

Annual General Meeting

The AGM will be held on May 11, 2016 at 3.00pm in the Wessex Ballroom, Renaissance London Heathrow, Bath Road, Hounslow, Middlesex TW6 2AQ. Details of the resolutions to be proposed will be sent to shareholders at least 20 working days before the AGM, and are set out in a separate Notice of Meeting which accompanies this report for shareholders receiving hard copy documents, and which is available on the Company's website www.indivior.com for those who have elected to receive documents electronically.

By Order of the Board

Kathryn Hudson
Company Secretary Indivior PLC
103-105 Bath Road
Slough, Berkshire, SL1 3UH

Company registration number: 9237894

March 8, 2016

Independent Auditors' report to the members of Indivior PLC

Report on the Group Financial Statements

Our opinion

In our opinion, Indivior PLC's Group Financial Statements (the 'Financial Statements'):

- give a true and fair view of the state of the Group's affairs as at 31 December 2015 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

Emphasis of matter – going concern

In forming our opinion on the Financial Statements, which is not modified, we have considered the adequacy of the disclosure made in Note 2 to the Financial Statements concerning the group's ability to continue as a going concern. This relates to the ANDA litigation where the outcome remains uncertain. In the event of a negative ruling against the Group and, should there be a regulatory approval and subsequent commercial launch of generic Suboxone Film, there is the likelihood that revenues and operating profits may decline. These conditions, along with the other matters explained in Note 20 to the Financial Statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The Financial Statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

What we have audited

The Financial Statements, included within the Annual Report and Financial Statements (the 'Annual Report'), comprise:

- the consolidated balance sheet as at 31 December 2015;
- the consolidated income statement and consolidated statement of comprehensive income for the year then ended;
- the consolidated cash flow statement for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the Notes to the Financial Statements. These are cross-referenced from the Financial Statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the Financial Statements is applicable law and IFRSs as adopted by the European Union.

Our audit approach

Overview	
Materiality	• Overall group materiality: $15.8 million which represents 5% of adjusted profit before tax.
Audit scope	• We conducted full scope audit work covering seven reporting units. • Specific audit procedures on certain balances and transactions were performed on a further five reporting units. • The reporting units where we performed audit work accounted for 89% of the Group's revenues and 79% of the Group's profit before tax.
Areas of focus	• Significant judgements and estimates in sales rebates, discounts and returns adjustments recognised primarily in the US business (refer to Note 21). • Risk of misstatement relating to ongoing legal claims and regulatory investigations and claims and the related provisions (refer to Notes 18 and 20). • Uncertain tax positions.

The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)').

We designed our audit by determining materiality and assessing the risks of material misstatement in the Financial Statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as 'areas of focus' in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the Financial Statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Area of focus	How our audit addressed the area of focus
Significant judgements and estimates in sales rebates, discounts and returns adjustments recognised primarily in the US business (refer to Note 21). In the US, the Group sells products through distributors and the ultimate selling price is determined based on the contractual arrangements that the Group has with the patient's insurer or other payment programme (Medicaid, Medicare or equivalent scheme). The time between initial shipment to the distributor (when the revenue is recognised) and the dispensing of a product to a patient may be several months. Accordingly, an estimate of the selling price is necessary at the date of shipment, when the revenue is recognised. As a result, revenue recognised on sales to wholesale and retail distributors is subject to a final determination of the sales price in the form of rebates, discounts and sales returns. The process for determining the size of these estimates is complex and depends on contract terms and regulation, as well as forecasts of sales volumes by channel. Our testing focused on the accruals for sales rebates, discounts and sales returns recognised at the year-end. We focused on this area as the process for calculating sales rebates, discounts and return accruals involves the use of large volumes of data, being sales volumes and discounts from multiple sources, which, taken together, can be subjective and at risk of management manipulation or bias. Given the large quantities of data involved in compiling these calculations, we considered there to be a risk of bias in the calculations and that this risk related to the understatement of these accruals. We also evaluated whether appropriate revenue recognition policies were consistent with IFRSs as adopted by the EU.	We obtained calculations of the accruals for sales rebates and discounts and sales returns and tested the inputs into the accrual calculations by comparing them with: · rates included in sales contracts and agreements with third parties; and · rebate invoices received after the year-end, in order to assess the accuracy of the directors' forecast sales volumes. We performed look back tests that compared accruals recognised in previous periods to actual rebates, discounts or returns received in order to test the directors' historical accuracy in calculating these accruals. We assessed the completeness and accuracy of the accruals by understanding and testing the process management used to record the year-end balances, by comparing such amounts to our own independently developed expectations of the year-end balances. Our independent expectations were developed based upon historical rebate invoices received, adjusted for current volumes, rebate rates and for sales returns, and adjusted for industry experience in the face of competition. The accruals recognised in the Financial Statements were not materially different from our internally generated expectation. In determining the appropriateness of the revenue recognition policy applied by the directors in calculating sales rebates and discounts and sales returns under contractual and regulatory requirements, there is room for judgement. We found that within that, the directors' judgement was within an acceptable range and policies applied were consistent with IFRSs as adopted by the EU.

Independent Auditors' report to the members of Indivior PLC

Continued

Area of focus	How our audit addressed the area of focus
Risk of misstatement relating to ongoing legal claims and regulatory investigations and claims and the related provisions (refer to Notes 18 and 20). The pharmaceutical industry is a highly regulated industry. Since 80% of the Group operates in the US, compliance is required with the US regulatory requirements, including those of US Food and Drug Administration. The Group is engaged in a number of ongoing litigations and investigations, which may have a material impact on the Group Financial Statements. Furthermore the Group is subject to a number of investigations relating to competition law within the EU. We focused on this area because the outcome of claims is uncertain and the positions taken by the Directors are based on the application of material judgement and estimation. Accordingly, should the outcomes of the regulatory investigations or legal claims differ from those anticipated by the directors, this could materially impact the Group Financial Statements. At 31 December 2015, the Group held provisions of $40 million in respect of actual legal claims brought against the Group and disclosures have been made in Note 18 in relation to these provisions, as well as the disclosure of contingent liabilities in Note 20 relating to ongoing regulatory investigations or legal claims where no claim has been brought at the balance sheet date. As disclosed in Note 20 the outcome of the current ANDA litigation trial which took place in November and December 2015 remains uncertain. In the event of a negative ruling against the Group and the generic companies obtaining regulatory approval and subsequently launching generic Suboxone Film, there is the likelihood that revenues and operating profits may decline. In these circumstances the Group will take necessary measures to reduce its cost base and improve its cash flow position to ensure that the Group can continue as a going concern for the foreseeable future. As a result the Directors have concluded that it remains appropriate to adopt the going concern basis of accounting in preparing these Financial Statements.	We discussed actual or pending legal or regulatory claims with the Group's internal legal counsel to gain an understanding of the status of each case. Where provisions had been booked in the Group Financial Statements, we substantively tested the amount provided and formed our own expectation of the likely outcome and comparing that to the provision by: · using documentation such as correspondence with external legal counsel; · independent confirmations that we received from the Group's external legal counsel; · using penalties awarded and costs incurred for other similar completed legal or regulatory cases. Our testing did not identify any material misstatements in the provision booked. For certain ongoing regulatory investigations where no claim had been brought against the Group at 31 December 2015, we met with external legal counsel about the matters and extent of their work to determine whether it was sufficient to support their conclusions and that there have been no illegal acts and to determine whether the work was sufficient to support their conclusions that there is no basis for establishing a provision for this in the Financial Statements. We used our own accumulated knowledge from working with clients in the pharmaceutical industry operating in the US to challenge whether the directors had omitted any relevant factors when drawing their conclusion and did not identify any that they had. In addition, we considered the completeness of legal and regulatory matters through open discussions with internal legal counsel and by reading company board minutes, without identifying any other legal matters that had not already been disclosed to us. Furthermore, we obtained representation from management that there have been no illegal acts. Finally, we checked the disclosures relating to legal and regulatory matters in the Financial Statements back to our underlying work. We found that the disclosures in Notes 18 and 20 were in accordance with the requirements of IFRSs as adopted by the European Union. In assessing the impact of a negative ruling for the ANDA litigation referred to in Note 20, we performed the following procedures on the Directors' assessment that they will continue as a going concern. We evaluated the assumptions regarding the impact on revenue decline of Suboxone Film by reference to the historical impact of other generic launches on the revenues of a branded product; assessed the basis of the prospective actions to reduce the Group's cost base by agreeing them to detailed workings and discussing the assumptions used with management and assessing the reductions against underlying calculations and whether such reductions were feasible given our understanding of the business model and operating expenses; checked the mathematical accuracy of the spreadsheet used to model future financial performance; tested the forecast results against existing debt covenant arrangements as explained in Note 17. Based on this work we concur with the directors' conclusion that, should there be an adverse ruling in the current ANDA litigation, the use of the going concern basis.

Uncertain tax positions Indivior operates in a multinational tax environment and the tax charge on profits is determined according to complex tax laws and regulations, including those relating to transfer pricing. In addition from time to time Indivior enters into transactions with complicated accounting and tax consequences. Where the effect of these tax laws and regulations is unclear, judgements are used in determining the liability for tax to be paid. As a multinational Company, tax audits can be ongoing in a number of jurisdictions at any point in time and tax returns are subject to possible challenge in most locations in which Indivior operates. Judgement is required in assessing the level of provisions required in respect of uncertain tax positions.	Using our US and UK, international tax and transfer pricing knowledge, we evaluated and challenged the Directors' judgements in respect of estimates of tax exposures and contingencies in order to assess the adequacy of Indivior's tax provisions. In understanding and evaluating the Directors' judgements, we considered: • the status of recent and current tax authority audits and enquiries; • the outturn of previous claims; • recent developments in tax legislation; • relevant correspondence with tax authorities; • judgemental positions taken in tax returns and current year estimates; and • other developments in the tax environment. We tested tax calculations and challenged the Group's transfer pricing arrangements by assessing the methodology used against third party studies, our own knowledge and experience, and tax planning activities to assess the reasonableness of the provisions recorded. From the evidence obtained, we believe that the directors' assumptions and judgements to be balanced and we considered the level of provisioning to be acceptable.

There have been no changes in our areas of focus from the prior year.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the Financial Statements as a whole, taking into account the geographic structure of the group, the accounting processes and controls, and the industry in which the Group operates.

The Indivior Group operates a single business activity and therefore operates as one reportable segment. The Group Financial Statements are a consolidation of reporting units comprising the Group's operating businesses and centralised group functions.

In addition to centralised Group audit procedures, we conducted our audit by concentrating our work on those parts of the Group that make up the most significant proportions of the Financial Statements. With the largest component of the Group being the US and UK we focused our audit work here. For the audit of the US component, we utilised our Richmond, Virginia based team with knowledge and experience of the US pharmaceuticals industry and regulations. These US procedures were supplemented by procedures performed on certain UK and European operations by PwC staff based in England.

In total our audit scope consisted of nine full scope audits out of 48 reporting units with specific audit procedures on a further five reporting units. With all audit procedures combined together our audit scope addressed 89% of the Group's net revenues and 79% of the Group's profit before tax.

Our Group engagement team's involvement included site visits where the components' planned response to areas of focus was discussed, particularly regarding sales rebates, chargebacks and discounts and uncertain tax positions in the US. Group team involvement also included component auditor working paper reviews in the US and UK, regular conference calls and attendance at the US and UK component audit closing meetings.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual Financial Statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the Financial Statements as a whole.

Independent Auditors' report to the members of Indivior PLC
Continued

Based on our professional judgement, we determined materiality for the Financial Statements as a whole as follows:

Overall Group materiality	$15.8 million (2014: $28.0 million).
How we determined it	5% of adjusted profit before tax and exceptional items.
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practice. In calculating materiality we have excluded exceptional items which are one off and non-recurring and do not represent continuing business performance. In the prior year, profit before tax was used as the benchmark, however, adjusted profit before tax is considered to more accurately reflect the underlying business.
Component materiality	For each component in our audit scope, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between $3 million and $13.5 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $0.79 million (2014: $1.4 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

Under the Listing Rules we are required to review the Directors' statement, set out on page 69, in relation to going concern. We have nothing to report having performed our review.

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to the Directors' statement about whether they considered it appropriate to adopt the going concern basis in preparing the Financial Statements. We have nothing material to add or to draw attention to.

As noted in the Directors' statement, the Directors have concluded that it is appropriate to adopt the going concern basis in preparing the Financial Statements. The going concern basis presumes that the group has adequate resources to remain in operation, and that the directors intend it to do so, for at least one year from the date the Financial Statements were signed. As part of our audit we have concluded that the directors' use of the going concern basis is appropriate, although because the ANDA litigation outcome remains uncertain, as outlined in the Emphasis of matter – Going concern above, a material uncertainty exists which may cast significant doubt about the ability to continue as a going concern. However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Group's ability to continue as a going concern.

Other required reporting

Consistency of other information

Companies Act 2006 opinions

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

ISAs (UK & Ireland) reporting

Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:	
• information in the Annual Report is: – materially inconsistent with the information in the audited Financial Statements; or – apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group acquired in the course of performing our audit; or – otherwise misleading.	We have no exceptions to report.
• the statement given by the directors on page 69, in accordance with provision C.1.1 of the UK Corporate Governance Code (the 'Code'), that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the group's position, performance, business model and strategy is materially inconsistent with our knowledge of the group acquired in the course of performing our audit.	We have no exceptions to report.
• the section of the Annual Report on page 63, as required by provision C.3.8 of the Code, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.	We have no exceptions to report.

