INDIVIOR
Focus on you.

By fully understanding the challenges that

INDIVIDUAL

patients face, we aim to transform addiction from a global human crisis to a recognized and treated disease around the world, empowering patients to

ENDEAVOR

to take the first step towards changing their lives >

Our vision >

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

Case studies

The case studies feature real-life stories of people directly affected by addiction as told in their own words.

The addiction treatment revolution has only just started and that is why the future for Indivior is so exciting

> Welcome to Indivior PLC's first annual report. This remarkable Company was listed on December 23, 2014 following the Reckitt Benckiser Group plc (RB) demerger of its pharmaceutical business. We are grateful to RB, its Board and management team for their stewardship for the past 30 years, and for the foresight that now was the right time for independence.

Indivior PLC ("Indivior" or "the Company") is a world leader in the treatment of opioid addiction. That simple statement, however, does not give credit for the fact that this Company has helped to create the recognition of opioid addiction as a medical condition rather than a criminal activity, expanding the availability of treatment options beyond the clinical setting in the US and permitting patients more flexibility to receive treatment in the privacy of a physician's office. It is a remarkable story that is told throughout this annual report.

However, the addiction treatment revolution has only just started and that is why the future for Indivior is so exciting.

In the US where an office-based treatment model has been adopted for treating opioid addiction, only a minority of people with addiction are currently in treatment. We must widen awareness and acceptance of treatment to help improve access.

Indivior is a Company with a unique business model which is focused on empowering patients and striving to improve their quality of life by pioneering innovative, high-quality, accessible and cost-effective treatment. Indivior's people have a passion to help addicted patients, and to enable those who can treat them.

I am delighted that we have appointed a powerful Board of Directors with a wealth of relevant experience. I welcome all my Board colleagues and thank them for the hard work in getting Indivior launched into independent life. I know the Company will benefit enormously from their advice and oversight.

The Board, together with a Science and Policy Committee which the Board considers as essential for a pharmaceutical company, has adopted best practice UK corporate governance models; Nomination and Governance, Audit and Remuneration Committees of the Board are in place.

Indivior is also fortunate in the quality, passion and commitment of its management team led by Shaun Thaxter, CEO, who was one of the pioneers of the business in the US in 2003. Indivior people are remarkable for their passion, their can-do attitude, their innovative approach, and their entrepreneurial mindset.

Our management team is incentivized to grow Indivior through the next phase of its life, to build on the resilience of the existing business, to develop the exciting pipeline of new products, to expand the geographic reach of the treatment model to new countries, and to deliver the resulting value to Shareholders.

On behalf of the Board and Shareholders, I thank them for their efforts so far, particularly all the extra work required to make the demerger happen.

Finally, I welcome all our Shareholders to this new Company. I hope the future excites you as much as it does your Board and management team. We will work to make it a rewarding future for Shareholders. We have a clear dividend policy, adopted at the demerger, to pay out 40% of earnings in 2015: following which the Board will review the dividend policy in the light of the Company's financial position and strategy.

Please join me, the Board and the management in this exciting future.

Howard Pien
Chairman

> Opioid dependence and Suboxone® Treatment

Opioid dependence is a complex, long term medical condition, where regular use of opioids (e.g prescription painkillers and heroin) causes changes to the brain chemistry, which leads to dependence. With physical and behavioral components, it resembles other chronic medical conditions or diseases such as diabetes and hypertension and, like them, it can be treated.

Suboxone® contains buprenorphine and naloxone. Buprenorphine is the primary active ingredient. By attaching to the same receptors as other opioids, it can help to suppress withdrawal symptoms and reduce cravings. Naloxone is included to help prevent misuse. If an opioid-dependent person attempts to take Suboxone® other than as prescribed, the naloxone is likely to produce withdrawal signs and symptoms.

Our fundamental task is to shift attitudes about addiction from being a global human crisis to a recognized and treated disease

Shaun Thaxter Chief Executive Officer

> All of us at Indivior PLC share a belief that addiction is a highly treatable medical condition. The fundamental task we share is to shift attitudes around the world towards addiction.

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

Putting patients first

Indivior PLC is a specialty pharmaceutical company. We lead the world in opioid addiction treatment and the move to get it recognized as a chronic medical condition. What drives our crusade is that we put patients first.

Quality, safety and compliance are embedded in our culture as well as our patient-centric business model. We know that we are working to help people and our heartfelt commitment to improving their lives underpins everything we do.

Quality and compliance are at the core of everything we do

We adhere to regulations determining product quality, patient safety and business standards. We have a robust Quality Policy, Management System and Manual and all our systems are governed by appropriate policies. But that is just our starting point.

We also have our own additional guidelines around how to develop our medicines, train our people and the level of qualifications we require. Where there are no regulations on training, we have our own in-house conditions to ensure that our staff are highly qualified, trained and competent.

Our Quality Patient Care program includes our scientifically or medically qualified Medical Science Treatment Advisor (MSTA), who provide non-commercial medical education to healthcare professionals and other stakeholders worldwide.

Safety and vigilance are paramount

So how do we ensure we achieve patient and product safety? Firstly, by designing safety and vigilance into our systems, along with the flexibility to respond to growth and legislative change. The objective of our Risk Evaluation and Mitigation Strategies (REMS) program is to mitigate risks of accidental overdose, misuse, and abuse and to inform prescribers, pharmacists, and patients of the serious risks associated with Suboxone® products. Through various networks, we also measure the impact of our REMS and report the results quarterly to the FDA, as required.

Secondly, through training and monitoring. Safety is a company-wide responsibility, and we are all trained in patient safety requirements. We also have a very active Patient Safety Group, which includes pharmacovigilance medical teams which monitor and report side effects.

Safety drives innovation too, for example in packaging. Every Suboxone® Film, our buprenorphine and naloxone product, is wrapped in its own child-resistant foil pouch so that children would have to overcome the packaging to get to the medication.

We believe patient safety is not just an obligation, it is our responsibility. Our Guiding Principles define our philosophy and how we operate and we consciously live by them. They put patients at the center of decision-making and communications and we actively use them every day.

Our commitment is long term

This is how we have done business for the past 30 years and how we will continue to do so. As leaders in the field of opioid dependence, we are not only distinguished by our work in education and our analysis of abuse, misuse and diversion, but by our sustained investment in the people, systems and resources needed to achieve that.

Our Clinical Liaisons support rather than sell

Our Clinical Liaisons help to create solutions in the communities they work in. Conscientious and dedicated, their role is to educate people about the disease space, to promote safe treatment models, break down barriers and improve access to treatment. That is how we help expand patient access and grow our business.

Our Clinical Liaisons work closely with prescribers to be sure that they have the resources and information necessary to appropriately assess risk of abuse and address it if it becomes an issue.

Our people make it work

Our commitment to quality, safety and compliance is embedded in our products, processes and pipeline. What truly sets us apart is our people and our shared belief that we improve lives. When new staff join us, it's 'just a job' to some of them – until they realize that the problems we help to solve touch them in some way too, through friends or family. They then become as invested as the rest of us here in treating the disease of addiction through responsible business practices.

Patient Advocacy Leadership

At our core, understanding the current and future needs of patients guides our decisions as an organization. We continue to fortify our relationships with key stakeholders to advance our understanding of addiction and its treatment. We do this with the aid of our Patient Advocacy Leadership, co-chaired by Dr Ed Johnson and Dr Chris Chapleo. Both are experts in the opioid addiction disease state and are greatly respected within the global addiction community.

Dr Ed Johnson
VP Treatment and Health Policy

Dr Chris Chapleo
Global Clinical and Scientific Affairs Director

We don't sell a product, we promote treatment

Our Vision is that all patients around the world will have unrestricted access to quality treatment services for the chronic relapsing conditions and co-morbidities of addiction.

Our Purpose is to be the global leader pioneering the development of innovative prescription treatments for addiction, to help empower patients to improve their quality of life.

Neither our Vision nor purpose mention products. The operative word is treatment. Why? Because access to treatment, and people's attitudes towards it, are the key to having addiction normalized as a mainstream medical condition.

It is that shift in mindset that is crucial. In many countries, people suffering from addiction are still thought of as 'bad people doing bad things' – heroin addicts who steal to pay for drugs they inject in dark doorways. Some societies view addicted people as criminals and addiction as illegal.

Even where societal attitudes have moved towards harm reduction, where they fund clinics and provide free needles to injecting drug users to mitigate needle sharing which can spread disease, addicted people may still be regarded as illegal drug users and treatment is often restricted and highly controlled limiting patient access.

There are countries where authorities, treatment communities and society have legitimized the treatment of addiction. They realize that addiction can affect men and women of all ages, races, ethnic groups, and educational levels, who have been exposed to drugs like opioid painkillers and become addicted. They view addicted people as patients, who go to their physician for treatment, and treatment is often funded by patients' medical insurance as well as governmental programs. Addiction is being recognized as a disease. It is in the process of being normalized and brought into the mainstream.

So how is that evolution from harm reduction to legitimized disease achieved? It begins with a major shift in mindset, but the catalyst is often a change in legislation or regulation to broaden access to treatment. As an example of that, the DATA 2000 Act in the US was the first legislation to allow the treatment of opioid addiction in the privacy of a physician's office, with designated buprenorphine opioid medications, including Suboxone®. Since then, over 27,000 physicians in the US have been granted a DEA waiver, enabling the treatment of over five million patients.

Societal attitudes are changing around the world and governments are moving towards seeing addicted people as patients. Using the same model, where we work in partnership with stakeholders to educate and improve understanding, we will all continue to help transform addiction from a global human crisis to a recognized and treated disease.

Transforming addiction from a human crisis to a recognized and treated disease: Indivior model for treatment development

When the drug policy and regulatory environment regards addiction as	1 Illegal	2 Harm reduction		3 Recognized disease	4 Legitimized disease
Patients are seen as	Criminals	Illegal drug users	**Broadening access to treatment by legislation or regulation**	Stigmatized patients	Patients in treatment
Physicians are	Prevented from providing treatment or very tightly controlled	Distributing pharmaceuticals through 'drug clinics'		Mixing supervised dosing and 'take-homes'	Focusing on medical treatment model with 'take homes' as standard including psychosocial support
Payors* are	–	Driven by government -funded clinics trying to reduce crime and needle sharing		Finding funds often limited or capped by governments	Treating insured patients in mainstream medicine

Transforming perceptions of addiction from bad people doing bad things – where **HEROIN** dominates

...to a shift in mindsets

...to people like us who need treatment – where **PRESCRIPTION OPIOIDS** dominate

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

Our public health orientation underpins our leadership position

Global leader in opioid addiction treatment

We operate in over 40 countries globally, with a net revenue of $1,115m (2013:$1,216m) and net income of $403m (2013:$489m). Suboxone® Film is the leading buprenorphine treatment for opioid addiction in the US – exiting 2014 with a 58% share of the US buprenorphine market. Our experience and reputation in the opioid market positions us as the industry leader in opioid addiction treatment.

We focus on the patient

What sets us apart is our shared conviction that addiction is a medical condition that can be treated. We believe that we are a force for good. Patients are firmly at the heart of our public health orientated business model, at the center of decision-making and always at the front of our minds. This is how we do business.

A proven infrastructure for treating addiction

We have built a sustainable growth business in the treatment of addiction. The number of patients in treatment is still growing strongly, Suboxone® Film share is resilient and we have multi-layered IP protection in place. This IP is being challenged and we have a plan in place to defend it vigorously. We are investing in a pipeline that we expect will improve the delivery of our current products and create new ones to treat other areas of addiction.

Crucially, we have always understood that success in this disease space requires more than the right products. The key is in getting addiction recognized as a chronic, treatable medical condition. That depends on shifting mindsets, broadening access, working with stakeholders and supporting prescribers. Our infrastructure delivers that.

We have taken the lead in changing attitudes towards addiction, and continue to invest in educating and working with policy makers, medical societies, payors and other stakeholders who can help to broaden access to treatment.

Our Clinical Liaisons are essential in this. Their role is not to sell, but to grow the business by improving access to treatment in their local communities through education, promoting safe treatment models and supporting prescribers.

A strong and stable management team

We are specialists in developing and commercializing products for addiction. That is reflected in our management team, with their outstanding record and over 60 years' experience in the field of addiction, as well as the quality of the Non-Executive Directors who will be supporting them.

A unique company culture

Indivior has a set of Guiding Principles which management believes has successfully guided decision-making and set the blueprint for Indivior's operations since the launch of the US business in 2003.

Market development, driven by Indivior's bespoke culture, is considered by management to be a core strength.