The directors' assessment of the prospects of the group and of the principal risks that would threaten the solvency or liquidity of the Group

Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:	
• the Directors' confirmation on page 69 of the Annual Report, in accordance with provision C.2.1 of the Code, that they have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance, solvency or liquidity.	We have nothing material to add or to draw attention to.
• the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.	We have nothing material to add or to draw attention to.
• the Directors' explanation on page 69 of the Annual Report, in accordance with provision C.2.2 of the Code, as to how they have assessed the prospects of the group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.	Refer to our Emphasis of matter – going concern above. We have nothing else material to add or to draw attention to.

Under the Listing Rules we are required to review the directors' statement that they have carried out a robust assessment of the principal risks facing the group and the directors' statement in relation to the longer-term viability of the group. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statements are consistent with the knowledge acquired by us in the course of performing our audit. We have nothing to report having performed our review.

Independent Auditors' report to the members of Indivior PLC
Continued

Adequacy of information and explanations received
Under the Companies Act 2006 we are required to report to you if, in our opinion, we have not received all the information and explanations we require for our audit. We have no exceptions to report arising from this responsibility.

Directors' remuneration
Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Corporate governance statement
Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to ten further provisions of the Code. We have nothing to report having performed our review.

Responsibilities for the Financial Statements and the audit

Our responsibilities and those of the directors
As explained more fully in the Directors' Statement of Responsibilities set out on page 69, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

What an audit of Financial Statements involves
An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the Financial Statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the Financial Statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matter

We have reported separately on the parent company Financial Statements of Indivior PLC for the year ended 31 December 2015 and on the information in the Directors' Remuneration Report that is described as having been audited.

Simon Friend
Senior Statutory Auditor
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
8 March 2016

Consolidated income statement

For the year ended December 31	Notes	2015 $m	2014 $m
Net revenues	3	**1,014**	1,115
Cost of sales		**(97)**	(95)
Gross profit		**917**	1,020
Selling, distribution and administrative expenses	4	**(423)**	(343)
Research and development expenses	4	**(148)**	(115)
Operating profit		**346**	562
Operating profit before exceptional items		**377**	586
Exceptional items	4	**(31)**	(24)
Operating profit		**346**	562
Finance expense	7	**(61)**	(1)
Net finance expense	7	**(61)**	(1)
Profit before taxation		**285**	561
Taxation	8	**(70)**	(165)
Exceptional items within taxation	8	**13**	7
Net income		**228**	403
Earnings per ordinary share (cents)	9		
Basic earnings per share		**32**	56
Diluted earnings per share		**31**	56

Consolidated statement of comprehensive income

For the year ended December 31	Notes	2015 $m	2014 $m
Net income		**228**	403
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent years:			
Net exchange adjustments on foreign currency translation		**(14)**	(16)
Other comprehensive income		**(14)**	(16)
Total comprehensive income		**214**	387

Consolidated balance sheet

As at December 31	Notes	2015 $m	2014 $m
Assets			
Non-current assets			
Intangible assets	10	**62**	91
Property, plant and equipment	11	**32**	13
Deferred tax assets	12	**122**	77
Other receivables	14	**–**	1
		216	182
Current assets			
Inventories	13	**48**	41
Trade and other receivables	14	**206**	193
Cash and cash equivalents	16	**467**	331
		721	565
Total assets		**937**	747
Liabilities			
Current liabilities			
Borrowings	17	**(34)**	(17)
Trade and other payables	21	**(528)**	(383)
Current tax liabilities		**(41)**	(62)
		(603)	(462)
Non-current liabilities			
Borrowings	17	**(571)**	(719)
Provisions for liabilities and charges	18	**(42)**	(41)
		(613)	(760)
Total liabilities		**(1,216)**	(1,222)
Net liabilities		**(279)**	(475)
Equity			
Capital and reserves			
Share capital	22	**72**	1,437
Other reserves	23	**(1,295)**	(1,295)
Foreign currency translation reserve	23	**(23)**	(16)
Retained earnings	23	**967**	(601)
		(279)	(475)
Total equity		**(279)**	(475)

The Financial Statements on pages 95 to 123 were approved by the Board of Directors on March 8, 2016 and signed on its behalf by:

Shaun Thaxter
Director

Cary J. Claiborne
Director

Consolidated statement of changes in equity

	Notes	Share capital $m	Share premium $m	Other reserves $m	Foreign currency translation reserve $m	Retained earnings $m	Total equity $m
Balance at January 1, 2014		**1,437**	**–**	**(1,295)**	**–**	**(208)**	**(66)**
Comprehensive income							
Net income		–	–	–	–	403	403
Other comprehensive income		–	–	–	(16)	–	(16)
Total comprehensive income		**–**	**–**	**–**	**(16)**	**403**	**387**
Payments to former owners, recognized directly in equity	23	–	–	–	–	(991)	(991)
Charges from former owners, recognized directly in equity	23	–	–	–	–	195	195
Total transactions with former owners	23	**–**	**–**	**–**	**–**	**(796)**	**(796)**
Balance at December 31, 2014		**1,437**	**–**	**(1,295)**	**(16)**	**(601)**	**(475)**
Balance at January 1, 2015		**1,437**	**–**	**(1,295)**	**(16)**	**(601)**	**(475)**
Comprehensive income							
Net income		–	–	–	–	228	228
Other comprehensive income		–	–	–	(7)	(7)	(14)
Total comprehensive (expense)/income		**–**	**–**	**–**	**(7)**	**221**	**214**
Transactions with owners							
Share-based plans	23	–	–	–	–	8	8
Deferred taxation on share-based plans	23	–	–	–	–	(3)	(3)
Dividends paid	23	–	–	–	–	(23)	(23)
Capital reduction	23	(1,365)	–	–	–	1.365	–
Total transactions recognized directly in equity		**(1,365)**	**–**	**–**	**–**	**1,347**	**(18)**
Balance at December 31, 2015		**72**	**–**	**(1,295)**	**(23)**	**967**	**(279)**

Consolidated cash flow statement

For the year ended December 31	Notes	2015 $m	2014 $m
Cash flows from operating activities			
Operating profit from continuing operations		**346**	562
Depreciation and amortization	10, 11	**32**	26
Impairment and write-offs	10, 11	**8**	–
Share-based payments	25	**5**	–
Impact from foreign exchange impacts		**–**	(13)
(Increase)/decrease in trade and other receivables	14	**(9)**	3
(Increase) in inventories		**(9)**	(5)
Increase/(decrease) in payables and provisions	18, 21	**145**	(50)
Cash generated from operations		**518**	523
Interest paid	17	**(44)**	–
Transaction costs related to loan	17	**(23)**	(24)
Taxes paid		**(131)**	(59)
Net cash inflow from operating activities		**320**	**440**
Cash flows from investing activities			
Purchase of property, plant and equipment	11	**(27)**	–
Purchase of intangible assets	10	**(4)**	(26)
Net cash (outflow) from investing activities		**(31)**	**(26)**
Cash flows from financing activities			
Cash movement on overdraft	17	**(9)**	9
Cash movement in borrowings	17	**(112)**	750
Dividends paid	24	**(23)**	(500)
Net transfers to former owners		**–**	(349)
Net cash (outflow) from financing activities		**(144)**	**(90)**
Net increase in cash and cash equivalents	16	**145**	324
Cash and cash equivalents at beginning of the year	16	**331**	7
Exchange difference		**(9)**	–
Cash and cash equivalents at end of the year	16	**467**	**331**

1. General information

Indivior PLC ('the Company') and its subsidiaries (together, 'the Group') is engaged in the development, manufacture, and sale of buprenorphine-based prescription drugs for the treatment of opioid dependence (the Indivior Business).

The Indivior Business was previously the pharmaceuticals business of the Reckitt Benckiser Group plc (RB), carried out by RBP Global Holdings Limited and its subsidiary undertakings.

The Company was incorporated and domiciled in the United Kingdom on September 26, 2014 in connection with the demerger and is the holding company for the Group.

The Indivior Business was demerged from RB on December 23, 2014. Upon demerger, each RB shareholder received one ordinary share in the Company for each ordinary share in RB that they held at the time of the demerger. The Company received in return 100% of the share capital of RBP Global Holdings Limited.

The principal accounting policies adopted in the preparation of these Financial Statements are set out below. Unless otherwise stated, these policies have been consistently applied to all the years presented.

2. Basis of preparation and changes in accounting policy

The consolidated Financial Statements have been prepared 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. These Financial Statements have been prepared under the historical cost convention.

The Financial Statements are presented in US$.

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 period are presented as if the Group had been in existence throughout the period presented.

The share capital issued as consideration in the exchange is treated as if it had existed from the earliest year presented. This presentation of share capital results in the creation of the other reserves in the consolidated balance sheet. The other reserves represents the difference between the nominal value of the shares issued by the Company and the net investment in the Group by the former owner.

When recognizing the share capital issued, the Company has applied the provisions for merger relief under s.612 of the Companies Act. Accordingly, no premium has been recognized on the shares issued by the Company.

The comparative period in the Financial Statements include expense allocations for certain functions provided to the Group during the period before the demerger from RB, including, but not limited to, general corporate expenses related to finance, legal, tax, treasury, information technology, human resources, communications, employee benefits and incentives, insurance and share-based compensation. These costs have historically been allocated to the Group. The Financial Statements also include a portion of RB's costs relating to RB's operations as a public company, which historically were not allocated to the Group. RB had allocated these general corporate expenses to the Group on the basis of direct usage when identifiable, with the remainder allocated on a pro-rata basis of revenues, operating profit, headcount or other measures of the Company and RB. These costs are included within administrative expenses in the consolidated income statements. Both Indivior and RB consider the basis on which the expenses have been allocated to reasonably reflect the utilization of services provided to or the benefit received by the Group during the periods presented. To the extent that no charge was made by RB for the services provided, the expenses incurred by RB represent an increase in the former owner's investment in the Group (that is, in substance, a capital contribution) and accordingly have been reflected as such in the Financial Statements.

Notes to the Financial Statements
Continued

2. Basis of preparation and changes in accounting policy (continued)

Historically, RB performed cash management functions for the whole of RB, including the Indivior Business. This included certain cash pooling activities which resulted in the transfer of excess cash to RB. Such transfers of cash to RB have been recorded in equity for the comparative period as a reduction in the former owner's investment in the Group (that is, in substance, a distribution).

Subject to the following matter, after making appropriate enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. However, as disclosed in Note 20 relating to the ANDA litigation, the outcome remains uncertain. In the event of a negative ruling against the Group and, should there be a regulatory approval and subsequent commercial launch of generic Suboxone® Film, there is the likelihood that revenues and operating profits will decline. In these circumstances the Group has the ability to take necessary measures to reduce its cost base and improve its cash flow to ensure that the Group can continue as a going concern for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis for accounting in preparing these Financial Statements.

There have been no new accounting pronouncements impacting the Group in 2015.

A number of new standards, amendments to standards and interpretations are effective for the Group's annual periods beginning on or after January 1, 2016, and have not been applied in preparing these consolidated Financial Statements. With the exception of IFRS 16 Leases, IFRS 9 Financial Instruments and IFRS 15 Revenue, which the Group does not intend to early adopt and for which the extent of the impact is still being determined, none of these is expected to have a significant effect on the consolidated Financial Statements of the Group.

Comparative financial information

For the periods prior to the pre-demerger re-organization, consolidated Financial Statements were not prepared for the Indivior Group. The accompanying consolidated Financial Statements present the results of the Company and its subsidiaries as if the Indivior Group had been in existence throughout the period presented and as if the pre-demerger re-organization had occurred as at January 1, 2014.

New accounting requirements

IFRS 15 Revenue from contracts with customers is effective for annual periods beginning on or after January 1, 2017. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

Management has considered the impact of the new rules on its revenue recognition policies, and they will have little, if any effect on the amount and timing of revenue recognition. A more detailed assessment will be performed in the near future.

Management is in the process of assessing the impact of the revised issuance of IFRS 9 Financial instruments and IFRS 16 Leases, which will be effective for annual periods beginning on or after January 1, 2018 and January 1, 2019 respectively.

Basis of consolidation

The consolidated Financial Statements include the results of the Company and all of its subsidiary undertakings made up to the same accounting date. Subsidiary undertakings are those entities controlled by the Group. Control exists where the Group is exposed to, or has the rights to, variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns.

Inter-company transactions, balances and unrealized income and expenses on transactions between Group companies have been eliminated on consolidation. All subsidiaries have year-ends which are co-terminus with the Group's. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency translation

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated Financial Statements are presented in US dollars, which is the Group's presentation currency.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except where hedge accounting is applied.

The exchange rates used for the translation of currencies into US dollars that have the most significant impact on the Group results were:

	2015	2014
GBP year-end exchange rate	**1.4736**	1.5577
GBP average exchange rate	**1.5285**	1.6476

2. Basis of preparation and changes in accounting policy (continued)

The Financial Statements of overseas subsidiary undertakings are translated into US dollars on the following basis:

- Assets and liabilities at the rate of exchange ruling at the year-end date.
- Profit and loss account items at the average rate of exchange for the year.

Exchange differences arising from the translation of the net investment in foreign entities, borrowings, and other currency instruments designated as hedges of such investments, are taken to equity (and recognized in the statement of comprehensive income) on consolidation.

Accounting estimates and judgments

The Directors make a number of estimates and assumptions regarding the future, and make some significant judgments in applying the Group's accounting policies. These estimates and assumptions may affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. The key estimates and assumptions used in the Financial Statements are set out below.

Provisions for returns, discounts, incentives and rebates

The Company offers various types of price reductions on its products. In particular, products sold in the US are covered by various programs (such as Medicare and Medicaid) under which products are sold at a discount. Rebates are granted to healthcare authorities, and under contractual arrangements with certain customers. Some wholesalers are entitled to chargeback incentives based on the selling price to the end customer, under specific contractual arrangements. Cash discounts may also be granted for prompt payment.