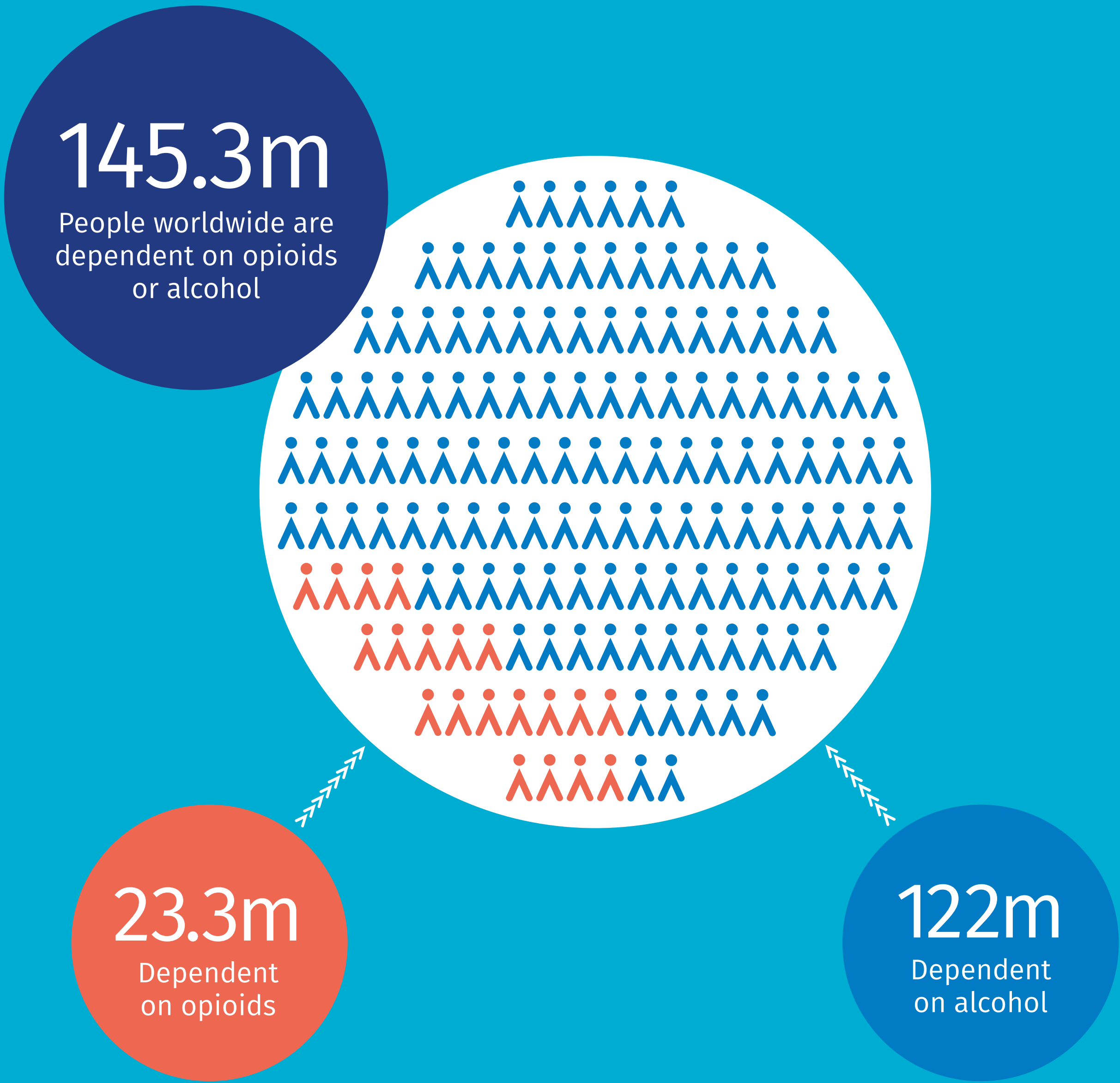
> Our Guiding Principles

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

Thank you for joining us on our journey as we strive to improve the life stories of our patients. There is still much work to do to transform addiction from a global human crisis to a recognized and treated disease. I am honored to have the opportunity to lead our team, with your support as a Shareholder, as we partner to make a meaningful difference around the world.

Shaun Thaxter
Chief Executive Officer

Addiction is a global crisis >
At least 145.3 million people worldwide are dependent on opioids or alcohol



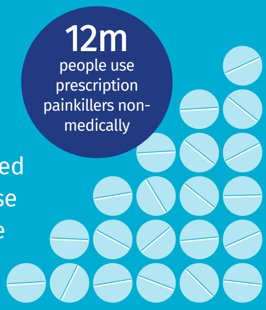
Putting global addiction into context

Our focus has been on opioid dependence

An estimated 2.4 million people in the US are dependent on opioids, and an estimated total of 23.3 million people worldwide. To put that in context, the 23.3 million people dependent on opioids is equivalent to the population of Australia – and nearly three times the number of people who die each year from cancer.

Those figures are eclipsed by alcohol dependency, which affects an estimated 122 million people worldwide – more than the entire populations of France and Spain. These figures are also likely to be significantly under-reported.

A growing crisis



Misuse of opioid painkillers is a public health problem

In 2010, 12 million Americans aged over 12 reported non-medical use of prescription painkillers. In the state of Oklahoma, the figure is as high as 1 in 12 residents.

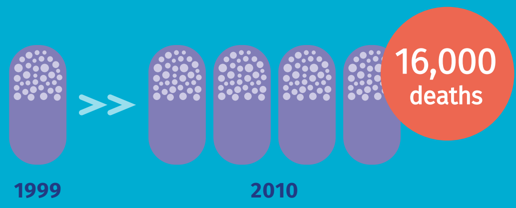
Figures are often under-reported

In China, 1.2 million people are currently registered as opioid dependent, but China's Anti-drug Abuse Agency estimates the total to be more like 5 million.

Society pays a high price

In 2011, cocaine abuse alone caused over 505,000 visits to emergency departments in the US

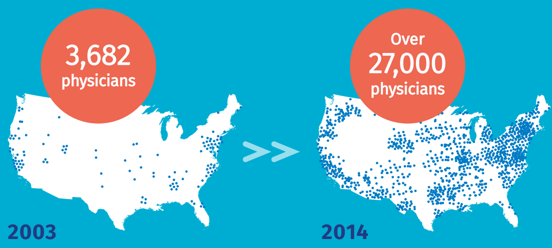
At an average cost of $900 per visit, that's $454m. Nearly a quarter of them were admitted, at a cost of $4,200-$8,600 per admission.



In the US, opioid overdose is the second leading cause of accidental death and growing

With 16,000 deaths, opioid overdose deaths in 2010 were four times higher than 1999.

Benefits of medicalizing addiction



Priority: Addiction to be recognized as a treatable disease

In the US, progress is being made. Ten years ago, 3,682 physicians had been granted a DEA waiver. By 2014 there were over 27,000 DEA waivered physicans who have enabled the treatment of over 5 million patients with Suboxone® Tablet and Suboxone® Film.

Financial benefits to society are clear

For every $1 spent treating patients, it has been estimated that society may save up to $12 in healthcare and other societal costs.

Accessing treatment

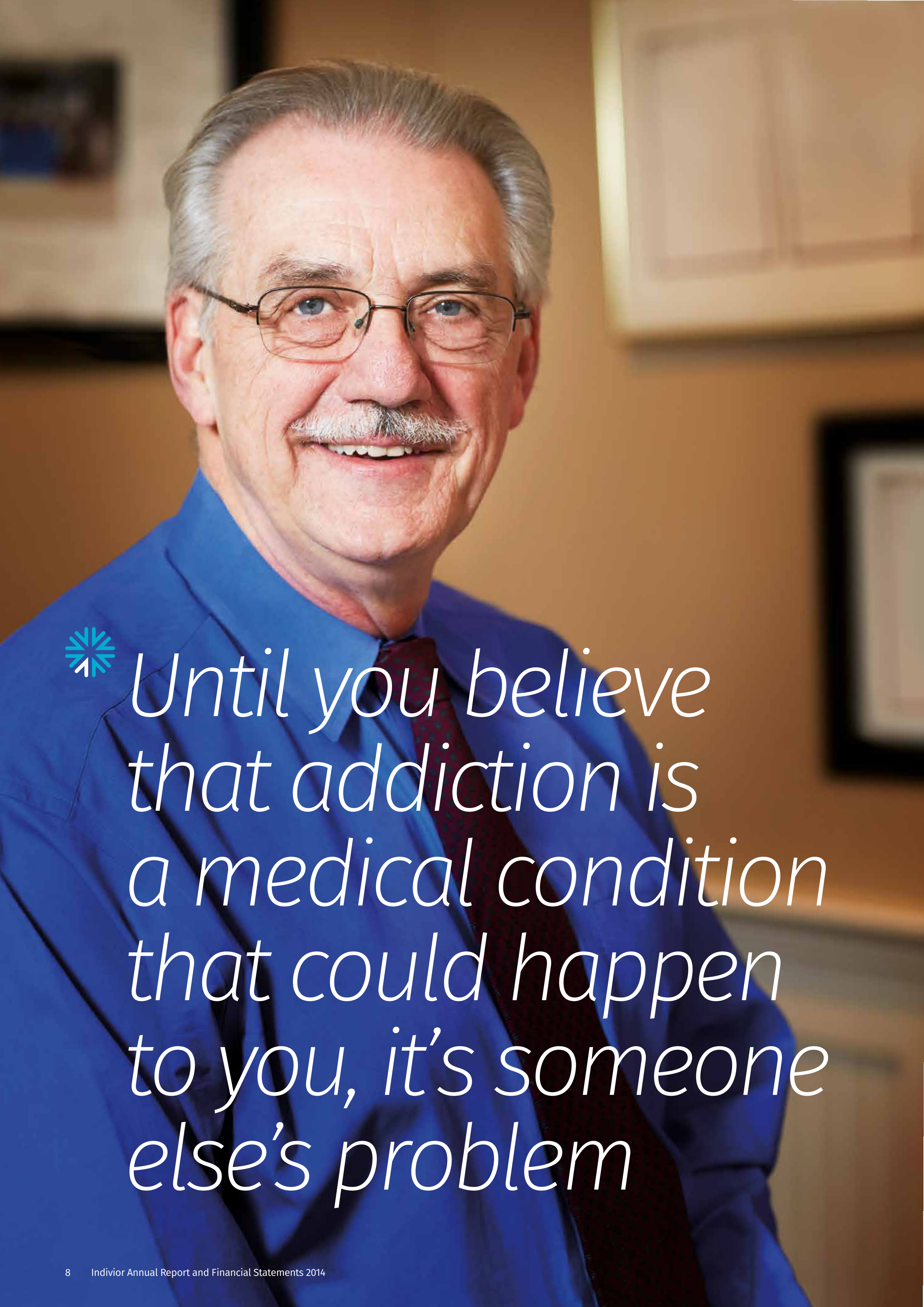
70% of people dependant on opioids are not in treatment

There are 10 million people dependent on opioids in the countries where we are present, but only 30% of them currently get treatment.

We never forget that these are real people

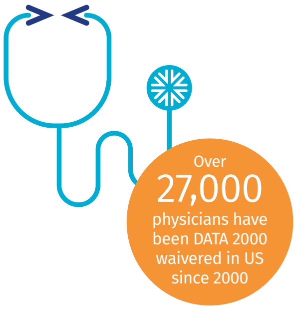
Two-thirds of the people dependent on opioids in the US are working and 73% are high school or college educated.

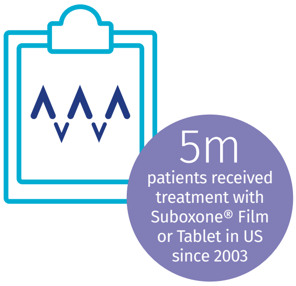
For source references see page 104.



Until you believe that addiction is a medical condition that could happen to you, it's someone else's problem

We are ready to help patients take the first step





As the information on pages 6 to 7 shows, addiction is an epidemic not just in the US but globally. Governmental statistics suggest there are at least 145.3 million people today who are dependent on opioids or alcohol, and the numbers are likely to be significantly under-reported. The case studies in the next few pages of this report show why we believe that proper treatment transforms lives.

The growth of Indivior's business so far has been the result of the mindset shift in countries where authorities, treatment communities, and societies have moved treatment of opioid dependence beyond special clinics expanding access to medicalized treatment in physicians' consulting rooms. With a comprehensive treatment plan including counseling, medical intervention and Suboxone®, many opioid-addicted patients can be stabilized and returned towards normal life while they pursue their treatment goals required to address the fundamental issues of which addiction is often the symptom.

We still need to change attitudes in many other countries where treatment has not yet been normalized into mainstream medical practice, but often retains the stigma associated with supervised dosing at clinics and pharmacies. Some countries still criminalize addiction, thus preventing, or very tightly controlling, the distribution and delivery of treatment.

Since the passing of the DATA 2000 Act in the US, which first allowed the treatment of opioid addiction with schedule III, IV and V narcotics in a physician office-based practice, over 27,000 physicians have completed the training necessary to become certified to treat opioid addiction. We have supported these physicians through the initial challenges of integrating opioid dependence treatment into their practice.

Since the launch of Suboxone® Tablet in 2003 in the US, we have enabled the treatment of over five million patients with Suboxone® Tablet and Suboxone® Film.

Having said that, addiction still carries a stigma and we understand the challenges that patients face when they seek treatment. With a medical condition like addiction, the constant need to satisfy cravings, or avoid withdrawal symptoms, can be so intense that even when people want to stop, they generally only have a small window of time to pursue treatment. We are ready to help patients take that first step, empowering them to act before that moment of readiness is gone. Our objective has always been to secure better outcomes for patient and physician and it continues to be. That is why we have worked so hard to improve our product portfolio.

Case study 1

Dr Ed Johnson's story VP Treatment and Health Policy, Indivior

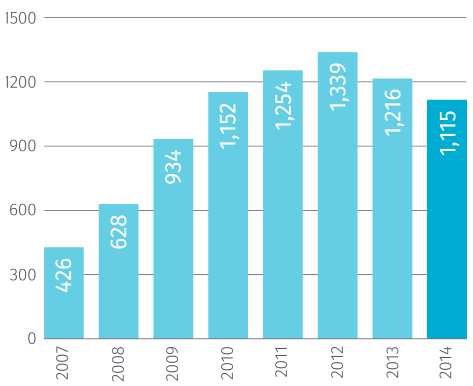
It's not laws that shift deep-seated prejudice – it's education. We have to demonstrate that addiction is a chronic medical condition affecting the brain, but with the positive message that treatment could help. It's a message we must personalize because, until you believe that addiction is a medical condition that could happen to you, it's someone else's problem. But once you understand that it could be your child that overdoses, you are more willing to listen to the science on how treatment can help. Education is a priority.

As a patient-focused addictions company, we take the lead in promoting the understanding of patients and addiction, raising awareness and providing education on our website and through our medical affairs staff, but this is a sensitive disease space, so we work closely with the addiction societies and opinion formers. We offer educational and grant support as well as try to ensure that everyone in the treatment community – pharmacists and counselors as well as physicians – tries to be a resource for patients.

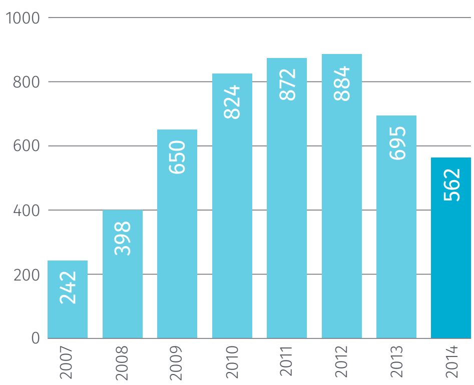
We understand that this is not a disease space where you succeed merely by selling products. We have a medical, ethical and moral responsibility to improve the safety profile of addiction medication and treatment and to do things that can help improve patients' lives and access to treatment.

Financial history

Net revenue ($m)



Operating profit ($m)



Our business has been well rewarded for its success in developing our patient-focused business model of treatment in the US, in Australia and to a more limited extent in Europe. In 2014, we had net revenues of $1,115m and operating profits of $562m; this compares to less than $100m of net revenues in 2003. Despite the current market challenges in the US and Europe, with multiple generics and pricing pressures, and the consequent downward pressure on net revenue and profits, we have been able to continue to build our Company's capabilities.

Today we have approximately 170 Clinical Liaisons working in the US alone, two-thirds of them with over five years' experience with Indivior.

We have an R&D and Regulatory organization of 126 people working on our next generation of products.

We have a medical and compliance team ensuring we carry out our work to the highest standards of regulatory compliance, quality control and particularly patient safety. Our management team collectively has over 60 years of experience with the Company. We have developed a wonderful network of addiction experts around the world to advise us. The reputation of Indivior as the leader in opioid addiction treatment is well established, and is shown by the quality of Non-Executive Directors who have agreed to join the Board and support us in the next phase of our development.

58%
market share for Suboxone® Film at the end of 2014

Case study 2

Tony's story Father of Damien, Australia

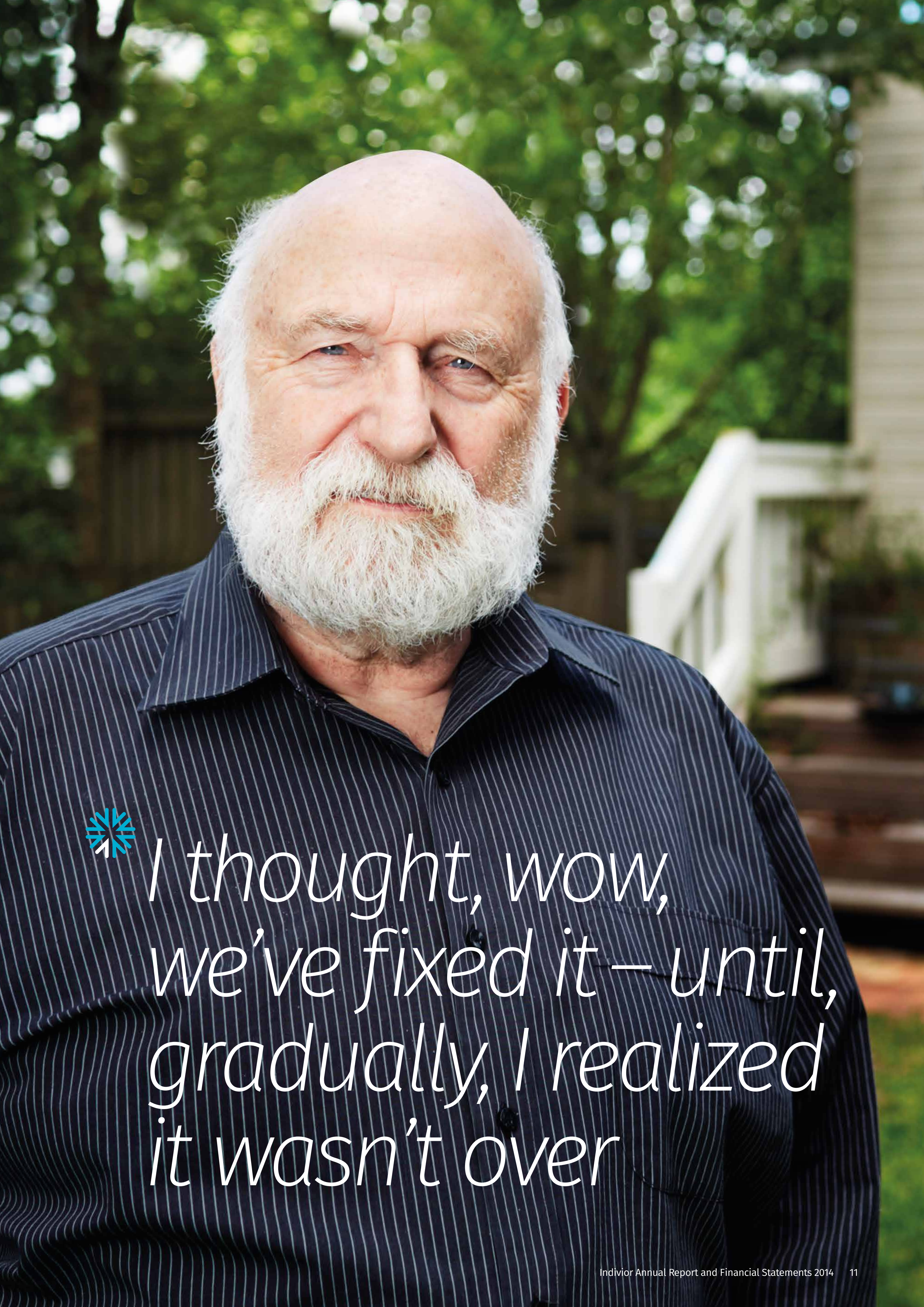
Damien was a sportsman. He had a full-time manager's job, a relationship and an active social life.

But once he started using heroin, his friends fell by the wayside. He was taking time off and owed a lot of money – enough to support a $300 a day heroin habit. The crisis hit Damien when he lost his job, girlfriend and flat, all in one week. So he came and just blurted it all out to me.

I grabbed him by the collar and said "We're going to beat this". But I ran into problems immediately. Places that were supposed to help just told me to check online.

So Damien went to my daughter's house and did nine days' cold turkey. It must have been horrendous. But he managed to withdraw from the heroin. I thought, wow, we've fixed it – until, gradually, I realized it wasn't over. Damien started drinking heavily, couldn't get a job and felt like he'd let everyone down.

The day he died started normally for him. He and his girlfriend went shopping, then to the pub. But after an argument, she left and he kept drinking. He went off to King's Cross, Sydney's heroin center, then to a pharmacy for clean needles. At 10.15 pm, Damien went to a back alley stairwell in a disused hospital, where he used for the last time.



I thought, wow, we've fixed it – until, gradually, I realized it wasn't over

I wasn't eating or sleeping – days just blended in

Our first objective > Expand access to treatment and strengthen our leadership position

Building resilience of our existing franchise

We will do this mainly by expanding the treatment of opioid addiction to more patients, and by continuing to educate patients, physicians and payors on the chronic disease of addiction, the role Suboxone® plays in treatment and the importance of expanding treatment access. The population of patients in treatment is growing and we believe that there are strong grounds this will continue.

- In the US, there are estimated to be at least 2.4 million opioid-dependent people today, of whom more than half are not in treatment of any kind.
- In Europe there are estimated to be 1.3 million heroin users, of whom perhaps 0.7 million are in treatment. There is an emerging patient population of opioid analgesic dependent patients who are currently under-diagnosed. Conservative estimates suggest that there are over 300,000 of these individuals in the UK, France, Germany, Spain, Italy and the Nordic countries.

We know the very clear economic argument for treatment: it is estimated that every $1 spent on a patient in treatment may save up to $12 in healthcare and other societal costs.

By continuing to expand access to treatment, and working with physicians and payors to improve the patient outcome, we expect to continue to help even more patients by addressing the needs of the market.

We will continue to work to demonstrate to payors, commercial or governmental, the real value that Suboxone® delivers. We have a growing patent portfolio to support our existing business. Suboxone® Film in the US is covered by three Orange Book-listed formulation patents, and by six process patents providing protection to 2022, with further protection pending.

We have a further 11 patent applications pending. We will defend our intellectual property, which we have worked so hard to establish and grow, on behalf of Shareholders. While the IP of the Suboxone® Film is being challenged, we have a plan in place to defend it vigorously.

Case study 3

Mark's story Patient, US

I was an avid racketball player. I needed surgery on a shoulder injury and was given opioids. I took them as directed, but then started to look forward to them. It started to preoccupy me.

I'd go through a monthly prescription in two days and needed several doctors to keep me in supply. It became a full-time job. I was moody, distant and demanding. But I didn't care. I didn't even go to work. I just blamed my shoulder.

I wasn't eating or sleeping – days just blended in. It was all about the pills. I'd probably be dead, but everything came to a head: divorce, the thought of losing my kids and my job.

I remember the day I said "this has got to stop – I need help". That's when I started my recovery. It's vital that you find the right physician and realize what took you down this path.

I've been on Suboxone® Film for two years. I've not relapsed once, even when my son was given opioids for a broken arm. I poured them into my hand and sat and looked at them. Then I put them back. Two years ago, I'd have taken the whole bottle.

The morning is my time now. I get up real early, make coffee, read the paper and I love it. It's one of life's simple pleasures.

Our second objective > Expand our innovative pipeline to improve patient and physician outcomes

Develop our pipeline

Indivior is not a discovery house, we have neither the capability nor the resource for fundamental research or molecular discovery. We do, however, have a leading understanding of addiction and have identified more than 75 compounds that could have potential uses in addiction treatment. These compounds exist outside Indivior and we will continue to track them closely. If an appropriate opportunity to license or acquire these compounds should arise we will evaluate it as part of our business development program.

Our preferred approach is to leverage the 'known' by taking existing compounds and/or technologies, and combining them in ways that could produce better treatments. We believe this may lead to lower upfront costs, faster development times, and more certain delivery. Some of our pipeline already shows the benefits of this approach.

The pipeline features new generations of opioid dependence treatments, including a monthly Buprenorphine Depot injection and the first swallowable capsule form of buprenorphine hemiadipate with abuse deterrent potential. While we endeavour to optimize the probability of success, the regulatory approval and commercial returns cannot be guaranteed. Clinical product development involves inherent risks.

In addition to expanding the range of treatment options for opioid addiction, our research and development efforts are focused on opening access to rescue medications, addressing unmet medical needs in the treatment of alcohol use disorders, and treating psychiatric co-morbidities of addiction.

In 2014, we further increased our investment to $115m to support the development of this pipeline. We are moving towards qualification of Suboxone® Film for launch in Europe.

In 2015 we will again increase our investment in R&D, not least with a number of critical Phase 3 studies being run for buprenorphine depot, nasal naloxone and risperidone depot. This is a critical investment in our future.

We continue to look for further opportunities to expand our pipeline, by acquiring new compounds of interest and by licensing in compounds or technology. There may also be opportunities to acquire companies that bring suitable products to our pipeline.

Expanding the range of treatment options for opioid dependence

	Phase 1 / Phase 2 / Phase 3 / Regulatory Filings
Opioid Dependence **RBP-6000** Buprenorphine monthly depot injection Estimated approval: 2017	
Opioid Dependence **RBP-6300** Buprenorphine oral swallowable tablet Estimated approval: 2018	