The discounts, incentives and rebates described above are estimated on the basis of specific contractual arrangements with customers or of specific terms of the relevant regulations and/or agreements applicable for transactions with healthcare authorities, and of assumptions about the attainment of sales targets. They are recognized in the period in which the underlying sales are recognized, as a reduction of sales revenue. The Company also estimates the amount of product returns, on the basis of contractual sales terms and reliable historical data; the same recognition principles apply to sales returns.

Income taxes

Judgment is required in determining the provision for income taxes. There are many transactions and calculations whose ultimate tax treatment is uncertain. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes are likely to be due. The Company recognizes deferred tax assets and liabilities based on estimates of future taxable income and recoverability. Where a change in circumstance occurs, or the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax balances in the year in which that change or outcome is known. For more details of income taxes see Note 8 to the consolidated Financial Statements.

Impairment of assets

The Company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Provisions for legal claims

The Company may be involved in litigation, arbitration or other legal proceedings. These proceedings typically are related to product liability claims, intellectual property rights, compliance and trade practices, commercial claims, employment and wrongful discharge claims and tax assessment claims.

Provisions are estimated on the basis of events and circumstances related to present obligations at the statement of financial position date, of past experience, and to the best of management's knowledge at the date of preparation of the Financial Statements. The assessment of provisions can involve a series of complex judgments about future events and can rely heavily on estimates and assumptions. Given the inherent uncertainties related to these estimates and assumptions, the actual outflows resulting from the realization of those risks could differ from the Company's estimates.

3. 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 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.

Notes to the Financial Statements
Continued

3. Segment information (continued)

Revenues

Accounting policy

Revenue arising from the sale of goods is presented in the consolidated income statement under net revenues. Net revenues comprise revenue from sales of pharmaceutical products, net of sales returns, of customer incentives and discounts, and of certain sales-based payments paid or payable to the healthcare authorities.

Revenue is recognized when all of the following conditions have been met: the risks and rewards of ownership have been transferred to the customer at the point of delivery, usually when title passes to the customer either on shipment or on receipt of goods depending on local trading terms; the Company no longer has effective control over the goods sold; the amount of revenue and costs associated with the transaction can be measured reliably; and it is probable that the economic benefits associated with the transaction will flow to the Company, in accordance with IAS 18.

Returns, discounts, incentives and rebates are estimated and recognized in the period in which the underlying sales are recognized as a reduction of sales revenue.

These amounts are calculated as follows:

- Provisions for rebates based on attainment of sales targets are estimated and accrued as each of the underlying sales transactions is recognized.
- Provisions for price reductions under government and state programs, largely in the US, are estimated on the basis of the specific terms of the relevant regulations and agreements, and accrued as each of the underlying sales transactions is recognized.
- Provisions for sales returns are calculated on the basis of management's best estimate of the amount of product that will ultimately be returned by customers. In countries where product returns are possible, the Company has implemented a returns policy that allows the customer to return products within a certain period either side of the expiry date (usually three months before and six months after the expiry date). The provision is estimated on the basis of past experience of sales returns.

The Company also takes account of factors such as levels of inventory in its various distribution channels, product expiry dates, information about potential discontinuation of products and the entry of competing generics into the market. In each case, the provisions are subject to continuous review and adjustment as appropriate based on the most recent information available to management. The Company believes that it has the ability to measure each of the above provisions reliably, using the following factors in developing its estimates:

- the nature and patient profile of the underlying product;
- the applicable regulations and/or the specific terms and conditions of contracts with governmental authorities, wholesalers and other customers;
- historical data relating to similar contracts, in the case of qualitative and quantitative rebates and chargeback incentives;
- past experience and sales growth trends;
- actual inventory levels in distribution channels, monitored by the Company using internal sales data and externally provided data;
- the shelf life of the Company's products; and
- market trends including competition, pricing and demand.

There may be adjustments to the provisions when the actual rebates are invoiced based on utilization information submitted to the Company (in the case of provisions for rebates related to sales targets or contractual rebates) and claims/invoices received (in the case of regulatory rebates and chargebacks). Management believes that the estimates made are reasonable; however such estimates involve judgments on aggregate future sales levels, distribution channel mix, distributors' sales performance and market competition.

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 amortization, by country. Non-current assets for this purpose consist of property, plant and equipment and intangible assets.

January 1 – December 31, 2015	**Revenue from sale of goods $m**	**Non-current assets $m**
United States	**807**	**80**
Rest of World	**207**	**14**
Total	**1,014**	**94**
January 1 – December 31, 2014	$m	$m
United States	855	63
Rest of World	260	41
Total	1,115	104

3. Segment information (continued)

Significant customers

Revenues include amounts derived from significant customers that amount to 10% or more of the Company's revenues as follows (in percentages of total revenue):

Customer	2015 %	2014 %
Customer A	**23%**	22%
Customer B	**28%**	28%
Customer C	**20%**	19%

4. Operating costs and expenses

Accounting policy

Research and Development

Research expenditure on internal activities is charged to the consolidated statement of income in the year in which it is incurred.

Development expenditure is written off in the year in which it is incurred, unless the following criteria are met:

- it must be technically feasible to complete the development project (or intangible asset) so that the related product will be available for use or sale;
- there is an intention to complete the intangible asset or development project and use or sell it;
- the Company has the ability to use the intangible asset or to sell it;
- the way in which the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- expenditure attributable to the intangible asset during its development is able to be reliably measured.

Amounts capitalized are amortized over the useful life of the developed product.

An internally generated intangible asset arising from the Company's development activities is recognized only if the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

The Company has determined that filing for regulatory approval is the earliest point at which the probable threshold can be achieved. All development expenditure incurred prior to filing for regulatory approval is therefore expensed as incurred.

Expenses

Expenses are recognized in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

Marketing and promotional expenses are charged to the income statement as incurred.

Exceptional items

Where material, non-recurring expenses or income are incurred during a period, these items are disclosed as exceptional items in the income statement. Examples of such items are restructuring and other expenses relating to the integration of an acquired business and related expenses for the reconfiguration of the Company's activities, impairment of current and non-current assets, and costs arising as a result of material and non-recurring R&D write-offs, regulatory and litigation matters.

Notes to the Financial Statements
Continued

4. Operating costs and expenses (continued)

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

	Notes	2015 $m	2014 $m
Research and Development expenses		**(148)**	(115)
Marketing, selling, and distribution expenses		**(166)**	(147)
Administrative expenses		**(227)**	(167)
Depreciation and amortization	10, 11	**(24)**	(26)
Operating lease rentals	19	**(6)**	(3)
		(423)	(343)

Exceptional items

	2015 $m	2014 $m
Reconfiguration and separation costs	**(15)**	(24)
Intranasal naloxone impairment and write-offs	**(16)**	–
Total exceptional Items	**(31)**	(24)

Reconfiguration and separation costs consists primarily of legal and advisory costs related to business reconfiguration activities which have been included within operating expenses.

5. Auditors' remuneration

	2015 $m	2014 $m
Audit of parent company and consolidated Financial Statements:		
Audit of the Group's Annual Report and Financial Statements	**1.11**	0.70
Audit of account of the Group's subsidiaries	**0.21**	0.18
Audit and audit-related services	**1.32**	0.88
Taxation compliance	0.02	–
Other assurance services	0.05	–
Total auditors' remuneration	**1.39**	0.88

Total fees charged for non-audit services in the year relating to the Indivior Group or any of its subsidiaries were $69K.

6. Employees

Accounting policies

Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service, are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.
The liability for annual leave and accumulating sick leave is recognized in the provision for employee benefits. All other short-term employee benefits are presented as payables.

Post-retirement benefits other than pensions

Some Group companies provide post-retirement medical care to their retirees. The costs of providing these benefits are accrued over the period of employment and the liability recognized in the balance sheet is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related asset is deducted. Additional employer costs in respect of options and awards are charged to the income statement over the same period with the credit included in payables.

Employee share schemes

Incentives in the form of shares are provided to employees under share option and restricted share award schemes.

The fair values of these options and awards are calculated at their grant dates and any shortfall between the cost to the employee and the fair market value is charged to the income statement over the relevant vesting periods, with the credit taken directly to retained earnings.

The fair value at grant date is determined using a Monte Carlo simulation model that takes into account the exercise price, the term of the award, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the award, the share price at grant date, the expected dividend yield and the risk-free interest rate for the term of the award.

The fair value of the awards excludes the impact of any non-market vesting conditions (e.g. earnings per share). Non-market vesting conditions are included in assumptions about the number of awards that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of awards that are expected to become exercisable. The employee benefit expense recognized each period takes into account the most recent estimate.

The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised.

Pension commitments

Some Group companies operate defined contribution and (funded and unfunded) defined benefit pension schemes. The cost of providing pensions to employees who are members of defined contribution schemes is charged to the income statement as contributions are made. The Group has no further payment obligations once the contributions have been paid.

The liability or surplus recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date, less the fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows by the yield on high-quality corporate bonds denominated in the currency in which the benefits will be paid, and that have a maturity approximating to the terms of the pension obligations. The costs of providing these defined benefit schemes are accrued over the period of employment. Actuarial gains and losses are recognized immediately in other comprehensive income.

Past-service costs are recognized immediately in the income statement.

The net interest amount is calculated by applying the discounted rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability/asset.

The net pension scheme interest is presented as finance income/expense.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of these benefits; or (b) when the entity recognizes costs for a restructuring that is detailed in a formal plan that involves the payment of termination benefits and has, at a minimum, been announced to employees. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Notes to the Financial Statements
Continued

6. Employees (continued)

(a) Staff costs

	2015 $m	2014 $m
The total employment costs, including Directors, were:		
Wages and salaries	**(137)**	(112)
Social security costs	**(31)**	(25)
Net pension costs	**(2)**	(2)
Share-based payments	**(8)**	(3)
	(178)	(142)

Details of Directors' emoluments are included in the Directors' Remuneration Report on pages 70 to 83, which forms part of the Financial Statements.

Compensation awarded to key management (the Executive Committee):

	2015 $m	2014 $m
Short-term employee benefits	**9**	6
	9	6

(b) Staff numbers

The monthly weighted average number of people employed by the Group, including Directors, during the year was:

	2015	2014
Operations	**548**	540
Management	**175**	116
Research and Development	**108**	85
Weighted average number of employees	**831**	741

7. Net finance expense

Accounting policy

Finance costs of borrowings are recognized in the income statement over the term of those borrowings.

Finance expense	2015 $m	2014 $m
Interest payable on borrowings	**(52)**	(1)
Amortization of finance charges	**(9)**	–
Total finance expense	**(61)**	(1)
Net finance expense	**(61)**	(1)

8. Income tax expense

Accounting policy

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the balance sheet date, and any adjustment to tax payable in respect of previous years.

	2015 $m	2014 $m
Current tax	**105**	157
Adjustments for current tax of prior years	**(3)**	(3)
Total current tax	**102**	154
Origination and reversal of temporary differences	**(23)**	4
Adjustments for prior year deferred tax	**(22)**	–
Total deferred tax	**(45)**	4
Tax on profit	**57**	158

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from April 1, 2015. The Group's profits for the year ended December 31, 2015 are taxed at an effective rate of 20.3% (2014: 28.2%). UK income tax of $33m (2014: $74m) is included within current tax and is calculated at 20.25% (2014: 21.5%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total tax charge for the year can be reconciled to the accounting profit as follows:

	2015 $m	2014 $m
Profit before taxation	**285**	561
Tax at the notional UK corporation tax rate of 20.25% (2014: 21.5%)	**58**	120
Effects of:		
Tax at rates other than the UK corporation tax rate	**23**	33
Permanent differences	**(10)**	10
R&D tax credit	**(4)**	(2)
Adjustments in respect of prior years	**(25)**	(3)
Adjustments to amounts carried in respect of unresolved tax matters	**13**	(3)
Impact of changes in tax rates	**–**	3
Other	**2**	–
Income tax expense	**57**	158

The reported tax rate of 20% for the year ended December 31, 2015 benefited from a $25m adjustment in respect of prior periods that are not considered likely to recur, along with an increase to unresolved tax matters; $4m of these are considered exceptional. US R&D credits of $4m and $10m in permanent differences are expected to be relatively consistent going forward.

Taxation has been provided at current rates on the profits earned for the periods covered by the Group Financial Statements. The prior period current and deferred tax adjustment relates to tax accrual to return adjustments of $10m and other tax true-ups of $15m.

The Group continues to believe that it has made adequate provision for the liabilities likely to arise from periods which are open and not yet agreed by tax authorities. The ultimate liability for such matters may vary from the amounts provided and is dependent upon the outcome of agreements with relevant tax authorities or litigation where appropriate. In assessing these income tax uncertainties, management is required to make judgements in the determination of the unit of account, the evaluation of the circumstances, facts and other relevant information in respect of the tax position taken together with estimates of amounts that may be required to be paid in ultimate settlement with the tax authorities. As Indivior operates in a multinational tax environment, the nature of the uncertain tax positions is often complex and subject to change. Original estimates are always refined as additional information becomes known. Indivior has developed its probability assessment to review and measure uncertain tax positions using internal expertise, experience and judgement together with assistance and opinions from professional advisors. The Group feels that the reserves are adequate to cover any assessments that may arise.

Notes to the Financial Statements
Continued

9. Earnings per share

	2015 cents	2014 cents
Basic earnings per share	**32**	56
Diluted earnings per share	**31**	56
Adjusted basic earnings per share	**34**	58
Adjusted diluted earnings per share	**34**	58

Basic

Basic earnings per share (EPS) is calculated by dividing profit for the period attributable to former owners of the Company by the weighted average number of ordinary shares in issue during the period. 718,577,618 shares were issued during the period ended December 31, 2015.