Opening access to rescue medications

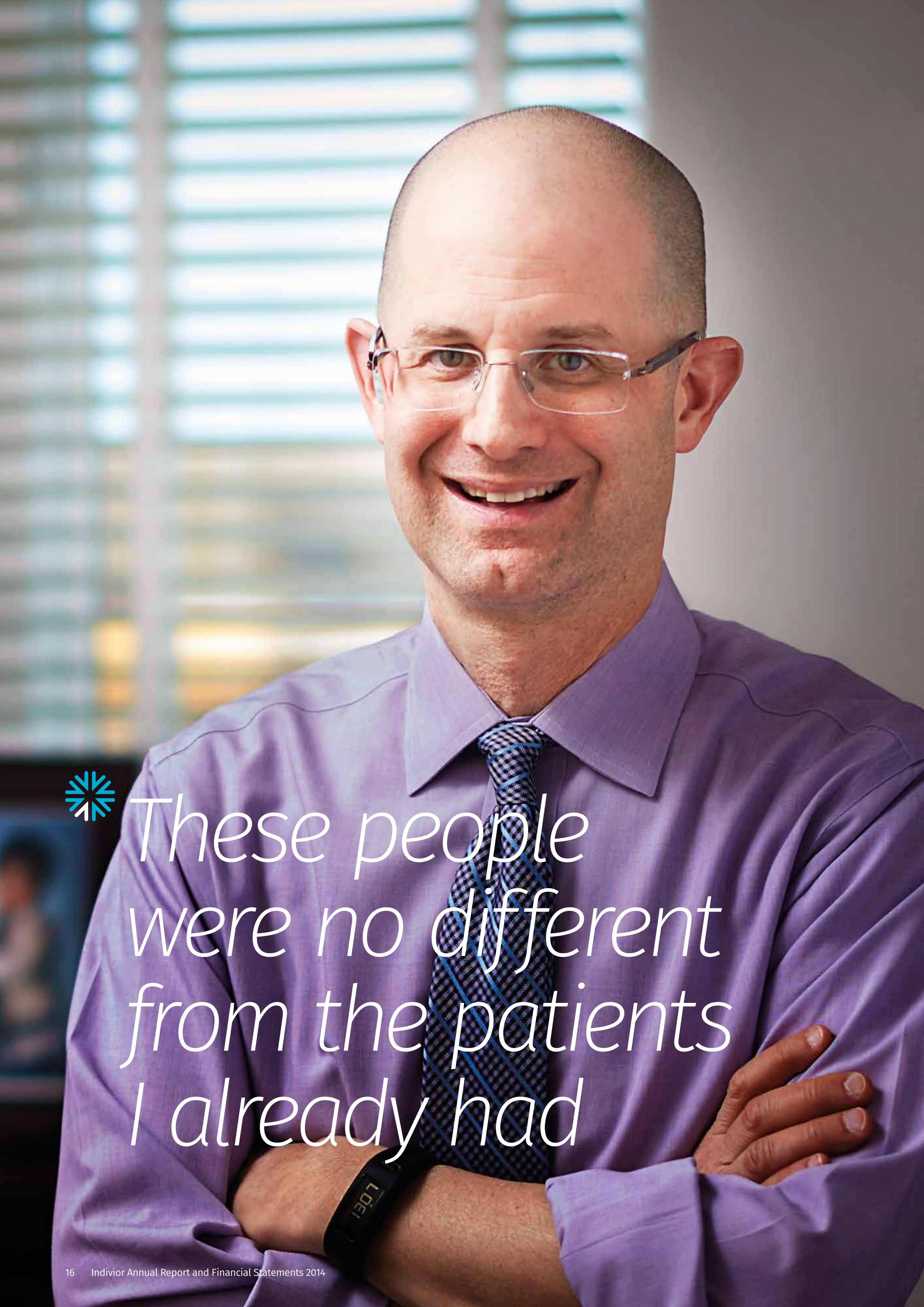
	Phase 1 / Phase 2 / Phase 3 / Regulatory Filings
Opioid Overdose **Naloxone Nasal Spray** Nasal naloxone Nasal naloxone is in accelerated development with Fast Track Designation from the Food and Drug Administration (FDA) granted in 2014. Estimated approval: 2016	
Cocaine Overdose **RBP-8000** Cocaine esterase The FDA recognized the potential of Cocaine esterase by granting its Breakthrough Therapy Designation in October 2014. Estimated approval: 2019	

Addressing unmet needs in the treatment of Alcohol Use Disorders

	Phase 1 / Phase 2 / Phase 3 / Regulatory Filings
Alchohol Use Disorders **Arbaclofen Placarbil** Estimated approval: 2020	

Focusing on the psychiatric co-morbidities of addiction

	Phase 1 / Phase 2 / Phase 3 / Regulatory Filings
Schizophrenia **RBP-7000** Risperidone Estimated approval: 2017	

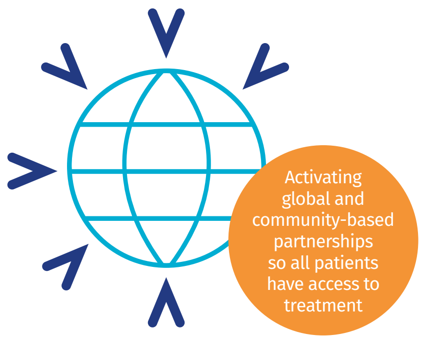


These people were no different from the patients I already had

Our third objective >
Expand access to addiction treatment for patients around the world

Capitalise on international growth opportunities

There are an estimated ten million opioid-dependent individuals in the countries in which Indivior has a commercial presence, only 30% of whom are currently receiving treatment. Geographic expansion of our footprint to countries currently underserved by existing therapies and treatment options brings a further ten million opioid-dependent individuals within our commercial reach. Expansion of our business to the treatment of alcohol addiction in all markets offers an opportunity to access an estimated total of 145.3 million potential patients, illustrating significant international growth opportunities for us.



Case study 4

Dr Rubinstein's story Medical Director and Treatment Advocate, US

When the American Psychiatric Association first invited me to get waivered to start prescribing Suboxone® Tablet, I declined. I had an Internal Medicine practice in an upper middle class suburb of Chicago and thought that having addicts in the waiting room would make my patients uncomfortable.

After the third invitation, I thought I'd just go and see what it was about. At the training, something in me lit up. I thought "I can do this" and I loved the idea of helping people in ways I couldn't before. So I got waivered.

Quickly, my thinking shifted: these people were no different from the patients I already had. They weren't bad people who'd disrupt my practice; in my waiting room, you can't tell who is there for addiction to pain pills and whoever else is there. I realized that patients with addictions are everywhere – in every medical practice and Emergency Department.

I can't usually say "I made a difference to someone's life today", but treating these patients, I really can. Not only am I helping them, but their families and employers.

I say to doctors that, if they want to get the spark back, and the satisfaction that made them get into healthcare, get waivered. It's not hard to do.

Our fourth objective >
Grow our business through targeted acquisitions that align to our vision

Expanding by license and acquisition

We are clear that our core business is addiction and that will remain our main focus. We continue to search for products and technologies that will help us improve the delivery of buprenorphine in opioid addiction treatment.

Even within broader addiction, we will continue to look for medical compounds that have demonstrated potential for treatment in areas where we are not present today, such as cannabis, cocaine, methamphetamine and alcohol.

We believe that being an independent company, with a sole focus on our core business, we are much more strongly positioned to attract partners in the field of addiction. We can also look at expanding our business into areas of co-morbidity where we can leverage our existing strengths and business model.

Conclusion

Indivior has a long-term, sustainable business built on a unique patient-focused model. We are the leading opioid addiction treatment company in the world. We have a sustainable franchise in opioid addiction, built on the strength of our existing marketed products, sustained relationships we have across stakeholders and our intimate understanding of the patient journey. We are actively pursuing future growth platforms, with an exciting pipeline of new opportunities in development. We have a highly committed and experienced management team.

2015 will be a year of transition for Indivior. Suboxone® Film will be affected by pressure on market share and pricing in the US with greater competition from four generic and two branded entrants. In Europe, government austerity measures continue to put pressure on pricing. However, we believe the business will prove to be resilient and will continue to outperform industry norms. The promise of our exceptional organization and our exciting pipeline give me great confidence in our long-term future.

> Our priorities for 2015

1. Build resilience of our franchise

Preserve leadership position in US against four generic and two branded competitors

2. Develop our pipeline

- Lifecycle products for Suboxone®
- Treatments for other addictions and overdose rescue

3. Expand global treatment

- Expand access to treatment in US
- Expand treatment for opioid painkiller dependence in Europe
- Expand to underserved countries outside our footprint

4. Business development

Expand business and diversify business risk through targeted business development

Case study 5

Karrie's story Patient, US

At 18, I was all ready for college. In fact, it was the start of a decade-long addiction that changed my life. I began taking prescription painkillers to fit in with my peers and soon developed an all-consuming addiction. My only priority was to feed that dependence.

Through the next ten years of addiction, I still managed to hold a steady job. But when I was asked to relocate, I decided I'd rather lose my job than move away from my drug connections. Unemployed, and estranged from my family and friends, I spent two months living in my car. My friends and family tried to help, but I was afraid of withdrawal – and giving up the person I had become under the influence of drugs.

My boyfriend struggled with the same addiction and decided to seek help. When he started working with his doctor, I noticed positive changes in him and wanted to improve too. I recognized that, as an addict, I would never achieve what I wanted in life.

Through support groups and daily treatment with Suboxone® Film, I began to turn my life around, so I could be the person I wanted to be. Now, I feel I have healthy relationships and a purpose in life.


I began to turn my
life around, so I
could be the person
I wanted to be

Our endeavor >

It started small, with one singular focus – to intimately understand the journey of individuals suffering with addiction

Global leaders in the treatment of opioid dependence

> Indivior is a global specialty pharmaceutical business and the global leader in the treatment of opioid dependence, with 30 years' experience in that field.

The business

Indivior's core products, which are currently sold in over 40 countries, comprise Suboxone® Film (buprenorphine and naloxone), Suboxone® Tablet (buprenorphine and naloxone), and Subutex® (buprenorphine sublingual tablet), all of which are treatments for opioid dependence.

Suboxone® Film, initially launched in the US in 2010 as the world's first approved pharmaceutical prescription sublingual film product, had an exit share of 58% in 2014 in the US market for buprenorphine-based opioid dependence treatment (based on equivalent volume of prescribed milligrams), despite market entry of generic tablets and branded competitors.

Indivior is committed to delivering innovative, quality treatments for the chronic relapsing conditions and co-morbidities of addiction, and plans to expand its range of products beyond its core opioid dependence treatment business. In addition to extension candidates for its opioid dependence treatments, Indivior has a pipeline of new drug candidates for the treatment of alcohol dependence, cocaine overdose, opioid overdose and schizophrenia. We believe that the development of these product candidates capitalizes on Indivior's expertise in neurological science, clinical development and experience within the highly regulated and technical nature of pharmaceutical industry drug development and commercialization.

Indivior's main geographic market (based on the country where the sale originates) is the US, which accounted for 77% of net revenues in 2014 (2013: 78%).

Strategy for delivery of Shareholder value

Indivior's primary strategy to deliver Shareholder value is to continue to develop the international market for treatment of the chronic relapsing conditions of addiction, improving access to normalized medical treatment and launching new products for the treatment of addiction. The Company's strategy is covered in more detail on pages 13 to 18.

1. Build resilience of our franchise

Continue to expand patient access to treatment and maintain a leadership position

Indivior has a track record of pioneering and expanding access to treatment for opioid dependence. By driving increased awareness of the disease space, Indivior has encouraged an expansion in the number of physicians certified under DATA 2000 to treat opioid dependence from just over 3,600 in 2003 to over 27,000 at the end of 2014, driving the delivery of treatment to millions of patients and contributing to double-digit market growth over the past ten years. Indivior will seek to further build on this approach to increase market penetration in the US beyond the estimated 20% of the US opioid-dependent population being treated with buprenorphine, in order to reduce the estimated $55bn societal cost associated with opioid misuse. The introduction of Suboxone® Film in the US is an example of the Indivior Group's ability to extend a franchise through innovation. Since it was launched, Suboxone® Film has attracted a high level of patient and physician satisfaction, along with differentiated value that is recognized by payors.

The Indivior Group has a robust pipeline of life cycle products which are fully supported by line-extension strategies and development programs designed to optimize the opioid dependence treatment franchise. These programs include developing (i) a monthly depot buprenorphine product that releases buprenorphine over a minimum of 28 days by diffusion, (ii) a swallowable capsule with abuse deterrent potential, and (iii) a higher dose Suboxone® Tablet for distribution in the EU.

2. Develop our pipeline

Expand into adjacencies aligned with the Indivior's core competencies

Indivior will seek to capitalize on its existing expertise in neuroscience to realize its mission of ensuring that all patients in its target markets have unrestricted access to quality treatments for the chronic relapsing conditions and co-morbidities of addiction. Indivior seeks to do so by extending its business to new indications in addiction and immediately adjacent central nervous system therapeutic areas. In addition to extension candidates for its opioid dependence treatments, the current pipeline includes expansion into the treatment of alcohol addiction, opioid overdose, cocaine overdose and the co-morbidity of schizophrenia. These adjacencies represent a global growth opportunity to help more patients access treatment, based on management's significant experience in identifying areas of unmet medical need and expertise in developing appropriate therapies.

3. Expand global treatment

Capitalize on international growth opportunities

There are an estimated ten million opioid-dependent individuals in the countries in which Indivior has a commercial presence, only 30% of whom are currently receiving treatment. Geographic expansion of Indivior's footprint to countries currently underserved by existing therapies and treatment options brings further opioid-dependent individuals within Indivior's commercial reach. Expansion of Indivior's business to the treatment of opioid and alcohol dependence in all markets offers an opportunity to access an estimated total of 145.3 million potential patients, illustrating significant international growth opportunities for Indivior.

4. Business development

Growth through targeted and disciplined acquisitions

Indivior will seek to leverage its cash flow and balance sheet flexibility for the acquisition of assets that enable the fulfilment of its Vision. Its focus will be to capitalize on existing commercialization capability and scientific expertise. Specifically, Indivior will seek to target underserved disease spaces that require long-held experience of the regulatory framework, the ability to create public awareness and to define a market, and a sales force with an ability to achieve physician access. Indivior will seek to focus on the areas of addiction and on specialized disease areas which complement our existing expertise in neuroscience. Indivior's two most recent transactions illustrate this strategy:

- On February 10, 2014, Indivior entered into an agreement with AntiOp Inc. to co-develop a naloxone nasal spray to aid in the reversal of opioid overdose, with the option to acquire all rights to the product upon receipt of regulatory and marketing approval. The product has the potential to be the first of its kind to treat overdose from opioid prescription analgesics and heroin – a growing epidemic across the globe.
- On May 14, 2014, Indivior entered into an exclusive worldwide licensing agreement with XenoPort, Inc. for the development and commercialization of an oral product candidate called Arbaclofen Placarbil. Arbaclofen Placarbil is a new patent-protected chemical entity that Indivior intends to advance into a Phase 2B proof-of-concept study for the treatment of alcohol use disorder – a condition estimated to affect approximately 122 million people worldwide.

Market and business environment

The market for Indivior's products continues to grow.

Demand for buprenorphine-based drugs in the US, the Company's main market, increased approximately 13% by volume in 2014, driven by growing numbers of qualified physicians, which has led to increased access to treatment. Opioid dependence is a public health crisis in the US with an estimated 12 million people a year misusing opioids, of whom some 2.4 million are estimated to be dependent. Fewer than half of these dependent patients are in treatment at any time, and fewer than 20% are being treated with buprenorphine-based medications which constitute the Company's primary market. As more physicians train and qualify to treat, as access to office-based treatment grows, and as awareness of such treatment increases, further growth in the market is expected at similar low-double-digit rates of increase.

Outside the US, growth is slower. Where the treatment paradigm adopted by many countries is moving towards a medical treatment rather than a containment model. Furthermore, the Company believes that a significant population of opioid-painkiller-dependent patients constitutes an unrecognized potential patient population for buprenorphine-based medical treatment. While the market in Europe is expected to show slow growth in volume in the years ahead, particularly if opioid-painkiller dependence gains greater recognition, this may be offset by further governmental austerity-driven price reductions for prescription medicines, and pressure on health authorities to switch to generic alternatives. In Australia, widened access to treatment is producing steady growth in the market.

Longer term, opportunity exists to develop Indivior's patient-focused model of medical treatment of opioid addiction in markets such as China. For this reason, the Company is already conducting clinical trials of Suboxone® Tablet in China. However this opportunity is not expected to impact significantly on the Company's financial prospects in the foreseeable future.

Our resources and our structure

Highly experienced management team

Indivior's management team has over 60 years' cumulative experience in leading the business. Biographies of the Executive Committee, the global leadership team, are on page 35.

In addition, Indivior benefits from a group of managers with unique knowledge, experience and credibility in developing addiction treatment globally.

- Dr Chris Chapleo, Clinical and Scientific Affairs Director, has been involved in buprenorphine research since the 1980s and was Indivior's principal investigator for the Co-operative Research and Development Agreement with 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, was the lead or 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.

The management team has built a global organization of over 700 individuals, and the Board believes that the culture of Indivior contributes to its ability to retain, develop and recruit high-performing talent while serving as the foundation for current and future growth.

Howard Pien, Chairman of the Board, has extensive experience as a senior executive in the pharmaceutical industry, including as chairman and CEO of Medarex and president and CEO of Chiron Corporation. He also serves on the boards of Sage Therapeutics, Juno Therapeutics, Vanda Pharmaceuticals, Ikaria and Immunogen. In addition, the Non-Executive Directors provide a wide-ranging and deep level of experience of the pharmaceutical industry from drug origination and approval through commercialization.

Manufacturing

Active pharmaceutical ingredients

The active pharmaceutical ingredients used in Indivior's products are manufactured at the Fine Chemical Plant (FCP) located in Hull, UK. The FCP is owned by Reckitt Benckiser Healthcare (UK) Limited (RBH). The process of transferring ownership of the equipment within the FCP to Indivior is underway and is scheduled to complete between Q2 2015 and Q2 2016. The FCP has the capacity to produce all Indivior's current buprenorphine HCl requirements with approximately 35% available capacity remaining. Upon transition of FCP control, Indivior will produce buprenorphine hydrochloride (HCl) for use in the manufacture of Subutex® Tablet, Suboxone® Tablet, Suboxone® Film, Temgesic and Buprenex. Indivior is currently engaged in validating an alternate source of buprenorphine HCl supply for Suboxone® Film. The naloxone HCl active pharmaceutical ingredient is procured mainly from two suppliers for both Suboxone® Tablet and Suboxone® Film. Buprenorphine HCl and products containing buprenorphine HCl are classified as controlled narcotics and require permits for import and export. An annual importation assessment value for buprenorphine HCl and products containing buprenorphine HCl is set by each importing country through the International Narcotics Control Board (INCB). While this process has not impacted product supply to Indivior's patients in the past, it presents a manufacturing and product supply risk that must be monitored closely.

Tablet and injection products

Indivior has entered into a seven-year supply agreement with RBH, whereby RBH will assume 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 Indivior's written consent. The agreement terminates upon expiry of the last MSRX patent. Both buprenorphine HCl and the 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 Indivior 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. All finished Suboxone® Film product from Sharp is shipped to Indivior'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.

Employees

As of December 31, 2014, Indivior employed 728 people worldwide. Of these, 442 were located in North America and 286 were located in the rest of the world. Of Indivior's 728 employees, approximately 389 were employed in commercial sales and marketing positions; 126 were employed full time in research and development, clinical and regulatory positions; 106 were employed in general management and other support positions; 77 were employed in medical affairs positions; and 30 were employed in supply and quality assurance positions. The senior managers identified below for the purposes of s414(C)(8) of the Companies Act 2006 are members of the Executive Committee and the Directors of the Company's subsidiaries.

	Number of women	Number of men
Board of Directors	2	9
Senior Managers	8	13
Total Employees	403	325

Our performance in 2014

Operating review

United States. Net revenue declined 10% to $855m (2013: $950m) reflecting some loss of market share and lower net pricing in an increasingly competitive environment.

The market for buprenorphine has continued to grow strongly in 2014 with volume growth, on a milligram equivalent basis, of approximately 13%, driven by growing numbers of qualified physicians and the Medicaid expansion which has led to increased treatment access for patients. Suboxone® Film continued to show resilience in customer loyalty in the face of competition from generic buprenorphine/naloxone tablets and the launch of branded tablet competition. Suboxone® Film exited 2014 with a 58% share of the buprenorphine market in the US, compared to a 67% share at year-end 2013. Generic buprenorphine/naloxone tablets have increased market share only modestly, while a branded tablet competitor has made limited impact. In an environment where formulary access can be denied (if we cannot agree on reasonable terms), Suboxone® Film has maintained a very solid market share.

Towards the end of 2014, two additional generic tablet competitors were approved making four in total, and both newcomers have launched. A further branded competitor, a buccal film, also was approved and launched towards the end of the year. So far discounting appears not to have increased significantly but is likely to reach the commodity price floor of maximum discount levels relatively quickly in the year ahead. This is expected to put significant pressure on Suboxone® Film's market share in its most price-sensitive sectors of the market, the cash payors and managed Medicaid, which combined represent approximately 25% to 30% of the US business. The value of Suboxone® Film to patients, physicians and payors is expected to ensure resilience in other market segments and enable Indivior to continue to pursue premium pricing, while providing market-level rebates.

Ex-US markets. Net revenue declined 2% to $260m (2013: $266m).

In Europe, net revenue was lower due to government austerity-mandating pricing reductions and forced switching to generics. Pricing was particularly influenced by generic price referencing in Germany. Volume was affected by switching to generics in the UK and Italy.

Suboxone® Tablets grew total volume in Europe, with particular progress across Western Europe, Spain and Greece, offset by austerity-driven switching to generic buprenorphine in Italy. This growth was further offset by a decline in Subutex® Tablets due to switching to generics in UK and Germany and by continuing long-term decline in Temgesic. Australia delivered strong growth in net revenue, continuing its successful switch to Suboxone® Film.

Profitability. Gross margin remained consistent at 91%. The slight dilution from the switch to Suboxone® Film seen in 2012 and 2013 has now worked through the system.

Operating margins were 53% (2013: 57%) on an adjusted basis (before exceptions) and 50% (2013: 57%) as reported. The reduction in margins arose from lower net revenues and higher operating costs plus exceptional costs arising from the demerger on a reported basis. Operating costs increased due to a significant increase in R&D expenses as the Company accelerated development of its pipeline.

Operating profit, on an adjusted basis, was 16% lower at $586m (2013: $695m) due to lower net revenue and higher R&D costs. On a reported basis, operating profit was $562m (2013: $695m).

Exceptional costs of $24m were incurred during the year relating to one-off costs arising from the demerger of Indivior from RB.

Net interest of $1m arose from interest payable on the Company's borrowings of $750m between the taking on of its borrowing facility on December 19, 2014 and the close of the financial year on December 31, 2014.

Pre-tax profit, on an adjusted basis, was $585m (2013: $695m) for the year; on a reported basis, pre-tax profit was $561m (2013: $695m).

Effective tax rate was 28.2%. The 2014 rate is slightly lower than 2013, due to a corporate tax rate decrease in the UK from 23% in 2013 to 21% in 2014 and the different mix of taxable profits in overseas jurisdictions.

Net income on an adjusted basis was $420m (2013: $489m). On a reported basis net income was $403m.

Earnings per share (EPS) adjusted was 58 cents (2013: 68 cents). On a reported basis, earnings per share for full year 2014 was 56 cents (2013: 68 cents).

Key Performance Indicators

The key measures of Indivior's performance are set out in the table below.

Measure	Explanation	2014 Data
Net revenue	Measures sales of the Company	$1,115m -8%
Market share in US buprenorphine market	Market share in the Company's key market on an exit basis at year-end	58% -9%
Operating margin	Measures profitability of the Company	50% -7%
EPS	Measures profitability attributable to each share	56 cents -18%
Number of pipeline products projects	Measures number of future potential product launches Phase 3: investigational products	6 3
R&D investment	Measures the Company's investment in key future pipeline development	$115m +51%

Cash flow

Cash flow generated from operating activities was $523m (2013: $894m). The reduction arose from lower operating profits (a reduction of $133m) and changes in net working capital at the year-end, principally driven by lower levels of trade payables ($113m net change) and trade receivables ($107m net change).

Tax paid in the year was $59m, representing taxes paid in the US. The remainder of the taxes paid in respect of the taxable profits of Indivior was borne by RB as part of its global tax payments. Interest paid of $24m principally consisted of the debt issue costs.

Indivior acquired two intangible assets during the year at a cash cost of $26m, one being the acquisition of a license for intranasal naloxone technology from AntiOp Inc., and the other an acquisition of a license from XenoPort Inc. for Arbaclofen Placarbil for alcohol use disorders.

Indivior took out a borrowing facility of $750m in December 2014 in connection with the demerger from RB. The net proceeds of this were $727m. Indivior paid a pre-demerger dividend of $500m to RB as part of the demerger arrangements; in addition, Indivior remitted $349m of cash to its then parent company, RB, in accordance with historical practice during the course of financial year 2014. Total net transfers to RB during the year, therefore, were $849m (2013: $806m).

Indivior had cash and cash equivalents of $7m at the beginning of 2014. Remaining proceeds of the borrowing facility, $227m, and cash generated by the business, $97m, resulted in net cash and cash equivalents at the year-end of $331m.

Balance sheet

At December 31, the non-current assets of the Group were $182m (2013: $198m) principally consisting of intangible assets (acquired or licensed technologies and compounds) and deferred tax assets.

Net current assets were $565m (2013: $228m). These consisted of inventories and trade receivables of $234m (2013: $221m), and cash and cash equivalents of $331m arising from the remaining portion of the new borrowing facility of $227m, and cash generated by the businesses.

Current liabilities included $17m (2013: Nil) of short-term borrowings; and trade payables and accruals of $383m (2013: $434m), the reduction in accruals and receivables reflecting lower levels of sales compared to the previous year. Current tax liabilities on the balance sheet increased to $62m (2013: $17m) as Indivior now takes responsibility for all future tax payments for the Group.

Net working capital (excluding cash and cash equivalents, tax liabilities and short-term borrowings) was [$149m] [2013: $213m]), representing a ratio of minus 13.4% of net revenues (minus 17.5% in 2013). This reflects the Company's continuing success in its on-going program to manage net working capital.

Borrowings at December 31 were $736m, of which $17m is included in current liabilities, and $719m in non-current liabilities.

At December 31, the Group had a $750m debt facility fully underwritten and funded by Morgan Stanley and Deutsche Bank. Syndication of this debt was finalized on March 16, 2015. The maturity date of the term loan was reduced from seven to five years, and the interest margin increased from 4.5% to 6% over a minimum LIBOR rate of 1%. Further details on the new terms of the loan are set out in Note 25 to the Financial Statements on page 92.

Total assets employed were therefore $747m, consisting of non-current assets of $182m and current assets, including cash, of $565m. Total liabilities were $1,222m, consisting of $462m of current liabilities and $760m of non-current liabilities, including borrowings.

The net liabilities of the business were therefore $475m.

Principal investments

In 2014, Indivior made the following initial licensing payments in line with its strategy to populate its pipeline with new, innovative treatments for addiction and related morbidities:

- $22m upfront payment and $3m for existing inventory, in relation to the exclusive worldwide licensing agreement with XenoPort, Inc. for the development and commercialization of Arbaclofen Placarbil, a product candidate for the treatment of alcohol use disorder;
- $4m upfront payment in relation to the agreement with AntiOp Inc. to co-develop a naloxone nasal spray to aid in the reversal of opioid overdose.

Each licensing arrangement has further gated payments based on research and development and commercial success criteria in keeping with industry practice.

Our sustainability strategy

Since Indivior was only demerged from its former parent company, RB, on December 23, 2014, it has not yet developed its own independent sustainability strategy. For 2014, it was captured by the sustainability strategy and reporting of RB including the reporting of data on environmental, health and safety, social and community impacts.

ESG matters

There are a range of sustainability and associated reputational risks affecting the Group, which are outlined below:

- **Climate change** – The effects of climate change could disrupt the Group's supply chain by affecting the Group's ability to source raw materials, manufacture products and distribute products.
- **Water scarcity** – Water is vital for the making of raw and packaging materials and manufacturing of our products. While water is plentiful in some regions, it is increasingly scarce in others. Similar to the effects of climate change, which are interconnected with water availability, water scarcity could affect the Group's ability to source materials, make and deliver relevant products for our consumers.
- **Restricted substances** – As ingredients regulations, safety and sustainability requirements evolve it is vital that product ingredients are monitored to ensure continued compliance.
- **Supply chain responsibility and human rights** – Most product, component and raw material supply chains present a number of potential reputational risks relating to: labor standards; health, safety and environmental standards; raw material sourcing; and the social, ethical and environmental performance of third-party manufacturers and other suppliers. (NB: Indivior's third-party manufacturers were included in RB's responsible sourcing program in 2014. RB's responsible sourcing program includes requirement for suppliers to comply with minimum labor, health, safety and environmental standards and a risk-based compliance monitoring program consisting of compliance self-assessment, audit and corrective action.)
- **Health and Safety** – Accidents caused through a failure of the Group's safety management systems could potentially lead to loss of life for one or more of the Group's employees. In 2014, facilities within the Group's operational control were included within RB's Health and Safety program.
- **Access to medicines** – Ensuring equitable access to medicines is an important topic for the pharmaceuticals industry.