For the purpose of calculating EPS, the share capital for the Company in the period prior to the pre-demerger re-organization on December 23, 2014 is calculated as if this re-organization 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 share options. 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
On a basic basis	**718,577,618**	718,577,618
Dilution for Long-Term Incentive Plan (LTIP)	**14,507,535**	5,307,010
On a diluted basis	**733,085,153**	723,884,628

Adjusted earnings

The Directors believe that diluted earnings per ordinary 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.

Details of the adjusted net income:

	2015 $m	2014 $m
Net income	**228**	403
Exceptional items	**31**	24
Exceptional items within taxation	**(13)**	(7)
Adjusted net income	**246**	420

10. Intangible assets

Accounting policy

Intangible assets

Intangible assets are carried at cost less accumulated amortization and accumulated impairment.

Payments made in respect of acquired distribution rights are capitalized when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company. The useful life of the acquired distribution rights is determined based on legal, regulatory, contractual, competitive, economic or other relevant factors. Acquired rights with finite lives are subsequently amortized using the straight-line method over their defined useful economic lives. Amortization expense related to acquired distribution rights is included in selling, distribution and administrative expenses.

Payments related to the acquisition of rights to a product or technology are capitalized if it is probable that future economic benefits from the asset will flow to the Company. Amortization of the asset starts when it becomes available for use, at which point the asset is amortized over its useful economic life. Prior to that date, the intangible asset is tested for impairment annually, irrespective of whether any indication of impairment exists.

Impairment of intangible assets

The carrying values of intangible assets are reviewed for impairment either annually or when events or changes in circumstances indicate the carrying value may be impaired depending on the intangible asset type. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which it belongs.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value-in-use. In assessing value-in-use, its estimated future cash flow is discounted to its present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

In carrying out impairment reviews of intangible assets a number of significant assumptions have to be made when preparing cash flow projections. These include the future rate of market growth, discount rates, the market demand for the products acquired, the future profitability of acquired businesses or products, levels of reimbursement and success in obtaining regulatory approvals. If actual results should differ, or changes in expectations arise, impairment charges may be required which would adversely impact operating results.

	Acquired distribution rights $m	Technology and licenses acquired $m	Total $m
Cost			
At January 1, 2015	220	56	276
Additions	–	4	4
Disposals and asset write-offs	–	(8)	(8)
Exchange adjustments	(2)	1	(1)
At December 31, 2015	**218**	**53**	**271**
Accumulated amortization and impairment			
At January 1, 2015	185	–	185
Amortization charge	23	–	23
Exchange adjustments	1	–	1
At December 31, 2015	209	–	209
Net book amount at December 31, 2015	**9**	**53**	**62**

Notes to the Financial Statements
Continued

10. Intangible assets (continued)

	Acquired distribution rights $m	Technology and licenses acquired $m	Total $m
Cost			
At January 1, 2014	222	30	252
Additions	–	26	26
Exchange adjustments	(2)	–	(2)
At December 31, 2014	220	56	276
Accumulated amortization and impairment			
At January 1, 2014	158	–	158
Amortization charge	25	–	25
Exchange adjustments	2	–	2
At December 31, 2014	185	–	185
Net book amount at December 31, 2014	35	56	91

Acquired distribution rights

Acquired distribution rights are amortized over a period from six to seven years. The useful life of the acquired distribution rights was determined based on legal, regulatory, contractual, competitive, economic or other relevant factors. Amortization expense is included in selling, distribution and administrative expenses for all years presented.

There were no impairments recognised in the year.

Technology and licenses acquired

The licenses acquired are not amortized as the Group has not yet filed for regulatory approval for the related products as at December 31, 2014. The licenses are assessed for impairment at the end of each reporting period. There were no impairments recognised in the year.

In May 2014, the Group exercised its rights to purchase the intranasal naloxone technology under the co-development and asset purchase agreement with AntiOp, Inc. Additions recognized in the period for this exercise amounted to $4m.

In December 2015, the Group received a non-approval letter from the FDA in response to the NDA application of its intranasal naloxone spray. Consequently, the Group has taken the decision to discontinue any further development of this asset. The asset was fully written off. A write-off charge of $8m was recognised in the period for this.

11. Property, plant and equipment

Accounting policies

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, with the exception of freehold land, which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured.

Except for freehold land and assets under construction, the cost of property, plant and equipment is written off on a straight-line basis over the period of the expected useful life of the asset. For this purpose, expected lives are determined within the following limits:

- freehold buildings: not more than 50 years; and
- owned plant and equipment: not more than 15 years.

In general, production plant and equipment and office equipment are written off over ten years or less; motor vehicles and computer equipment over five years or less.

Assets' residual values and useful lives are reviewed, and adjusted if necessary, at each balance sheet date. Property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be appropriate. Freehold land is reviewed for impairment on an annual basis.

Gains and losses on the disposal of property, plant and equipment are determined by comparing the asset's carrying value with any sale proceeds, and are included in the income statement.

	Land and buildings $m	**Plant and equipment $m**	**Total $m**
Cost			
At January 1, 2015	**5**	**39**	**44**
Additions	**3**	**24**	**27**
Exchange adjustment	**–**	**1**	**1**
At December 31, 2015	**8**	**64**	**72**
Accumulated depreciation and impairment			
At January 1, 2015	**3**	**28**	**31**
Charge for the year	**–**	**9**	**9**
At December 31, 2015	**3**	**37**	**40**
Net book amount at December 31, 2015	**5**	**27**	**32**

The opening balances have been adjusted to correct an incorrect prior period classification of the Fine Chemical Plant's PP&E balances between land and buildings and plant and equipment.

	Land and buildings $m	Plant and equipment $m	Total $m
Cost			
At January 1, 2014	2	35	37
Additions	–	1	1
At December 31, 2014	2	36	38
Accumulated depreciation and impairment			
At January 1, 2014	1	23	24
Charge for the year	–	1	1
At December 31, 2014	1	24	25
Net book amount at December 31, 2014	1	12	13

Depreciation and amortization expense is included in selling, distribution and administrative expense within the income statement.

Notes to the Financial Statements
Continued

12. Deferred tax

Accounting policy

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated Financial Statements. The deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction (other than a business combination) that affects neither accounting nor taxable profit or loss at that time. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is provided on temporary differences arising on investments in subsidiaries except where the investor is able to control the timing of temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities within the same tax jurisdiction are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and where there is an intention to settle these balances on a net basis.

Deferred tax assets	Unrealized profit in inventory $m	Intangible assets $m	Short-term temporary differences $m	Other $m	Total $m
At January 1, 2014	65	2	18	–	85
(Charged) to the income statement	(1)	(5)	(6)	–	(12)
Charged directly to equity	–	–	4	–	4
At December 31, 2014	64	(3)	16	–	77
Credited to the income statement	20	2	7	16	45
(Credited) directly to equity	–	–	–	(3)	(3)
Exchange differences	–	1	1	1	3
At December 31, 2015	**84**	**–**	**24**	**14**	**122**

Deferred tax liabilities	Unrealized profit in inventory $m	Intangible assets $m	Short-term temporary differences $m	Other $m	Total $m
At January 1, 2014	–	(6)	–	–	(6)
Credited to the income statement	–	8	–	–	8
At December 31, 2014	–	2	–	–	2
(Charged) to the income statement	–	(2)	–	–	(2)
At December 31, 2015	**–**	**–**	**–**	**–**	**–**

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority. Unused tax credits of $26m (2014: $26m) have not been recognized at December 31, 2015 as the likelihood of future economic benefit is not sufficiently assured. These assets will be recognized if utilization of the credits becomes reasonably certain. No deferred tax liability has been recognized on the unremitted earnings of overseas subsidiaries as no tax is expected to be payable on them in the foreseeable future based on the current repatriation policy of the Group.

13. Inventories

Accounting policy

Raw materials, stores and consumables, work in progress and finished goods are stated at the lower of cost or net realizable value. Cost comprises materials, direct labor and an appropriate portion of overhead expenses (based on normal operating capacity) required to get the inventory to its present location and condition. Inventory valuation is determined on a first in, first out (FIFO) basis. Selling expenses and certain other overhead expenses are excluded. Net realizable value is the estimated selling price less applicable selling expenses.

Write-down of inventory occurs in the general course of business. Impairments are recognized in cost of sales.

	2015 $m	2014 $m
Raw materials, stores and consumables	**11**	7
Work in progress	**21**	9
Finished goods and goods held for resale	**16**	25
Total inventories	**48**	41

The cost of inventories recognized as an expense and included as cost of sales amounted to $97m (2014: $95m). This includes inventory write-offs and losses of $2m (2014: $4m).

The Group inventory provision (reflected in the carrying amount above) at December 31, 2015 was $2m (2014: $2m).

14. Trade and other receivables

Accounting policy

Trade receivables are initially recognized at fair value and subsequently held at amortized cost, less provision for impairment.

If there is objective evidence that the Group will not be able to collect the full amount of the receivable, a provision is recognized on the balance sheet. Significant financial difficulties of the debtor, probability that a debtor will enter bankruptcy or financial re-organization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The impairment is calculated as the difference between the carrying value of the receivable and the present value of the related estimated future cash flows, discounted at the original interest rate.

Non-current assets	**2015 $m**	2014 $m
Prepayments	**–**	1
Total non-current receivables	**–**	1

Current assets		
Trade receivables	**176**	169
Less: Provision for impairment of receivables	**(7)**	(7)
Trade receivables – net	**169**	162
Other receivables	**25**	9
Prepayments	**12**	22
Total current receivables	**206**	193

Trade receivables consist of amounts due from customers, primarily wholesalers and distributors, for whom there is no significant history of default. The credit risk of customers is assessed, taking into account their financial positions, past experiences and other relevant factors. Individual customer credit limits are imposed based on these factors.

Notes to the Financial Statements
Continued

14. Trade and other receivables (continued)

As at December 31, 2015, trade receivables of $9m (2014: $6m) were past due, but not impaired. The ageing analysis of trade receivables past due is as follows:

	2015 $m	2014 $m
Past due not more than three months	**9**	6
Past due more than three months and not more than six months	**–**	–
Past due more than six months and not more than one year	**–**	–
Past due more than one year	**–**	–
	9	6

As at December 31, 2015, trade receivables of $11m (2014: $10m) were considered to be impaired. The amount of provision at December 31, 2015 was $7m (2014: $7m). It was assessed that a portion of the receivables is expected to be recovered due to the nature and historical collection of trade receivables. The ageing analysis of these receivables is as follows:

	2015 $m	2014 $m
Up to three months	**–**	–
Over three months	**11**	10
	11	10

The movement in the provision for impaired receivables consists of increases for additional provisions offset by receivables written off and unused provision released back to the income statement. The gross movements in the provision are considered to be insignificant. The current other receivables balance does not contain impaired assets. They consist of items including reclaimable turnover tax and are from a broad range of countries within the Group.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2015 $m	2014 $m
Sterling	**21**	10
Euro	**36**	39
US dollar	**125**	130
Other currencies	**24**	14
	206	193

The maximum exposure to credit risk at the year end is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

Amounts falling due beyond one year	2015 $m	2014 $m
Prepayments	**–**	1
Total non-current receivables	**–**	1

Prepaid expenses relate to the Group's exclusive manufacturing agreement with MSRX.

The other receivables do not contain impaired assets.

15. Financial instruments and risk management

The Group's financial assets and liabilities include cash and cash equivalents, borrowings, trade receivables and trade payables as set out in Notes 16, 17, 14 and 21 respectively. The carrying value less impairment provision of current borrowings, cash at bank, trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The non-current borrowing, which is presented at amortised cost, is also assumed to approximate its fair value.

Financial risk management of the Group is mainly exercised and monitored at group level. The Group's financing and financial risk management activities are centralized into the Global Treasury Group (GTG) to achieve benefits of scale and control with the ultimate goal of maximizing the Company's liquidity and mitigating its operational and financial risks. GTG manages financial exposures of the Group centrally in a manner consistent with underlying business risks. GTG manages only those risks and flows generated by the underlying commercial operations and speculative transactions are not undertaken.

GTG operates under the close control of the CFO and is subject to periodic independent reviews and audits, both internal and external.

Foreign exchange risk management

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. The Group's policy is to align the interest costs and operating profit of its major currencies in order to provide some protection against the translation exposure on foreign currency profits after tax. The Group may undertake borrowings and other hedging methods in the currencies of the countries where most of its assets are located.

Liquidity risk management

Liquidity risk is the risk that the Group is not able to settle or meet its obligations on time or at a reasonable price. The Group's policy is to ensure that there is sufficient funding and facilities in place to meet foreseeable borrowing requirements. The Group manages and monitors liquidity risk through regular reporting of current cash and borrowing balances and periodic preparation and review of short-and medium term cash forecasts, while considering the maturity of its borrowing facility.

At December 31, 2015, Indivior had $34m of borrowings repayable within one year and held $467m of cash and cash equivalents.

Indivior regularly sweeps cash from a number of global subsidiaries to central Treasury accounts for liquidity management purposes.

Credit risk management

The Group has no significant concentrations of credit risk. The Group's exposure to credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, and trade receivables. Financial institution counterparties are subject to approval under the Group's counterparty risk policy and such approval is limited to financial institutions with a BBB rating or above. Concentration of credit risk with respect to trade receivables are limited given that the balances consist of amounts due from customers, primarily wholesalers and distributors, for whom there is no significant history of default. The credit risk of customers is assessed, taking into account their financial positions, past experiences and other relevant factors. Individual customer credit limits are imposed based on these factors.