Following establishment of the Group on December 23, 2014, we are reviewing policies, programs and governance structures to ensure these risks are effectively managed.

Human Rights

Whilst Indivior does not have a specific human rights policy at present, it does have policies that adhere to internationally proclaimed human rights principles some of which are summarized below. Indivior will give careful consideration as to whether a specific human rights policy is needed in the future over and above our existing policies.

Equality

Indivior is an equal opportunities employer and actively seeks to protect the right of all individuals to be free from discrimination or harassment. To support this, fair, objective and innovative employment practices are used to ensure that all employees are protected from discrimination and harassment and have an equal chance to contribute and to achieve their potential. Indivior is committed to the equal treatment of all patients. The Company's Vision is that all patients around the world will have unrestricted access to quality treatment services for the chronic relapsing conditions and co-morbidities of addiction.

Freedom of association

Indivior recognizes the right of all employees to freedom of association and collective bargaining. The Company seeks to promote a spirit of co-operation between all employees, the management team, recognized trade unions and representative bodies in order to promote the success of the business. Unions or works councils represent certain Indivior employees. The Board believes that Indivior has a good relationship with employees and with the unions and works councils that represent certain employees.

Trade union membership and representation is entirely voluntary and, in recognition of this, Indivior ensures that no employee is at a disadvantage by not being a trade union member. Indivior ensures this by providing other avenues for employee representation through the relevant consultative or collective bargaining bodies.

Bribery and corruption

Indivior has a group-wide Anti-Bribery Policy that sets out the responsibility each individual has to comply with anti-bribery or anti-corruption laws around the world and to ensure that any third parties that we engage to act on our behalf, do the same. Training is an important part of the implementation of the Group's Anti-Bribery Policy and procedures. Online training is provided to all employees with computer access and more detailed face-to-face training is provided to certain groups of employees.

Risk factors

The Group has adopted a risk management strategy designed to identify, assess and manage the significant risks that it faces. 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, financial position, and results of operations 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 our business, results of operations and financial position. The principal risk factors and uncertainties are not listed in order of significance.

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 our systems or the systems of third parties on whom we rely, due to any number of causes, particularly if prolonged, could result in a loss of key data and/or affect our operations. Our computer 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 Priority
• Dependence on single product line. • Approval and launch of generic or branded products that compete with our products. • 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. • Inability of the organization to operate independently post separation from previous owners.	• 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. • 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. • Established a separation steering committee to monitor separation activities and transitional services agreement.	• Hinder patient access to treatment. • Loss of market share. • Loss of revenue and profits. • Damage to reputation. • Exposure to litigation.	• Build resilience of our franchise. • Expand global treatment. • Business Development.

Product safety, regulation and litigation

As an innovative pharmaceutical company, we seek to obtain appropriate intellectual property protection for our products. Our ability to obtain and enforce patents and other proprietary rights particularly for our products, drug formulation and delivery technologies and associated manufacturing processes is critical to our business strategy and success.

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 we market our products.

The testing, manufacturing, marketing, and sales 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 Priority
• Failure to obtain, maintain, and protect patents and other proprietary rights. • Events such as product liability claims, patient adverse drug experiences, enforcement 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. • Quality, safety and compliance are embedded in the Group's culture. The Group has instituted policies, systems, and training programs to ensure adherence to regulations governing product quality, patient safety and business standards. • Regulatory Excellence program in place to ensure product compliance with dossier requirements.	• Loss of revenue and profits. • Significant legal costs. • Damage to reputation. • Adverse impact on Group's ability to raise funds necessary to continue its operations.	• Build resilience of our franchise.

New product development

The regulatory approval process for new 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 Priority
• 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, deliverables and obligations are clearly defined before contracts are finalized. • Ongoing monitoring of the third party's 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.

Government 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 Priority
• Reduced reimbursement levels and increasing pricing pressures. • Price reductions as a result of government austerity measures 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.

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 Priority
• Non-compliance with anti-corruption, healthcare, data privacy, or local laws could result in 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. • Government investigations of the Group's activities alleged to be improper.	• The Group has established a compliance program applicable to all employees. • 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 co-operation 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 Priority
• Inability to identify, acquire, close or integrate acquisition targets successfully.	• Board of Directors reviews all significant transactions. • Internal and external resources in place to ensure rigorous due diligence and integration of acquisitions and/or new product initiatives.	• Adverse impact to long-term growth. • Loss of revenue and profits. • Damage to reputation.	• Business development. • Expand global treatment. • Develop our pipeline.

Research and Development

Christian Heidbreder
Chief Scientific Officer

"Progress in science and technology is constantly opening new vistas of understanding, new approaches to addiction treatment and new methodologies to support measurement of clinical response.

Collectively they offer the promise of novel pharmacotherapeutic options that are based on a far greater understanding of pathophysiology through a variety of molecular approaches aided by advances in pharmaceutical science and targeted toward patients whose conditions are understood at a mechanistic level through objectively assessed biological effects. In order to hold this promise, Indivior's R&D Team actively tracks over 75 compounds around the world that have given some promising signals for addiction treatment.

When we think the time is right, we seek to bring only the most promising projects in house and develop them ourselves through to approval and launch. That way we best leverage our industry-leading understanding of addiction and its co-morbidities at an acceptable investment level. Perfect examples of this approach are the licensing in the last year of our Nasal Naloxone project for the treatment of opioid overdose, or of Arbaclofen Placarbil for alcohol use disorders."

Indivior's Research and Development (R&D) function, headed by Christian Heidbreder, has 126 personnel, and comprises the following sub-functions:

- **Chemistry, Manufacturing and Controls**, including personnel based in Hull (UK) and in Fort Collins (CO, 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** 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 life cycle management;
- **Global Project Management** manages cross-functional teams to ensure all pipeline projects meet deadlines and deliver according to budget; and
- **Global Training** establishes a culture of learning that grows talent, develops leadership and promotes organizational health.

The mission of R&D is to discover and develop innovative medications that help transform patients' lives through world-class science and the pursuit of a culture of collaboration. The strategy, consistent with Indivior's focus on putting the patient first, is to focus on patients' unmet needs to drive drug development decision-making: aiming for stable drug delivery, decreased frequency of dosing, increased treatment adherence and retention, decreased diversion and misuse, better management of overdose and extension into treating co-morbidities of addiction.

Matrix teams are the vehicles that allow Indivior's R&D strategies to be translated into action and to provide integrated, strategic input across development stages, commercialization and product lifecycle to deliver differentiated products of value to patients.

During the later stages of development, Indivior engages contractors with relevant capabilities, because the formulation of the product must be finalized and the scalability of production proven. During these phases, therefore, the number of participants in, and consequently the expenses related to, the project increase significantly. The increase in Indivior's R&D expenses from $76m in 2013 to $115m in 2014 is attributable to a number of projects reaching Phase 2 and particularly Phase 3 stages of clinical development. Current clinical trials in progress for Indivior's pipeline include:

RB-CN-10-0013 Clinical efficacy, safety, and tolerability of Suboxone® Tablet in opioid-dependent Chinese subjects.

RB-CN-10-0015 Multiple dose steady-state pharmacokinetics study of Suboxone® Tablet in Chinese subjects who are in recovery from opioid dependence.

RB-US-14-0002 Bioequivalence of a new formulation of Suboxone® Film.

RB-US-13-0001 Clinical efficacy, safety and tolerability of RBP-6000 in treatment-seeking subjects with opioid use disorder.

RB-US-13-0003 Long-term safety and tolerability study of RBP-6000 in treatment-seeking subjects with opioid use disorder.

RB-US-13-0006 Pharmacokinetics, safety and tolerability of RBP-6000 using polymer of different molecular weights in treatment-seeking subjects with opioid use disorder.

RB-US-13-0007 Abuse liability study of buprenorphine hemiadipate.

RB-EU-14-0001 Bioavailability of buprenorphine hemiadipate in Abusolve® abuse deterrent formulation.

RB-US-09-0010 Clinical efficacy, safety and tolerability of RBP-7000 in subjects with acute schizophrenia.

RB-US-13-0005 Long-term safety and tolerability study of RBP-7000 in the treatment of subjects with schizophrenia.

RB-US-14-0001 Assessment of maximal tolerated dose of Arbaclofen Placarbil in subjects with alcohol use disorder.

Our prospects and targets for 2015

Indivior enters its first full year as an independent Company with confidence that its strategy and pipeline will deliver significant value to Shareholders over time. While the Company forecasts some compression in revenue and earnings in the next 12 to 24 months, with greater competitive pressure, Indivior believes that Suboxone® Film will prove very resilient due to the loyalty of patients, physicians and payors, and to its demonstrated pharmaco-economic benefit. Indivior remains the world-leading company that is committed to developing better access to treatment and better patient outcomes for those who suffer the chronic relapsing conditions of addiction.

Financial guidance

The prognosis for the market environment in 2015 outlined in the prospectus last November remains unchanged. In particular, the outlook for 2015 is very uncertain as to the timing, extent and impact of tablet price erosion. As a result, management's guidance, based on internal forecasts, is for net revenue in a range of $850m-$880m and net income in a range of $130m-$155m; however the outcome could be higher in a more positive environment or lower in a more adverse scenario. All guidance is based on the current indicative 'all in' cost on the Company's borrowings of 7% to 8%, excluding exceptional items and at constant currency. The Company will update the market as the year develops.

Cautionary note regarding forward-looking statements

This annual report contains forward-looking statements. We may, in some cases, use terms such as "predicts", "believes", "potential", "proposed", "continue", "estimates", "anticipates", "expects", "plans", "intends", "may", "could", "might", "will", "should" or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. Forward-looking statements include statements regarding our intentions, beliefs, projections, outlook, analyses or current expectations concerning, among other things, the future strategy and performance of the Group.

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 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 Group's products and product candidates; risks related to legal proceedings; the Group's ability to protect its patents and other intellectual property; the outcome of the Suboxone® Film patent litigation relating to the three ongoing Abbreviated New Drug Application (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.

Any forward-looking statements that we make in this annual report speak only as of the date of this annual report. We assume no obligation to update our forward-looking statements whether as a result of new information, future events or otherwise, after the date of this annual report.

By Order of the Board

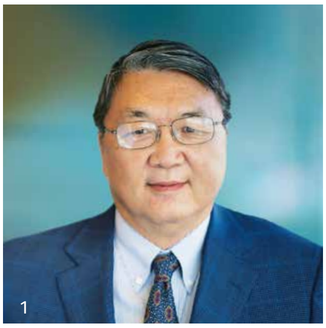
Lola Emetulu
Company Secretary
Indivior PLC
103-105 Bath Road
Slough Berkshire SL1 3UH

Company registration number: 9237894

March 27, 2015

The strength of experience, the power of passion

> 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 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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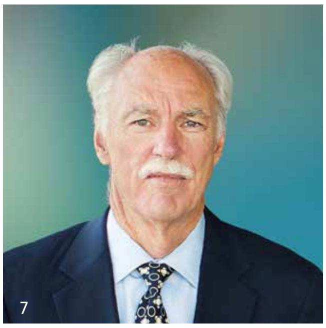
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1. Howard Pien
Chairman

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
- Warburg Pincus: Advisor to Life Sciences practice

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 25 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

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 and 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 and 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
- Hazelden Betty Ford Foundation: Board Member
- Serves on several editorial boards of scientific journals

Board Committees:
- Nomination and Governance Committee
- Science and 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
- Futures Academies: Director
- Pimlico Academy, Pimlico Primary and Millbank Academy: Governor

Board Committees:
- Remuneration Committee
- Nomination and 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 and Governance Committee

10. Christian Schade
Independent Non-Executive Director

Skills and experience:
- Over 20 years of pharmaceuticals and financial industry experience
- 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:
- Novira Therapeutics, Inc.: CEO
- Integra LifeSciences Holdings Corporation: Director
- Princeton Academy School of the Sacred Heart: Trustee

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

11. Daniel Tassé
Independent Non-Executive Director

Skills and experience:
- Over 20 years of pharmaceuticals and financial industry experience
- Ikaria: CEO since 2008
- 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:
- Ikaria Holdings Inc.: Chairman, CEO and President
- Bellerophon Therapeutics (Nasdaq BLPH): Director
- Healthcare Leadership Council: Member
- BIO: Director
- PhRMA: Director

Board Committees:
- Remuneration Committee
- Audit Committee

Leadership is the capacity to translate vision into reality

> 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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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 (specialty, Anesthesia): MD
- 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: Associate Director Female Beauty Strategy and Business Planning Finance
- US Coast Guard: Officer

6. Jon Fogle
Chief Human Resources Officer

Industry experience:
8 years

Professional qualifications:
Certified Global 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:
10+ 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

Directors' Report

The Directors present their Annual Report and audited Financial Statements for the period ended December 31, 2014 for Indivior PLC and its subsidiaries (the "Group") as required by section 415 of the Companies Act 2006.

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.

On December 11, 2014, the Shareholders of Reckitt Benckiser Group plc (RB) approved a resolution to effect a demerger of its pharmaceuticals business. The demerger was effective on Tuesday, December 23, 2014 and Indivior was included in the Official List of the United Kingdom Listing Authority (UKLA) and its shares were admitted to trading on the London Stock Exchange on the same day.