Capital risk management

The Group considers capital to be net debt plus total equity. Net debt is calculated as total borrowings less cash and cash equivalents, short-term available-for-sale financial assets and financing derivative financial instruments (refer to Note 17). Total equity includes share capital, reserves and retained earnings as shown in the consolidated balance sheet.

	Note	**2015 $m**	2014 $m
Net debt	17	**(174)**	(428)
Total equity		**(279)**	(475)
		(453)	(903)

The objectives for managing capital are to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders and to maintain an efficient capital structure to optimize the cost of capital.

The Group monitors net debt which at year-end amounted to net debt of ($174m) (2014: ($428m)). The Group seeks to pay down net debt using cash generated by the business to maintain an appropriate level of financial flexibility.

Notes to the Financial Statements
Continued

16. Cash and cash equivalents

Accounting policy

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions and highly liquid investments with maturities of less than three months.

Bank overdrafts are included within borrowings in the balance sheet.

	2015 $m	2014 $m
Cash and cash equivalents	**467**	331
	467	331

17. Financial liabilities – borrowings

Accounting policy

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost, with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

Borrowings are classified as a current liability unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current	2015 $m	2014 $m
Bank loans and overdrafts	**(34)**	(17)
	(34)	(17)

Non-current	2015 $m	2014 $m
Bank loans	**(571)**	(719)
	(571)	(719)

Analysis of net debt	2015 $m	2014 $m
Cash and cash equivalents	**467**	331
Overdrafts	**–**	(9)
Borrowings (excluding overdrafts)[1]	**(641)**	(750)
	(174)	(428)

1 Borrowings reflect the outstanding principal amount drawn, before debt issuance costs.

Reconciliation of net debt	2015 $m	2014 $m
Net debt at beginning of year	**(428)**	7
Net (decrease) / increase in cash and cash equivalents	**136**	324
Repayment of / (Proceeds from) borrowings and overdrafts	**121**	(759)
Exchange adjustments	**(3)**	–
Net debt at end of year	**(174)**	(428)

17. Financial liabilities – borrowings (continued)

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 $750m debt facility. As a result of the syndication, the new terms of the loan are as follows:

	Currency	Nominal interest margin	Maturity	Amort-ization	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

* 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 $150m (defined as cash on hand plus the undrawn amount available under the Company's $50m revolving credit facility).

Maturity of debt	**2015 $m**	2014 $m
Bank loans and overdrafts payable due:		
Within one year or on demand	**34**	16
Bank loans payable due:		
Later than one and less than five years	**607**	30
Over five years	**–**	713
Gross borrowings (unsecured)	**641**	759

18. Provisions for liabilities and charges

Accounting policy

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that there will be an outflow of resources to settle that obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are reviewed regularly and amounts updated where necessary to reflect the latest assumptions. The assessment of provisions can involve a series of complex judgments about future events and can rely heavily on estimates and assumptions. Given the inherent uncertainties related to these estimates and assumptions, the actual outflows resulting from the realization of those risks could differ from the Company's estimates.

	Retirement benefits $m	Legal provisions $m	Total provisions $m
At January 1, 2014	–	41	41
Charged to the income statement	1	–	1
Exchange adjustments	–	(1)	(1)
At December 31, 2014	1	40	41
Charged to income statement	1	–	1
At December 31, 2015	**2**	**40**	**42**

At December 31, 2015, total provisions consisted of non-current legal provisions in the amount of $40m (2014: $40m) in relation to a number of regulatory investigations by various government authorities in a number of markets. These investigations involve primarily competition law inquiries. The legal provisions are classified as non-current liabilities.

Notes to the Financial Statements
Continued

19. Operating lease commitments

Accounting policy

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases.

Payments made under operating leases (net of incentives received from the lessor) are charged to the income statement on a straight-line basis over the term of the lease.

	2015 $m	2014 $m
Total future minimum lease payments under non-cancellable operating leases due:		
Within one year	**4**	1
Later than one and less than five years	**7**	2
More than five years	**2**	–
	13	3

Operating lease rentals charged to the income statement in 2015 were $6m (2014: $3m).

20. Contingent liabilities

The 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 Inc. (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 Reckitt Benckiser Group plc 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 Subutex® 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 on-going, 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, Subutex® Tablet, buprenorphine and any real or potential competitor, among other issues. The investigation is on-going and RBP is in the process of responding to the USAO-VAW by producing documents and other information.

During the 4th quarter of 2015, the company was notified by the Internal Revenue Service (IRS) of their intent to audit 2013 and 2014 income tax years where the company has claimed certain manufacturing deductions that the IRS has proposed to disallow in the previous audit cycle. The group has not been notified of any proposed disallowance for the 2013-2014 audit period and the company believes it has sufficient documentation having taken appropriate professional advice to claim the deductions in 2013, 2014, and subsequent years. Therefore no provisions have been recorded for the 2013-2014 IRS audit period and subsequent years with respect to this issue.

20. Contingent liabilities (continued)

ANDA Litigation

The trial in the lawsuits against Actavis and Par involving the Orange Book-listed patents for Suboxone® Film took place in November and December 2015. A decision in these lawsuits will follow post-trial briefing and is expected early in Q2 and prior to any potential generic launch. Actavis' 30-month stay of FDA approval expired February 28, 2016. Par's 30-month stay of FDA approval expires on September 25, 2016.

The trial against Actavis and Par in the lawsuits involving the two recently granted process patents (US Patent No. 8,906,277 and US Patent No. 8,900,497) scheduled for November 2016.

The trial against Teva in the lawsuit involving the Orange Book-listed patents and process patents for Suboxone® Film scheduled for November 2016, with Teva's 30-month stay of FDA approval on ANDA No. 20-5806 expiring April 17, 2017. Indivior believes Teva's 30-month stay of FDA approval on ANDA No. 20-5299 also expires on April 17, 2017, however, Teva disputes the applicability of the stay to this ANDA.

The trial against Alvogen in the lawsuit involving the Orange Book-listed patents and process patents for Suboxone® Film scheduled for April 2017, with Alvogen's 30-month stay of FDA approval expiring October 29, 2017.

The trial against Mylan and Sandoz in the lawsuit involving the Orange Book-listed patents for Suboxone® Film is scheduled for September 25, 2017, with Mylan's stay expiring March 24, 2018 and Sandoz's stay expiring April 2, 2018.

Indivior received a Paragraph IV notification from Teva, dated February 8, 2016, indicating that Teva had filed a 505(b)(2) New Drug Application (NDA) for a 16mg/4mg strength of buprenorphine/naloxone sublingual film. Indivior intends to file suit against Teva within 45 days which will trigger a 30-month stay of approval of Teva's 5-5(b)(2) NDA.

Given the limited information available to the 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 Group.

21. Trade and other payables

	2015 $m	2014 $m
Sales returns and rebates	**(287)**	(273)
Trade payables	**(113)**	(29)
Accruals and other payables	**(116)**	(74)
Other tax and social security payable	**(12)**	(7)
	(528)	(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) 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.

The carrying amounts of total trade and other payables are denominated in the following currencies:

	2015 $m	2014 $m
Sterling	**56**	41
US dollar	**442**	314
Other currencies	**30**	28
	528	383

Notes to the Financial Statements
Continued

22. Share capital

Accounting policy

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognized as a deduction from equity.

Issued and fully paid	Equity ordinary shares	Issue price	Nominal value $m
At January 1, 2015	718,577,618	$2.00	1,437
Nominal value reduction	–	($1.90)	(1,365)
At December 31, 2015	**718,577,618**	**$0.10**	**72**

Issued and fully paid	Equity ordinary shares	Issue price	Nominal value $m
At January 1, 2014	718,577,618	$2.00	1,437
At December 31, 2014	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 Companies House, the capital reduction became effective on January 21, 2015.

23. Other equity

Retained earnings	2015 $m	2014 $m
Opening balance at January 1	**(601)**	(208)
Net profit for the year	**228**	403
Capital reduction	**1,365**	–
Transactions with owners/former owners	**(18)**	(796)
Other comprehensive expense	**(7)**	–
Closing balance at December 31	**967**	(601)

Nature and purpose of reserves

Foreign currency translation

The foreign currency translation reserve contains the accumulated foreign exchange differences from the translation of the Financial Statements of the Group's foreign operations arising when the Group's entities are consolidated.

Other reserves

The other reserves balance relates to the Group reconstruction in 2014. For details, refer to Note 2 of the Group Financial Statements.

24. Dividends

	2015 $m	2014 $m
The following dividends were declared and paid in the year:		
Ordinary interim of 3.2 cents for 2015 (2014: nil) paid October 16, 2015	**23**	–
	23	–

The Directors have approved a second interim dividend for 2015 of 9.5 cents per ordinary share. This is expected to be paid on July 29, 2016 to shareholders on the register of members on June 17, 2016. The estimated amount of this dividend on February 17, 2016 was $68m.

25. Share-based payments

Accounting policy

The Group operates three equity-settled executive and employee share plans. For all grants of share options and awards, the fair value at the grant date is calculated using appropriate pricing models.

The grant date fair value is recognized over the vesting period as an expense, with a corresponding increase in retained earnings.

Employee plans

Legacy Award – Indivior LTIP (formerly Reckitt Benckiser LTIP)

Upon Indivior demerging from RB and listing on the UK Main Market, awards under the Reckitt Benckiser 2007 Long-Term Incentive Plan granted in 2012 were exchanged on a value-neutral basis for new awards over Indivior ordinary shares under the Indivior LTIP for a number of executives.

The Remuneration Committee considered the vesting of these awards taking into account the performance of RB and Indivior over the vesting period, weighted one-third on RB's performance and two-thirds on Indivior's performance. The Committee concluded that 93.33% of the Award would vest in May 2016. Further information can be found in the Directors' Remuneration Report.

Indivior LTIP

In 2015, a share based incentive plan was introduced for employees (including Executive Directors) of the Company. An award under the plan can take the form of a nil-cost option, a market value option, or a conditional award.

The LTIP may comprise grants of performance shares and/or share options which vest subject to the achievement of stretching performance targets.

The LTIP has a performance period of at least three years and a minimum vesting period of three years.

The LTIP opportunity is reviewed annually with reference to market data and the associated cost to the Company, calculated using an expected value methodology.

The performance condition is reviewed before each award cycle to ensure it remains appropriately stretching.

The fair values of awards granted under the long-term incentive plans are calculated using a Monte Carlo simulation model. The key assumptions in the simulation model are stock price of the Company, expected volatilities of the Company, risk-free rate, and dividend yield.

Notes to the Financial Statements
Continued

25. Share-based payments (continued)

For all plans, the inputs to the option pricing models are reassessed for each grant. The following assumptions were used in calculating the fair value of options granted:

	2015	2014
Dividend yield %	**–**	–
Expected volatility %[1]	**38.2**	–
Risk-free interest rate %[2]	**0.7**	–
Expected life in years	**3**	–

1 Given the short trading history as of the valuation dates, we relied on comparable set of guideline companies. We calculated the expected volatility based on equal weighting of historical volatility and the implied volatility of guideline public companies. This historical volatility was calculated based on a lookback period of three years.
2 The risk-free interest rate reflects the continuous risk-free yield based on the UK government interest rates as of the valuation date, based upon a maturity commensurate with the performance period.

At the end of the year, the maximum number of shares that could be awarded under the Group's LTIP was:

	Legacy (LTIP) millions	LTIP millions	Total millions
Outstanding at January 2014	–	–	–
Awarded	5	–	5
Vested	–	–	–
Forfeited	–	–	–
Outstanding at December 2014	5	–	5
Awarded	–	10	10
Vested	–	–	–
Forfeited	–	–	–
Outstanding at December 2015	**5**	**10**	**15**

Charged to income statement:

The expense charged to the income statement for share-based payments is as follows:

	2015 $m	2014 $m
Granted in current year	**6**	3
Granted in prior years	**2**	–
Total share-based expense for the year	**8**	3

26. Related party transactions

RB, the former parent, and RBP Global Holdings Limited (RBP), the previous holding company of the Group, entered into a Transitional Services Agreement (TSA) prior to the demerger. Pursuant to the terms of the TSA, RB is providing Indivior with certain services on commercial terms and on an arm's length transaction. Services include, but are not limited to, sales and marketing services, and the provision of various back office services and support across finance, HR, regulatory, IS, office space and facilities. The amount included within administrative expenses in respect of these services is $9m.

Adrian Hennah, the RB CFO, also sits on the Indivior PLC Board of Directors.

Key management compensation is disclosed in Note 6a.

The principal subsidiary undertakings included in the consolidated Financial Statements at December 31, 2015 are disclosed in Note 2 to the Parent Company Financial Statements.

27. Post balance sheet events

There have been no material post balance sheet events.

Historical financial information

Income statement	2015 $m	2014 $m	Unaudited 2013 $m	Unaudited 2012 $m
Revenue from continuing operations	**1,014**	1,115	1,216	1,339
Operating profit	**346**	562	695	884
Net finance (expense)/income	**(61)**	(1)	–	–
Profit on ordinary activities before tax	**285**	561	695	884
Tax on profit on ordinary activities	**(57)**	(158)	(206)	(277)
Net income	**228**	403	489	607
Balance sheet				
Net assets	**(279)**	(475)	(66)	145
Net working capital[1]	**(274)**	(149)	(213)	(72)
Statistics				
Reported basis				
Operating margin	**34.1%**	50.4%	57.2%	66.0%
Tax rate	**20.0%**	28.2%	29.6%	31.3%
Diluted earnings per share (cents)	**32**	56	68	83

1 Net working capital includes inventories and trade receivables less trade payables.

Parent Company Independent Auditors' report to the members of Indivior PLC

Report on the parent company Financial Statements

Our opinion

In our opinion, Indivior PLC's parent company Financial Statements (the 'Financial Statements'):

- give a true and fair view of the state of the parent company's affairs as at 31 December 2015;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The Financial Statements, included within the Annual Report and Financial Statements (the 'Annual Report'), comprise:

- the parent company balance sheet as at 31 December 2015; and
- the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the Financial Statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

Other required reporting

Consistency of other information

Companies Act 2006 opinion

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

ISAs (UK & Ireland) reporting

Under International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)') we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited Financial Statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the parent company acquired in the course of performing our audit; or
- otherwise misleading.

We have no exceptions to report arising from this responsibility.

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Directors' Remuneration Report – Companies Act 2006 opinion

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other Companies Act 2006 reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the Financial Statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Statement of Responsibilities set out on page 69, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Parent Company Independent Auditors' report to the members of Indivior PLC
Continued

What an audit of Financial Statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the Financial Statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the Financial Statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matter

We have reported separately on the Group Financial Statements of Indivior PLC for the year ended 31 December 2015.

Simon Friend
Senior Statutory Auditor
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
8 March 2016

Parent Company balance sheet

As at December 31	Notes	2015 $m	2014 $m
Fixed assets			
Investments	2	**1,437**	1,437
Non-current liabilities	3	**(15)**	–
Net assets		**1,422**	1,437
Equity			
Ordinary share capital	4	**72**	1,437
Retained earnings	4	**1,350**	–
Total Equity		**1,422**	1,437

The Financial Statements on pages 127 to 131 were approved by the Board of Directors on March 8, 2016 and signed on its behalf by:

Shaun Thaxter
Director

Cary J. Claiborne
Director

Notes to the Parent Company Financial Statements

The Parent Company Financial Statements of Indivior PLC (the 'Company') for the year ended December 31, 2015 were authorised for issue by the Board of Directors on March 8, 2016 and the balance sheet was signed on the Board's behalf by Shaun Thaxter and Cary Claiborne. Indivior PLC is a public limited company incorporated and domiciled in England and Wales.

These Financial Statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The Financial Statements are prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit and loss, and in accordance with the Companies Act 2006.

As permitted by s408 (4) of the Act 2006, no profit and loss account is presented for Indivior PLC. The results of the Company are included in the consolidated Financial Statements of Indivior PLC.

The accounting policies which follow set out those policies which apply in preparing the Financial Statements for the year ended December 31, 2015. The Financial Statements are prepared in US dollars and are rounded to the nearest million.

1. Accounting policies

Basis of preparation

Indivior PLC (the 'Company') is the parent company of the Indivior group. Indivior PLC is a public limited company incorporated and domiciled in England and Wales.

Indivior PLC ('the Company') and its subsidiaries (together, 'the Group') is engaged in the development, manufacture, and sale of buprenorphine-based prescription drugs for the treatment of opioid dependence.

The Company has transitioned to FRS 101 from previously extant UK Generally Accepted Accounting Practice for all periods presented.

The Financial Statements are prepared on a going concern basis under the historical cost convention in accordance with the Companies Act 2006 ('the Act') and applicable UK accounting standards. There were no material adjustments impacting the Financial Statements as a result of the transition. The accounting policies which follow set out those policies which apply in preparing the Financial Statements for the year ended December 31, 2015.

The company has taken advantage of the following disclosure exemptions under FRS 101:

a. The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share Based Payments for an ultimate parent, the share based payment arrangement must concern its own equity instruments and its separate Financial Statements must be consolidated Financial Statements of the group; And in both cases, this exemption requires that equivalent disclosures are included in the consolidated Financial Statements of the group in which the entity is consolidated.

b. The requirements of paragraphs 17 and 18 of IAS 24 Related Party Disclosures to disclose information about key management personnel compensation and related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

c. The requirements if paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to provide information about the impact of IFRSs that have been issued but not yet effective.

d. The requirements of IAS 7 Statement of Cash Flow to prepare a cash flow statement for any qualifying entity.

e. The requirements of paragraphs 10(d), 10(f), 16, 38, 38A-D, 40A-D, 111, 134-6 of IAS 1 Presentation of Financial Statements to present:

- a cash flow statement;
- statement of financial position and related notes at the beginning of the earliest comparative period whenever an entity applies an accounting policy retrospectively, makes a retrospective restatement, or when it reclassifies items in its financial statements;
- an explicit statement of compliance with IFRS. Indeed, FRS 101 prohibits such a statement of compliance and an FRS 101 statement of compliance is required instead;
- information about capital and how it is managed.

Foreign currency translation

Transactions denominated in foreign currencies are translated using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except where hedge accounting is applied.

Taxation

The tax charge / credit is based on the result for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax liabilities are provided for in full and deferred tax assets are recognized to the extent that they are considered recoverable.

A net deferred tax asset is considered recoverable if it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Cash in bank and in hand

Cash at bank and in hand includes cash held in bank accounts.

2. Investments

Accounting policy

Fixed asset investments are stated at the lower of cost and their recoverable amount, which is determined as the higher of net realizable value and value-in-use. A review for the potential impairment of an investment is carried out by the Directors if events or changes in circumstances indicate that the carrying value of the investment may not be recoverable. Such impairment reviews are performed in accordance with IAS 36, 'Impairment of Assets'.

	Shares in subsidiary undertakings $m
Cost:	
At January 1, 2015	1,437
Additions during the year	–
At December 31, 2015	**1,437**
Provision for impairment:	
At January 1, 2015	–
Provided for during the year	–
At December 31, 2015	**–**
Net book amounts:	
At January 1, 2015	1,437
At December 31, 2015	**1,437**

The Directors believe that the carrying value of the investments is supported by their underlying net assets. The cost of investments has been determined with reference to the nominal value of shares issues as permitted by s615 of the Act.

Notes to the Parent Company Financial Statements
Continued

2. Investments (continued)

Subsidiary undertakings

The subsidiary undertakings as at December 31, 2015, all of which are included in the consolidated Financial Statements, are shown below, in accordance with s410 of the Act.

	Principal activity	Country of incorporation or registration and operation	Effective % of share capital held by the Group
Indivior Global Holdings Limited	Holding company	England and Wales	Ordinary 100
RBP Global Holdings Limited	Holding and Finance company	England and Wales	Ordinary 100
Indivior Finance S.àr.l	Finance company	Luxembourg	Ordinary 100
Indivior Finance (2014) LLC	Finance company	Luxembourg	Ordinary 100
Indivior US Holdings Inc.	Holding company	US	Ordinary 100
Indivior Finance LLC	Finance company	England and Wales	Ordinary 100
Indivior Finance (2015) S.àr.l	Finance company	Luxembourg	Ordinary 100
Indivior Pty Ltd	Operating company	Australia	Ordinary 100
Indivior UK Limited	Operating company	England and Wales	Ordinary 100
Reckitt Benckiser Pharmaceuticals Healthcare South Africa Propriety Ltd	Operating company	South Africa	Ordinary 100
Indivior EU Limited	Operating company	England and Wales	Ordinary 100
Indivior France SAS	Operating company	France	Ordinary 100
RB Pharmaceuticals (Italia) S.r.l	Operating company	Italy	Ordinary 100
RB Pharmaceuticals (Deutschland) GmbH	Operating company	Germany	Ordinary 100
Indivior Solutions Inc.	Operating company	US	Ordinary 100
Indivior Inc.	Operating company	US	Ordinary 100
Indivior Ireland (Investments) Limited	Finance company	Ireland	Ordinary 100
Indivior Canada Ltd	Operating company	Canada	Ordinary 100
Indivior España S.L.U	Operating company	Spain	Ordinary 100
Indivior Nederland B.V.	Operating company	Netherlands	Ordinary 100
Indivior Portugal Unipessoal LDA.	Operating company	Portugal	Ordinary 100
Indivior Österreich GmbH	Operating company	Austria	Ordinary 100
Indivior Schweiz AG	Operating company	Switzerland	Ordinary 100
Indivior Hrvatska d.o.o.	Operating company	Croatia	Ordinary 100
Indivior Nordics ApS (Denmark)	Operating company	Denmark	Ordinary 100

With the exception of Indivior Global Holdings Ltd, none of the above subsidiaries is held directly by Indivior PLC.

3. Liabilities

	2015 $m	2014 $m
Amounts due to subsidiary undertakings: falling due after one year	**(15)**	–
	(15)	–

Amounts owed by Group undertakings are unsecured, interest free and are repayable on demand.

4. Equity

	Ordinary share capital $m	Retained earnings $m	Total $m
Movements during the year:			
At January 1, 2015	1,437	–	1,437
Profit for the year	–	–	–
Capital reduction	(1,365)	1,365	–
Share-based payment plans	–	8	8
Dividends paid	–	(23)	(23)
At December 31, 2015	**72**	**1,350**	**1,422**

Further information on the share capital of the Company can be found in Note 22 of the Notes to the Group accounts.

5. Share-based payments

The Company operates a number of equity-settled executive and employee share plans. For all grants of share awards and options, the fair value as at the date of grant is calculated using an appropriate option pricing model, Monte Carlo, and the corresponding expense is recognised over the vesting period.

The disclosure relating to the Company is detailed in Note 25 of the Notes to the Group accounts.

6. Auditors' remuneration

The fee charged for the statutory audit of the Company was $31,000 (2014: $32,000).

7. Related party transactions

The Company has taken advantage of the exemption within IAS 24 Related Party Disclosures not to disclose related party transactions with wholly owned subsidiaries of the Group. There were no other related party transactions.

8. Dividends

During 2015, the Directors declared and paid an interim cash dividend of 3.2 cents per ordinary share (2014: nil). The total amount paid in respect of this was $23m. The Directors have approved a second interim dividend for 2015 of 9.5 cents per ordinary share. This is expected to be paid on July 29, 2016 to shareholders on the register of members on June 17, 2016. The estimated amount of this dividend on February 17, 2016 was $68m.

For further details, refer to Note 24 of the Group Financial Statements.

9. Post balance sheet events

There have been no material post balance sheet events.

10. Transition to FRS 101

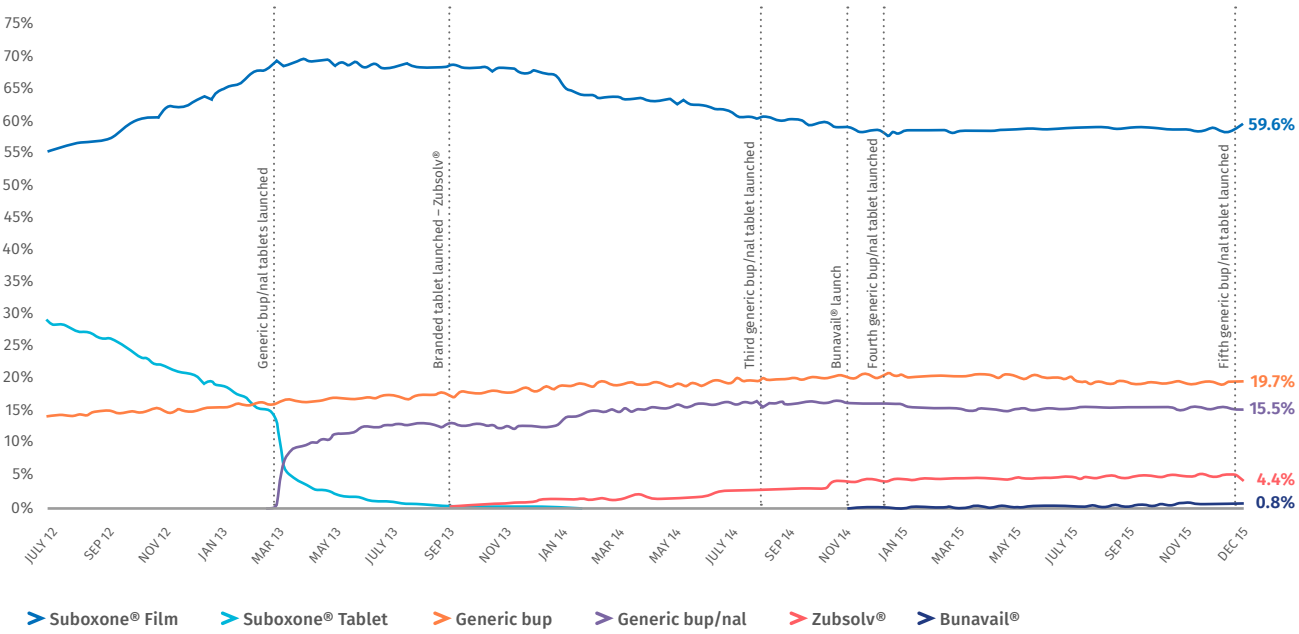
For all periods up to and including the year ended December 31, 2014, the Company prepared its Financial Statements in accordance with previously extant UK generally accepted accounting practice (UK GAAP). These Financial Statements, for the year ended December 31, 2015, are the first the Company has prepared in accordance with FRS 101. Accordingly, the Company has prepared Financial Statements which comply with FRS 101 applicable for periods beginning on or after January 1, 2014 and the significant accounting policies meeting those requirements are described in the relevant Notes.

In preparing these Financial Statements, the Company has started from an opening balance sheet as at January 1, 2014, the Company's date of transition to FRS 101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. As such, this Note explains the principal adjustments made by the Company in restating its balance sheet as at January 1, 2014 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the year ended December 31, 2014.

There were no material adjustments impacting the Financial Statements as a result of the transition.