Directors

The Directors (appointed on November 4, 2014 unless otherwise stated) who held office during the reporting period and serving at the date of this report are:

- Rupert Bondy
- Cary J. Claiborne (appointed November 10, 2014)
- Patrick Clements (appointed September 26, 2014 and resigned November 4, 2014)
- Dr Yvonne Greenstreet
- Adrian Hennah
- Dr A. Thomas McLellan
- William Mordan (appointed September 26, 2014 and resigned November 4, 2014)
- Lorna Parker
- Daniel J. Phelan
- Howard Pien
- Christian Schade
- Daniel Tassé
- Shaun Thaxter

A summary of the current Directors' biographical details is set out on page 33. Fuller details are available at www.indivior.com/about/the-board.

All of the Directors will seek election at the Company's first Annual General Meeting (AGM) on May 13, 2015, in accordance with the Company's Articles of Association (Articles), which requires newly appointed directors to stand for election at the next AGM.

Directors' interests in shares

The beneficial interests of the Directors in the ordinary issued share capital of the Company are set out in the table at the end of this report. Details of Directors' remuneration and service agreements and the Executive Directors' options to subscribe for shares in the Company are included on pages 48 to 61 of the Directors' Remuneration Report.

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 provisions of its Articles, the Company has executed a deed poll of indemnity for the benefit of its Directors and officers which is effective at any time on or after November 5, 2014. The indemnity is granted by the Company to all officers of the Company and its subsidiaries on their appointment and covers, to the extent permitted by law, any third-party liabilities which they may incur as a result of their service to any Group company. The Company has arranged Directors' and Officers' liability insurance to cover certain liabilities and defense costs which the Company's indemnity does not meet. Neither the indemnity nor the insurance provides any protection in the event of a Director or officer being found to have acted fraudulently or dishonestly in respect of the Company.

Shares

Share capital

As at December 31, 2014, the Company's issued share capital consisted of 718,577,618 ordinary shares of US$2.00. On January 21, 2015, the High Court of Justice made an Order confirming the reduction of the Company's share capital which was referred to in the prospectus published by the Company on November 17, 2014. Following registration of the Order of the High Court with Companies House, the capital reduction became effective on January 21, 2015. The nominal value of each ordinary share in the Company accordingly reduced from $2.00 to $0.10. Details of changes to the ordinary shares issued and of options and awards granted during the period are set out in Note 22 to the financial statements.

The rights and obligations attaching to the Company's ordinary shares are set out in the Articles. 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 the approval of 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.

Allotment of shares

At the Company's first AGM on May 13, 2015, Shareholders will be asked to grant an authority to make such allotments up to a nominal amount representing approximately one-third of the Company's issued share capital as at the latest practicable date prior to the publication of the Notice of AGM. In line with guidance issued by the Investment Association, Shareholders will also be asked to grant an authority to allot shares in connection with a rights issue in favor of Shareholders up to an aggregate nominal amount representing approximately two-thirds of the issued ordinary share capital of the Company as at the latest practicable date prior to publication of the Notice of AGM. The authorities sought would, if granted, expire at the earlier of July 31, 2016 or at the conclusion of the AGM of the Company held in 2016.

A special resolution will also be proposed to grant the Directors power to make non-pre-emptive issues for cash up to a nominal amount representing less than 10% of the Company's issued share capital as at the latest practicable date prior to the publication of the Notice of AGM.

Authority to purchase own shares

Shareholders will be asked to approve a resolution for the Company to make purchases of its own shares at this year's AGM in May 2015. This is to ensure that the Directors retain the flexibility to start a buy-back program should they so decide at a later date. This authority will be limited to a maximum of 71,857,761 ordinary shares and set the minimum and maximum prices which may be paid. The Company's present intention is to hold any shares acquired under such authority in Treasury to satisfy outstanding awards under employee share incentive plans.

Substantial shareholdings

As at March 20, 2015, the following voting interests in the ordinary share capital of the Company disclosable under the FCA's Disclosure and Transparency Rules have been notified to the Company:

Shareholding entity	Number of ordinary shares held	Percentage of issued share capital held
JAB Holdings B.V.	76,659,342	10.67%
Janus Capital Management LLP	59,027,378	8.21%
Harbor International Fund	48,650,545	6.77%

Takeover Directive

The Company is required to disclose certain additional information required by s.992 of the Companies Act 2006, which implemented the EU Takeover Directive. The following sets out disclosures not covered elsewhere in this annual report.

The Articles contain specific provisions and restrictions regarding the Company's power to borrow money. Powers relating to the alteration of share capital are also included in the Articles and Shareholders are asked to renew such authorities each year at the AGM. A copy of the Articles is available from the corporate website www.indivior.com or on written request from the Company Secretary or from the UK Registrar of Companies.

Unless expressly specified to the contrary in the Articles, the Company's Articles may be amended by a special resolution of the Company's Shareholders.

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 Company's employee share incentive schemes contain provisions whereby, upon a change of control of the Company, outstanding options and awards would vest and become exercisable, subject (in the case of certain schemes only) to the satisfaction of performance conditions at that time and at any time pro-rating of options and awards.

Political donations

Under s.366 and s.367 of the Companies Act 2006, the Company is required to disclose political donations made to a political party, political organization, an independent election candidate or any other manner of political expenditure. In accordance with the Company's requirements under the Code, the Company has published a Schedule of Matters Reserved for the Board which states that no political donations will be made directly by the Company or its UK subsidiary companies.

It is worth noting, however, that the Company's US subsidiaries do make 'political donations' as defined under UK law but are not subject to that law. Donations by its US subsidiaries will not exceed US$500,000.

Auditor

As recommended by the Audit Committee, and having indicated their willingness to act, the appointment of PricewaterhouseCoopers LLP as Auditor of the Company will be proposed by ordinary resolution at the first AGM on May 13, 2015.

GHG emissions reporting

Under the Companies Act 2006 (Strategic and Directors' Report) Regulations 2013, quoted companies are required to report their annual carbon emissions. For the period January 1, 2014 to December 31, 2014 the Group's emissions in tonnes of carbon dioxide equivalents (tCO_2e) from:

- Combustion of fuel and operation of facilities (Scope 1) were 87 tCO_2e*.
- Electricity, heat, steam and cooling purchased for own use (Scope 2) were 275 tCO_2e*.
- Total Scope 1 and Scope 2 emissions were 362 tCO_2e*.

The Group's intensity measurement for the same period was 12.08 tCO_2e* per employee.

*data externally assured as part of RB's environmental data assurance process.

Methodology for calculating the annual carbon emissions

CO_2e emissions were calculated using internationally recognized methodologies from the WRI/WBCSD Greenhouse Gas Protocol and International Energy Authority (IEA). The scope of the Group's reporting includes GHG emissions from facilities covered by the consolidated financial statements for which we have operational control. The data above are for our Fort Collins facility in the US and exclude emissions from all other facilities. The data from other facilities have not been included as it was not practical to obtain these figures. Data collection systems are in the process of being established following the creation of the Group on December 23, 2014. We will endeavor to include these data in our next report.

Corporate Governance Statement

The Company's Corporate Governance Report is set out on pages 41 to 46.

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 on pages 41 to 46, which together with the Statement of Directors' Responsibilities are incorporated by reference into this Report of the Directors.

Annual General Meeting

The Company's first AGM will be held on Wednesday, May 13, 2015 at 3.00 p.m at the London Marriott Hotel Grosvenor Square, Grosvenor Square, London. The notice convening this first Shareholders' meeting is contained in a separate circular for Shareholders.

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, 2014 which are incorporated into the Directors' Report by reference:

	Pages
Future developments in the business	15
Research and development activities	15
Dividend	1
Employment policy and employee involvement	26
Financial risk management and financial instruments	87
Corporate governance report including internal control and risk management statements	41
Post balance sheet events	92
Directors' responsibility statements including disclosure of information to the Auditors	47

For the purposes of LR 9.8.4C R, the information required to be disclosed by LR 9.8.4 R can be found in the following locations:

Section	Topic	Location
1	Interest capitalized	N/A
2	Publication of unaudited financial information	N/A
4	Details of long-term incentive schemes	N/A
5	Waiver of emoluments by a director	N/A
6	Waiver of future emoluments by a director	N/A
7	Non pre-emptive issues of equity for cash	N/A
8	Item (7) in relation to major subsidiary undertakings	N/A
9	Parent participation in a placing by a listed subsidiary	N/A
10	Contracts of significance	N/A
11	Provision of services by a controlling shareholder	N/A
12	Shareholder waivers of dividends	N/A
13	Shareholder waivers of future dividends	N/A
14	Agreements with controlling Shareholders	N/A

All the information cross-referenced above is hereby incorporated by reference into this Directors' Report.

References in this document to other documents on the Company's website, such as the Prospectus issued in November 2014, are included as an aid to their location and are not incorporated by reference into any section of the annual report.

By Order of the Board

Lola Emetulu
Company Secretary
Indivior PLC
103-105 Bath Road
Slough Berkshire SL1 3UH

Company registration number: 9237894

March 27, 2015

Chairman's Statement on Corporate Governance

Dear Shareholder, I am delighted to write this first letter on our corporate governance practices to you, our Shareholders, following the successful demerger of Indivior PLC from Reckitt Benckiser Group plc (RB) and the admission to the premium listing segment of the Official Listing of the UKLA and the commencement of trading of Indivior ordinary shares on the main market segment of the London Stock Exchange.

Demerger from RB

Indivior is a global specialty pharmaceutical business that has been developed and managed as a separate division within RB. Since 2007, RB had operated Indivior as a non-core business because the distinct nature of the pharmaceuticals business meant it has significantly different characteristics compared to a fast moving consumer goods business which forms the core of RB's operations.

RB announced a strategic review of Indivior in October 2013, noting that the pharmaceuticals business was at an important state of its evolution with good long-term prospects. On July 28, 2014, RB announced that Indivior would be demerged from RB and listed as a separate business as this was in the best interest of, and would result in a stronger future for, both RB and Indivior. RB Shareholders approved the demerger resolution on December 11, 2014 which meant each RB Shareholder received one Indivior ordinary share for each RB ordinary share held at the Demerger Record Time. The demerger was effective on Tuesday, December 23, 2014 and trading in Indivior ordinary shares commenced on the same day.

Corporate governance

As a premium listed company, the UK Corporate Governance Code (the Code) issued by the Financial Reporting Council (FRC) in September 2012 was applicable to the Company from the effective date of listing (December 23, 2014) to December 31, 2014.

One of my objectives, following my appointment in February 2014 as Chairman of the RB Pharmaceuticals business, subject to the result of the strategic review, was to guide the creation of a robust and transparent governance framework which was vital to the sustainable success of RB Pharmaceuticals as a separate entity. Whilst confident that Indivior's management team, with over 60 years' cumulative experience in leading the business, was well placed to pursue avenues for growth and to create value by building on Indivior's strong market position in the treatment of opioid dependence and developing and commercializing further products in the area of addiction and its co-morbidities, I understood that a new Board of Directors (Board) would have a critical role in overseeing the transformation of the business from a business unit of RB to a separate organization with its own corporate structures and requirements to comply with legal, regulatory and governance obligations applicable to premium-listed companies.

Composition of the Board of Directors

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 members of your Board are individuals with skill sets that complement one another and together, as a unitary Board, bring an appropriate balance of innovation, experience, independence and challenge 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 in the addiction space, are catalysts to help millions around the world reclaim their lives.

Effectiveness

As a Board of Directors, we recognize, and are prepared for, the specific challenges resulting from the creation of the corporate structures necessary to operate a premium-listed standalone entity, the additional regulatory and legislative obligations applicable to a UK-listed company and to ensuring that our US-based management team can effectively manage these additional responsibilities in a way that is not detrimental to the operation and development of the core business. The Board believes that Indivior's culture is a powerful driver of success and that it displays many of the strengths associated with RB's culture, such as entrepreneurship, team spirit and commitment, each executed with a high level of energy within a business mindset of strong financial discipline.

Culture, behavioral standards and risk management

Indivior's purpose is to pioneer life-transforming treatments for patients suffering from addiction and its co-morbidities. Since 2003, management has used a set of 'Guiding Principles' which the Board believes has influenced decision-making and the successful operation of the business. The elements of these Guiding Principles are: (a) focus on patient needs to drive decisions; (b) believe that people's actions are well intended; (c) seek the wisdom of the team; (d) see it, own it, make it happen; (e) care enough to coach; and (f) demonstrate honesty and integrity at all times.

The emphasis management places on adhering to high behavioral standards and doing the right thing led to the establishment of the Risk Governance Committee (RGC), chaired by the CEO. The membership of the RGC comprises the Executive Committee, the Company Secretary and clinical and medical directors for key areas of the business. The RGC's remit covers patient safety, corporate governance, business risks and improvement actions; and its purpose is to: ensure visibility, monitoring and management of risk within the business; ensure alignment among all Executive Committee members; and provide a quarterly transparent report to the Board.

Explanation of non-compliance with the Code

Under the Code, the Audit Committee should comprise a minimum of three independent Non-Executive Directors. Indivior has appointed three independent Non-Executive Directors to its Audit Committee. It has also appointed Adrian Hennah as a fourth member of its Audit Committee notwithstanding the determination that Adrian is not independent under the Code due to his role as Chief Financial Officer of RB. The Board carefully considered Adrian's membership and determined that the Audit Committee would benefit from Adrian's recent and relevant financial experience and his historic insight of the Group's business.

Statement of compliance

Details of the Company's corporate governance arrangements together with the regulatory assurances required under the Code are set out in pages 41 to 46 and, except as explained for Adrian Hennah and in the following paragraph, the Company complied with the Code throughout the period from listing until December 31, 2014.