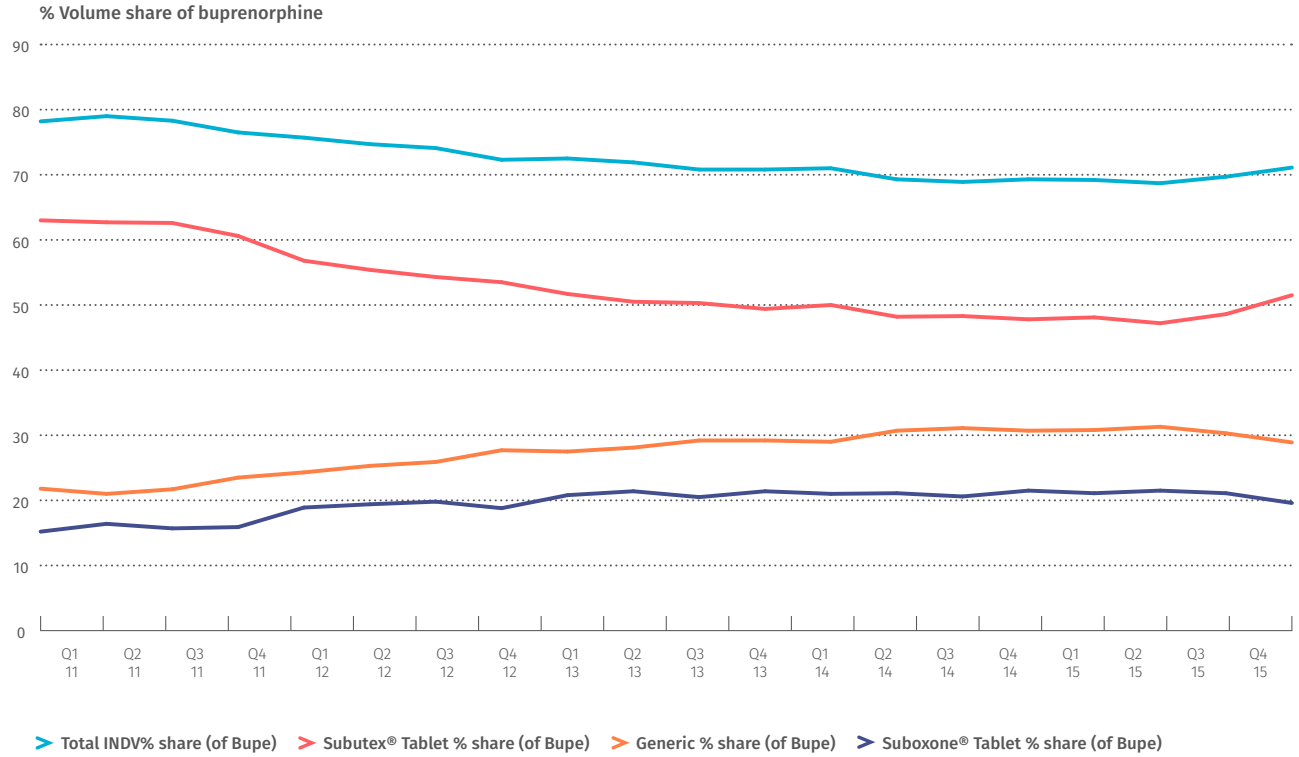
Share trend

US: Competition is intensifying, but Suboxone® Film share remains resilient



Zubsolv® is a licensed trademark of Orexo US, Inc
Bunavail® is a registered trademark of BioDelivery Sciences International, Inc

Europe: Clear market leadership, but pressure from austerity measures



Product development pipeline

Pipeline detail

Developments since full year 2014 preliminary results announcement on February 11, 2015.

Treatment of opioid use disorder

- **Suboxone® Tablet.** China Efficacy Study (RB-CN-10-0013): last subject out (LSO) achieved December 4, 2015. Multiple Dose Study (RV-CN-10-0015): LSO achieved November 29, 2015.
- **Suboxone® Film.** On September 22, 2015 the FDA approved the buccal route of administration for Suboxone® Sublingual Film. Patients may now choose either under-the-tongue (sublingual) or against the cheek (buccal) administration.
- **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.
- **Suboxone® Film China.** The Clinical Trial Application (CTA) was officially approved by China FDA on November 18, 2015.
- **RBP-6000, Monthly Depot Buprenorphine.** Phase 3 Efficacy study (RB-US-13-0001); first patient randomized in February 2015, Last Subject In achieved November 17, 2015. Phase 3 Safety extension study (RB-US-13-0003): study on track, with screening closed on December 23rd, 2015 and last patient in on January 29, 2016.

  US patent No. 8,975,270 was issued March 10, 2015 with expiry of September 2031, and will be the second listable patent in the Orange Book upon FDA approval.

  RBP-6000 for EU. Final EU clinical path will be confirmed in late 2016 following the outcome of the Phase 3 efficacy trial in the US.
- **RBP-6300, Oral Swallowable Capsule Buprenorphine Hemiadipate.** First subject in to PK study (RB-EU-14-0001) in September 2015. LSO achieved on December 1, 2015.

  Development plans and associated timelines will be confirmed following outcome of the pivotal PK study in first half of 2016.
- **All Marketed Buprenorphine Products.** Proposed changes to the pregnancy and nursing mothers section of the labeling for all buprenorphine products. sNDA submitted to FDA on May 15, 2015. Approval expected in Q2, 2016.

Overdose rescue products

- **Intranasal Naloxone for opioid overdose rescue.** New Drug Application submitted to FDA on May 29, 2015. NDA application accepted and granted priority review by the FDA on July 28, 2015. FDA Complete Response Letter received on November 23, 2015.

  In France, Temporary Authorisation for Use (ATU) dossier was approved by ANSM on November 5, 2015.

  Following the Complete Response Letter from the FDA, Indivior has reviewed the future strategy for Intranasal Naloxone. In light of the timeline for reformulation and clinical development, and the existence of an approved competitor in the US, the decision has been taken to discontinue further development of the existing formula other than supporting the ATU in France. Accordingly the Group has recognized an impairment charge on the intangible asset associated with Internasal Naloxone and provision made for other commitments related to this project.
- **RBP-8000 Cocaine Esterase for treatment of cocaine intoxication.** Second type B meeting with FDA scheduled March 16, 2016.

Treatment of alcohol use disorder

- **Arbaclofen Placarbil.** Phase 2A study (RB-US-14-0001): First patient successfully screened on September 15, 2015 with all randomized subjects dosed successfully on November 28, 2015.

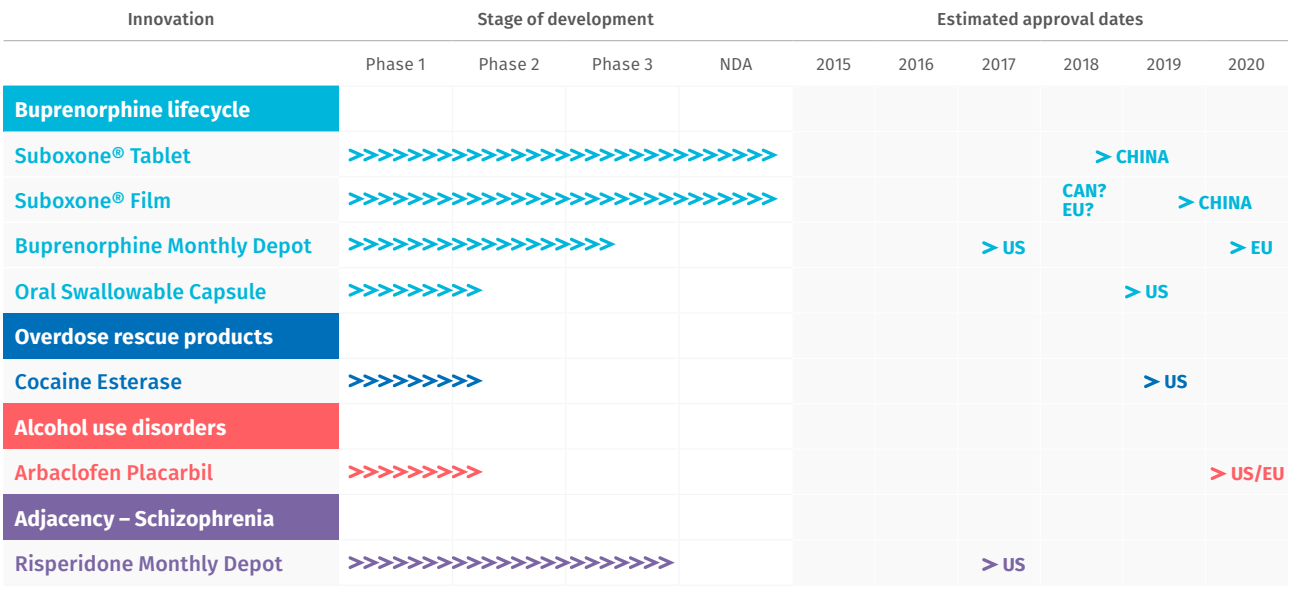
Treatment of schizophrenia

- **RBP-7000, Monthly Depot Risperidone.** Phase 3 pivotal efficacy study (RB-US-09-0010): Completed. Preliminary data from pivotal Phase 3 efficacy study were published on May 5, 2015.

  Phase 3 long-term safety study (RB-US-13-0005) on track with last subject in on August 17, 2015.

  US Patent Nos. 9,180,197 and 9,186,413 were granted on November 10, 2015 and November 17, 2015 respectively. These patents will be listable in the Orange Book and expire February 2028.

An innovative pipeline designed to improve patient outcomes



Information for shareholders

Company Secretary and Registered Office
Kathryn Hudson, Company Secretary
Indivior PLC
103-105 Bath Road
Slough, Berkshire
UK, SL1 3UH
Contact: cosec@indivior.com

Website
The shareholder information section on the Indivior (the 'Company') website www.indivior.com, contains press releases, the Share Price Center and further information on your shareholding. All queries regarding your shareholding should be directed to the Company's Registrar, Computershare Investor Services PLC (see details below).

Company number
9237894

Trading in Indivior securities
Indivior's securities, in the form of ordinary shares, are admitted to the Official List of the Financial Conduct Authority ('FCA') and are traded on the London Stock Exchange, a regulated market. Live trading data for Indivior ordinary shares can be accessed through www.indivior.com/share-price-center.

Indivior securities are also traded in the form of American Depositary Receipts ('ADRs') in an OTC market in the US (please see American Depositary Receipts on page 135 for further information).

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol, UK, BS13 8AE
Telephone: +44 (0) 87 0707 1820
Website: www.investorcentre.co.uk

Managing your shareholding

Investor Center
Investor Centre is Computershare's easy to use self-service website, available 24/7, where Indivior shareholders can utilize the following services:

- amendment of personal details;
- view payment and tax information;
- register for eComms, and amend Currency Elections;
- view share balances; and
- join the Dividend Reinvestment Plan.

This can be accessed at www.investorcentre.co.uk

eComms
All Indivior shareholders will be sent various Company communications, such as the Annual Report and Accounts and Notice of Annual General Meeting ('AGM'). Indivior would like to invite you to join the growing number of its shareholders who have opted to receive their shareholder communications via email. Registering for eComms means that you will receive information by email quickly and efficiently, and helps to assist us with our commitment to the environment and focus on cost control.

Our Registrar, Computershare Investor Services PLC, is responsible for sending you these communications as well as handling any queries you may have.

By registering you will no longer receive paper copies of Annual Reports or other communications that are available electronically, and instead will receive emails advising you when and how to access documents online. Shareholders who receive eComms are entitled to request a hard copy of any such document at any time free of charge from the Company's Registrar, and can also revoke their consent to receive eComms at any time. Please note that if you registered for eComms prior to the demerger from Reckitt Benckiser Group plc, these details were migrated to the Indivior register and no action needs to be taken.

Visit www.investorcentre.co.uk/eComms to register for the eComms service, or alternatively contact Computershare.

Dividend Reinvestment Plan
Shareholders can choose to reinvest the entirety of any cash dividends into additional Indivior ordinary shares using the Dividend Reinvestment Plan (the 'DRIP'). As many shares as possible will be purchased for you from the proceeds of your cash dividend, and a share purchase advice note, a tax voucher, and either the share certificate or CREST notification, will be sent to you by Computershare once the shares have been purchased. There is no entry fee for the DRIP and you can cancel within 14 days of the share purchase, or withdraw at any point without charge. A dealing commission of 0.75% (minimum £2.50) and stamp duty reserve tax at the prevailing rate (currently 0.5%) is charged, in each case, on the value of the shares purchased. Only whole shares can be purchased for you under the DRIP, and any surplus cash dividend will be carried forward in a non-interest bearing account, and added to future cash dividends for reinvestment in the Company's shares under the DRIP, unless you instruct otherwise.

To register for the DRIP please visit www.investorcentre.co.uk, or alternatively contact Computershare and request a DRIP election form. Plan terms and conditions can be found in the shareholder Information section of the Indivior website.

Dividends
On October 13, 2015 an interim dividend of 2.08p per share (3.2 cents per share) was paid to shareholders. On February 18, 2016 the Directors announced that a second interim dividend will be paid on July 29, 2016 to shareholders on the register on June 17, 2016. The second interim dividend will be paid at the rate of 9.5 cents per share and the US$/GB£ exchange rate to be applied will be announced on July 8, 2016. These dividend payments are consistent with the commitment in the prospectus, issued for the demerger in November 2014, to pay 40% of net income as a dividend, payable in US$ in respect of the 2015 financial year.

Dividends paid in foreign currencies
Indivior declares its dividends in US$, however the default payment is made in Sterling. Shareholders have the flexibility to elect for payments to be made in US$, Sterling or a choice of international currencies (using Computershare's Global Payment Service, accessible through the Investor Centre). Please note that the cash dividend amount received may vary as a result of changing foreign exchange rates. Sterling payments are made by cheque or, alternatively, can be made by bank transfer to your designated bank account.

If you would like your cash dividend paid directly to your Sterling bank account, please register your bank details online at www.investorcentre.co.uk, or alternatively contact Computershare for a Dividend Mandate Form. Existing Sterling mandates were migrated from the Reckitt Benckiser Group plc register at the time of demerger. Shareholders holding their shares electronically through CREST should register their bank details via the CREST system.

Key dates

Event	Date
Quarter 1 results announcement	May 3, 2016
Annual General Meeting	May 11, 2016
Announcement of interim results	July 29, 2016
Quarter 3 announcement	November 2, 2016
Preliminary announcement of 2017 results	February 2017

Annual General Meeting

The AGM will be held on May 11, 2016 in the Wessex Ballroom, Renaissance London Heathrow, Bath Road, Hounslow, Middlesex TW6 2AQ. The Notice of Meeting, together with information regarding the business to be conducted at the meeting, is available on the Company's website. The results of voting at the meeting can be found on the Company's website www.indivior.com/investors/shareholders/shareholder-communications.

Shareholders are entitled to attend and vote at AGMs. Notices convening meetings are contained in a separate document for shareholders, received either in hard copy or electronically. Shareholders who are registered for eComms, and receive shareholder documents electronically, can similarly cast their AGM vote electronically.

Documents on display
Copies of Directors' service contracts, Articles of Association and Terms of Reference will be available for inspection by shareholders free of charge at the next AGM, scheduled May 11, 2016. Copies of the rules of the U.S. Employee Stock Purchase Plan will also be available at the Company's next AGM, as well as at the offices of Slaughter and May, One Bunhill Row, London, EC1Y 8YY at any time during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted) up to and including the day of the AGM.

American Depositary Receipts

Indivior sponsors a Level I American Depositary Receipt program in the US. The ADRs are publicly traded in the US on the over-the-counter market, under symbol INVVY. The value of one Indivior ADR corresponds to the value of five Indivior shares.

For questions related to the Indivior ADR Program, please contact J.P. Morgan shareholder services on the details below, or visit the J.P. Morgan Depositary Receipts Services website at www.adr.com.

J.P. Morgan Depositary Bank
4 New York Plaza, Floor 12
New York, NY 1004, US
In the US: (866) JPM-ADRS

J.P. Morgan Transfer Agent Service Center
ADR Shareholders can contact:
J.P. Morgan Chase Bank N.A.
P.O. Box 64504, St. Paul, MN 55164-0854, US

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In the US: +1 (800) 990 1135
Outside the US: +1 (651) 453 2128
Email: jpmorgan.adr@wellsfargo.com

Indivior PLC's demerger from Reckitt Benckiser Group plc ('RB')

Base cost apportionment
This information is provided as indicative guidance only. Indivior can accept no responsibility for the use that may be made of this information. Any individual wishing to calculate their capital gains tax should consult an appropriate and authorized professional advisor.

The demerger of Indivior PLC from RB was approved by RB's shareholders on December 11, 2014, and completed with the admission of Indivior securities to the London Stock Exchange at 8.00 am on December 23, 2014. Shareholders registered on the RB share register at the Demerger Record Time of 6.00 pm on December 22, 2014 received one Indivior ordinary share for each RB ordinary share held.

For the purposes of taxation of chargeable gains, the base cost of RB shares held immediately before the demerger is the companies' respective market values on December 23, 2014.

Using the valuation methodology prescribed by section 272(3) TCGA, the market values of RB and Indivior shares were as follows:

RB: £51.975
Indivior: £1.325

Warning to shareholders ('Boiler Room scams')

Shareholders are advised to be very wary of any offers of unsolicited investment advice or offers of free company or research reports. These are typically from overseas brokers who target UK shareholders offering to sell them what often turn out to be worthless or high-risk shares in US or UK investments. If you receive any unsolicited investment advice obtain the name of the person and organization and check that they are properly authorized by the FCA before getting involved by visiting www.fca.org.uk/register.

Using an unauthorized firm to buy or sell shares or other securities will prohibit access to the Financial Ombudsman Service or Financial Services Compensation Scheme (FSCS).

References and sources

Statement	Source reference
Chief Executive's statement page 7 – Opioid dependent	
US: 2.5 million people	2014 National Survey on Drug Use and Health, Substance Abuse and Mental Health Services Administration (SAMSHA)
Canada: 0.200 million people	Canadian Medical Association Journal. Medically induced opioid addiction reaching alarming levels. February 21, 2012; 184(3): 286
Europe: 1.3 million people	European Drug Report 2015, European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)
South Africa: 0.081 million people[1]	CIA World Factbook, South Africa (July 2015 estimate 15+ population); The global epidemiology and burden of opioid dependence: results from the global burden of disease 2010 study, Louisa Degenhardt, Fiona Charlson, Bradley Mathers, Wayne D. Hall, Abraham D. Flaxman, Nicole Johns, Theo Vos; Addiction, 109, 1320-1333, 2014 Society for the Study of Addiction
Australia: 0.187 million people[2]	CIA World Factbook, Australia (July 2015 estimate of 15+ population); Treatment of patients with opioid dependence, Nicholas Lintzeris, BMedSci, MB BS, PhD, FAChAM; Medicine Today, Prescription Opioid Misuse Supplement, June 2015
China: 7.3 million people[3]	China Narcotics Control Report, 2015-2014, NNCC Office
Chief Executive's statement page 7 – Alcohol dependent[4]	
US: 11.7 million people	World Health Organization (WHO) Global Status Report on Alcohol and Health 2014
Canada: 1.2 million people	WHO Global Status Report on Alcohol and Health 2014
Europe: 14.2 million people	WHO Global Status Report on Alcohol and Health 2014
South Africa: 0.864 million people	WHO Global Status Report on Alcohol and Health 2014
Australia: 0.272 million people	WHO Global Status Report on Alcohol and Health 2014
China: 27 million people	WHO Global Status Report on Alcohol and Health 2014

1 South Africa's opioid dependent population calculated by Indivior based on prevalence data.
2 Australia's opioid dependent population calculated by Indivior based on prevalence data.
3 China: 7.3 million people estimated are dependent on opioids, including 1.4 million registered drug users (2014).
4 Alcohol dependent population calculated by Indivior based on prevalence data.

Statement	Source reference
Global context page 13	
A quarter of a billion people (246 million) used an illicit drug (2013).	United Nations Office on Drugs and Crime (UNODC) World Drug Report 2015, Status and Trend Analysis
27 million people aged 15 to 64 suffered from drug use disorders or drug dependence (2013).	UNODC World Drug Report 2015, Drug Use and Its Health Consequences
Only one in six people who use drugs has access to treatment 2015.	UNODC, Executive Director Statement on International Day Against Drug Abuse and Illicit Trafficking, June 26, 2015
One in three drug users are women, however only one in five drug users in treatment are women (2015).	UNODC, Executive Director Statement on International Day Against Drug Abuse and Illicit Trafficking, June 26, 2015
Between 1990 – 2010: 3.6 million years of life were lost due to premature death due to drug use. 16.4 million years of life were lived with a drug-related disability. Opioid dependence contributed most to the burden of disease, being responsible for 55% of years of life lost due to premature death and 44% of years of life lost through disability. The burden of disease from opioid dependence increased by 74%; 42% of the increase was attributed to an increase in the prevalence of opioid dependence.	UNODC World Drug Report 2014 L. Degenhardt and others, Global burden of disease attributable to illicit drug use and dependence: findings from *The Global Burden of Disease Study 2010*
124.2 million people are dependent on alcohol (2014). 3.3 million deaths were due to harmful use of alcohol (2012). More men (7.6%) than women (4%) die from alcohol-related causes (2014).	WHO Global Status on Alcohol and Health, 2014, Press Release, May 12, 2014

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Statement	Source reference
Global context page 14	
US: 2.5 million people are dependent on opioids, including 1.9m dependent on painkillers and 600,000 dependent on heroin (2014).	2014 National Survey on Drug Use and Health, Substance Abuse and Mental Health Services Administration (SAMSHA)
US: Heroin use more than doubled among young adults aged 18-25 in the past decade (2002-2013).	Centers for Disease Control (CDC), Vital Signs
US: 45% of people who used heroin were also addicted to prescription opioid painkillers (2013).	CDC, Vital Signs
US: Every day, 44 people die as a result of prescription opioid overdose (2013).	CDC, Vital Signs
US: Societal costs related to prescription opioid dependence are estimated at $55.7bn, accounting for healthcare, workplace and criminal justice costs (2011).	Birnbaum et al, Pain Med 2011: 12(4);657-667
US: 11.7 million adults are alcohol dependent (2014).	WHO Global Status on Alcohol and Health, 2014
US: Nearly 88,000 people die from alcohol-related causes annually, making it the third leading preventable cause of death (2006-2010).	CDC, Fact Sheets: Alcohol Use and Your Health
US: Alcohol misuse problems are estimated to cost $249bn (2010).	CDC, Fact Sheets: Alcohol Use and Your Health
Canada: 0.200 million people are estimated to be dependent on prescription painkillers (2012).	Canadian Medical Assocation Journal. Medically induced opioid addiction reaching alarming levels. February 21, 2102; 184 (3): 286
Canada: Opioid overdose is the third leading cause of death in Ontario, estimated annually at 500 deaths[1] and projected at more than 1,500 across the country[2] (2014).	[1] Gomes et al [2] Extrapolated data, Indivior Canada
The estimated total societal cost of substance abuse is $39.8bn, of which illegal drugs including heroin accounts for 20.7% ($8.2bn) (2002).	Costs of Substance Abuse, Canada, 2002
Canada: 1.2 million people are alcohol dependent (2014).	WHO Global Status on Alcohol and Health, 2014
Canada: The total cost of alcohol-related harm is estimated to be $14.6bn per year (2002).	Costs of Substance Abuse, Canada, 2002

Statement	Source reference
Global context page 15	
Europe: 1.3 million people are problem opioid users (ages 15-64), the majority of whom are heroin users (2015).	European Drug Report 2015, European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)
Europe: There are potentially 0.300 million people dependent on prescription opioids in the UK, France, Germany, Spain, Italy and the Nordic countries (2013).	Alho H et al. Prevalence of prescription opioid-dependency in Europe and risk factors for abuse. Presented at the International Society of Addiction Medicine Annual Meeting 2013. Kuala Lumpur, Malaysia. 21–23 November 2013
Europe: In just over 1/3 of European countries, more than 10% of all people accessing treatment were treated for problems primarily related to opioids other than heroin (2013).	European Drug Report 2015, European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)
Europe: Across 30 European countries, the total cost of opioid addiction in 2010 was over €3bn (2010).	The economic cost of brain disorders in Europe, European Journal of Neurology, 2012, 19: 155-162
Europe: Europe has the highest consumption of alcohol per capita (2014).	WHO Global Status on Alcohol and Health, 2104, News Release, May 12, 2014
Europe: 14.2 million people are alcohol dependent (2014).	WHO Global Status on Alcohol and Health, 2014
Europe: 0.115 million alcohol-related deaths each year (2006).	Alcohol in Europe – a Public Health Perspective: 2006 Report for the European Commission
Europe: Alcohol consumption costs European society an estimated €124bn (2006).	Alcohol in Europe – a Public Health Perspective: 2006 Report for the European Commission
Australia: 0.187 million people are opioid dependent (2015).	CIA World Factbook, Australia (July 2015 estimate of 15+ population); Treatment of patients with opioid dependence, Nicholas Lintzeris, BMedSci, MB BS, PhD, FAChAM; Medicine Today, Prescription Opioid Misuse Supplement, June 2015
Australia: 3rd highest worldwide for prescription painkiller misuse per year (2014).	UNODC, World Drug Report, 2014
Australia: Approximately 7 out of 10 opioid-related deaths among those aged 15-54 years are not caused by heroin (2010).	Roxburgh, A. and Burns, L. (2014), Accidental drug induced deaths due to opioids in Australia, 2010; Sydney: National Drug and Alcohol Research Centre
Australia: Increased use in opioid painkillers dispensed resulted in a 32-fold increase in cost to the Australian government, up from $8.5m in 1992, to $271m (2012).	Blanch B., et al. An overview of the patterns of prescription opioid use, costs and related harms in Australia. Br J Clin Pharmacol 2014; 78;1159-66
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Statement	Source reference
Miscellaneous	
Page 5 – Suboxone® Film US unique patients.	SHA-Source Health Care Solutions, Total Patient Report, 2015
Page 7 – 3.6 million years of life lost due to premature death.	Global Burden of Disease Study, 2010
Page 7 – 3.3 million deaths are attributed to alcohol.	WHO Global Status Report on Alcohol and Health, 2014
Page 7 – $1 spent on treatment saves $12 in societal costs of addiction.	WHO: http://apps.who.int/iris/bitstream/10665/42848/1/9241591153_eng.pdf
Page 7 – There are 2.5 million people dependent on opioids.	2014 National Survey on Drug Use and Health, SAMSHA
Page 16 – Opioid-dependent patients come from all walks of life.	2013 National Survey on Drug Use and Health (NSDUH), Li-Tzy Wu, ScD - J Addict Med. 2011 March ; 5(1): 28–35, Becker, William Drug and Alcohol Dependence 94 (2008) 207–213
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Page 17 – Patients face many obstacles to successful treatment.	Sources (Adapted): NIDA Principles of Drug Addiction Treatment, December 2012, Indivior website survey (n=4,671) 2013, McLellan, T; JAMA. 2000;284(13):1689-1695
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