As the Company was only demerged and listed one week prior to the year-end, full reports of the Audit and the Nomination and Governance Committees are not included in this annual report. Both Committees have been established and will meet as normal during 2015 with the full reports of their activities included in next year's annual report. The Nomination and Governance Committee has met twice and the Audit Committee has met four times since the year-end. These meetings relate in particular to the activities and processes leading to the production and approval of this annual report and financial statements and to ensure that the Audit Committee can provide the necessary comfort for the Board's conclusion that the annual report is fair, balanced and understandable.

On behalf of the Board and with the capable leadership of the management team, I can assure you that your Directors are committed to establishing and maintaining the highest standards of corporate governance in all aspects of our operations wherever they may be. Good governance is an important element in Indivior's ability to capitalize on the opportunities arising from the successful implementation of our strategic priorities.

Howard Pien
Chairman

March 27, 2015

Diversity and Indivior's Board

Composition

Executive Directors	2
Independent Non-Executive Directors	8
Non-Executive Directors	1
Female	2
Male	9

Experience

Biopharmaceuticals	10
Scientific	3
Finance	4
Industry	9
Global	7
US	9
UK	7

Corporate Governance Report

Leadership

The Board of Directors of Indivior PLC exists to support the Group's purpose of pioneering life-transforming treatments for patients suffering from addiction and its co-morbidities and to promote the long-term success of the Company and deliver sustainable value to our Shareholders. 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 operating plans presented by management for the achievement of strategic objectives.

Directors

The authority of the Directors is exercised in Board meetings where the Board acts collectively as a unitary Board. The Directors who served during the year were William Mordan, Patrick Clements (both appointed on September 26, 2014 and retired on November 4, 2014), Howard Pien, Shaun Thaxter, Rupert Bondy, Yvonne Greenstreet, Adrian Hennah, A. Thomas McLellan, Lorna Parker, Daniel J. Phelan, Christian Schade and Daniel Tassé (all appointed on November 4, 2014). Cary J. Claiborne, Chief Financial Officer, was appointed a Director with effect from November 10, 2014.

At the time of the publication of this Annual Report, the Board comprised the Chairman, two Executive Directors and eight Non-Executive Directors.

Executive Directors

The Chief Executive Officer and the Chief Financial Officer are Indivior employees. Each Executive Director is employed on a rolling contract which requires 12 months' notice to be given by either party.

Non-Executive Directors

Non-Executive Directors are not Indivior employees and do not participate in the daily management of Indivior – they 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 wide range of experience from business, academia, scientific, private equity and pharmaceutical sectors.

The Board has reviewed the status of its Non-Executive Directors and, with the exception of Adrian Hennah who is the Chief Financial Officer of Reckitt Benckiser Group plc, it considers all its Non-Executive Directors to be independent as defined by the Code.

Non-Executive Directors' terms of appointment

On appointment, all Non-Executive Directors confirm in writing that they are able to allocate sufficient time to meet the expectations of the role. Non-Executive Directors are appointed for an initial term of three years and, subject to re-election by Shareholders at the Company's AGM, it is expected that the appointment will usually last for more than one term. Letters setting out the terms of appointment of each Non-Executive Director are available for inspection at 103-105 Bath Road, Slough, Berkshire SL1 3UH and will be made available for 15 minutes before, and during the Company's AGM.

Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer are separate and a clear division of responsibilities has been approved by the Board to distinguish between the running of the Board and the executive responsibility for running Indivior's business. Description of the roles and responsibilities of the Chairman and the Chief Executive Officer are available at www.indivior.com/about/the-board. Their key responsibilities are set out below:

Chairman
Howard Pien

- Leads the Board, sets the Board's agenda and ensures its effectiveness
- Ensures constructive relations between the Executive and Non-Executive Directors and an appropriate delegation from the Board to executive management
- Meets with the Non-Executive Directors without the Executive Directors present
- Maintains corporate reputation and character
- Undertakes performance management of the Chief Executive Officer

Chief Executive Officer
Shaun Thaxter

- Develops and delivers performance against plans
- Develops Group strategy, in agreement with the Chairman, for recommendation to the Board
- Leads Indivior's interactions on matters of policy and reform with regards to the biopharmaceuticals industry
- Develops relationships with major investors, regulators and governments
- Drives performance within the strategic goals and objectives agreed by the Board

Senior Independent Director

Rupert Bondy is the Senior Independent Director. He chairs the Nomination and Governance Committee and is a member of the Remuneration Committee. His key responsibilities are set out below.

Senior Independent Director
Rupert Bondy

- Supports the Chairman in his role
- Acts as an intermediary for other Non-Executive Directors
- Leads the Non-Executive Directors in the evaluation of the Chairman's performance
- Ensures there is a clear division of responsibility between the Chairman and the CEO
- Available to other Directors and Shareholders with concerns which cannot be addressed through the normal channels

Company Secretary

The Company Secretary is responsible for ensuring that the Board operates in accordance with the governance framework it has adopted and all Directors have access to the advice and services of the Company Secretary. Her key responsibilities are set out below.

Company Secretary
Lola Emetulu

- Supports the Chairman and the Board in the execution of their duties
- Advises on Board matters, corporate governance, LSE requirements and best practice
- Advises the Chairman, CEO and senior management on significant governance and regulatory issues and ensures Indivior's legal position is optimized/ protected/ maintained, as appropriate
- Acts as a member of Indivior's senior management team, with a focus on governance and compliance; maintains registers and communications to ensure up-to-date compliance

The appointment and resignation of the Company Secretary is a matter for consideration by the Board as a whole.

The appointment, election and re-election of Directors

As Indivior is a recently incorporated and listed company, all Indivior Directors will retire at the first AGM of the Company in May 2015 and, being eligible, will submit themselves for re-election in accordance with the Articles of Association of the Company.

The Board may at any time appoint any person who is willing to act as a Director and any Director so appointed will retire at the AGM following his or her appointment and will be eligible for election but would not be taken into account in determining the number of Directors who are to retire by rotation at such meeting in accordance with the Company's Articles of Association. 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 his period of office.

On the recommendation of the Nomination and Governance Committee and in compliance with the Code, the Board has agreed that all Directors would be subject to annual re-election by Shareholders at future AGMs.

A summary of the biographies of the Board is set out on page 33 and further details of these biographies can be found at www.indivior.com/about/the-board.

Effectiveness

The role of the Board

The Board is responsible for the overall conduct of the Group's business and has the powers, authorities and duties vested in it to conduct its business in accordance with the relevant laws of England and Wales and the Company's Articles of Association. The Board is:

- responsible for setting the Group strategy and for managing the direction and performance of Indivior's business
- accountable to Shareholders for the proper conduct of the business
- responsible for the long-term success of the Company, having regard to the interests of all stakeholders
- responsible for ensuring the effectiveness of, and reporting on, the Group's internal control and corporate governance system.

The Board is able to delegate and confer on an Executive Director any of its powers, authorities and discretions (including the power to sub-delegate) for such time and on such terms as it thinks fit. The Board delegates the day-to-day management of the business to the CEO but has reserved certain key decisions to itself for the approval of the Board. The Schedule of the Reserved Matters for the Board's decision includes:

- Group strategy and long-term plans
- Takeover offers and the response to any takeover approach
- Major capital projects, acquisitions or divestments
- Final approval of budgets and corporate plans
- Group financial structure including significant changes to borrowing facilities and tax and Treasury policies
- Approval of financial statements and risk management.

The full Schedule of the Reserved Matters for the Board is available on the Company's website www.indivior.com.

Board and Committee meetings

The Company was incorporated on September 26, 2014. The two Directors on incorporation were William Mordan and Patrick Clements, who are members of the Reckitt Benckiser Group plc management team and worked on the eventual demerger of Indivior from RB. There were three Board meetings during their tenure until their retirement on November 4, 2014. The majority of the current Board were appointed on November 4, 2014 and they subsequently held two Board meetings prior to the end of 2014. The Board met a total of five times from incorporation until December 31, 2014, the Remuneration Committee met twice and the Nomination and Governance Committee met once. The Audit Committee and the Science and Policy Committee did not meet during the period.

The Board has scheduled five Board meetings, including one two-day strategy session, for the financial year commencing January 1, 2015. As a recently constituted Board, we expect that some of our Directors may be unavoidably absent from one or two Board meetings during 2015. These absences are due to engagements in existence prior to their appointment to the Indivior Board. Directors unable to attend a Board meeting because of another engagement will be provided with the briefing materials and given an opportunity to discuss issues arising in the meeting with the Chairman or the CEO. In addition to scheduled Board meetings, there may be a number of other meetings to deal with specific matters. Each scheduled Board meeting includes a session of the Chairman and Non-Executive Directors without the Executive Directors present.

The table below sets out the attendance by each of the Directors at the Board and Committee meetings held:

Attendance at Board and Committee meetings for the period September 26 to December 31, 2014

Director	Board	Remuneration Committee	Nomination and Governance Committee
Rupert Bondy[1]	2 of 2	2 of 2	1 of 1
Cary J. Claiborne[2]	1 of 1	n/a	n/a
Patrick Clements[3]	3 of 3	n/a	n/a
Yvonne Greenstreet[1]	2 of 2	n/a	n/a
Adrian Hennah[1]	2 of 2	n/a	n/a
A. Thomas McLellan[1]	2 of 2	n/a	1 of 1
William Mordan[3]	3 of 3	n/a	n/a
Lorna Parker[1]	2 of 2	2 of 2	1 of 1
Daniel J. Phelan[1]	2 of 2	2 of 2	1 of 1
Howard Pien[1]	2 of 2	n/a	n/a
Christian Schade[1]	2 of 2	n/a	n/a
Daniel Tassé[1]	2 of 2	2 of 2	n/a
Shaun Thaxter[1]	2 of 2	n/a	n/a

Notes

1. Appointed on November 4, 2014 and attended the two Board meetings subsequently held.
2. Formally appointed on November 10, 2014, but was in attendance at the Board meeting held on November 5, 2014.
3. Appointed on Incorporation and attended the three Board meetings held prior to retiring on November 4, 2014 following the appointment of the current Board.
4. There were no meetings of the Audit and Science and Policy Committees in this period.

Board balance and independence

The Board comprises a majority of independent Non-Executive Directors to ensure that no individual or small group can dominate its decision-making. The size of the Board is considered to be appropriate given the complexity and nature of Indivior's business and the time required for the Directors to fulfil their duties. The Nomination and Governance Committee is responsible for reviewing the structure, size and composition of the Board (including skills, knowledge, experience, independence and race and gender diversity) and making recommendations to the Board with regard to any changes. With the exception of Adrian Hennah, the Board considers all of its Non-Executive Directors to be independent under the Code.

Induction and training

The Chairman is responsible for ensuring that each Director receives an induction on joining the Board and receives any specific training required. The Company Secretary is responsible for organizing the induction programs. A comprehensive and tailored induction program which will provide an introduction to Indivior's business and its executive management is being designed for each Non-Executive Director. The program will be supported by pre-meeting briefing materials and follow-up sessions where requested. As part of the induction process, the first Board meeting of the current Board was held at the Group's operational headquarters in Richmond, Virginia, US and that meeting was used as an opportunity for the Board to meet the Executive Committee members, other members of senior management and to view the operation of the Medical Information Unit. Non-Executive Directors will be invited to spend time with our Clinical Liaisons in the field to enable them to gain a greater understanding of the Group's business. We will seek regular feedback from our newly appointed Non-Executive Directors on the quality and scope of this program to ensure it stays refreshed and effective.

Directors are also encouraged to take individual responsibility for identifying their needs and are expected to take the necessary steps to ensure that they are adequately informed about Indivior and their responsibilities as Directors. Non-Executive Directors will be provided with briefings and updates either in writing or through meetings with senior executives and, where appropriate, external sources to assist them in performing their duties.

Information and support

Keeping up-to-date with key business developments is essential for Directors to maintain and enhance their effectiveness. All members of the Board receive timely reports on items arising at meetings of the Board and its Committees to enable due consideration of the items in advance of meetings. The information is supplied in a form and of a quality that enables the Directors to take informed decisions and to discharge their duties. Directors are encouraged to make further enquiries as they consider appropriate of the Executive Directors or management.

Each Director has access to the advice and services of the Company Secretary. The Board also recognizes that there may be occasions when one or more of its Directors feels it is necessary to take independent professional advice at the Company's expense in furtherance of their duties and there is a procedure in place to enable them to do so. The Board is confident that all its members have the knowledge, ability and experience to perform the functions required of a director of a listed company.

Performance evaluation

The Board, and indeed the Company, have been in existence for less than six months as at the date of this Annual Report and, consequently, an evaluation of the performance of the Board or its Committees has not yet been undertaken. The Board aims to comply with the Code recommendation to conduct an externally facilitated performance evaluation of its effectiveness at least once every three years. The Board maintains an on-going review of its procedures and effectiveness thereof and will consider the form of evaluation that is appropriate for its first performance evaluation later in the year, when Board members have worked together for almost one year.

Conflicts of interest, Directors' insurance and indemnity and contracts of significance

The Board has adopted a policy and procedures relating to Directors' conflicts and potential conflicts of interest and can determine the terms of authorization for such situations. The Board has the power to authorize conflicts and appropriate procedures have been implemented. A review of situational conflicts which have been authorized from time to time and the terms of those authorizations will be undertaken by the Board annually. The Nomination and Governance Committee is responsible for the Company's procedures for dealing with conflicts of interest notified by the Directors and for making recommendations to authorize conflicts or implement other measures to the Board.

The Companies Act 2006 and the Articles of Association provide that Directors are entitled to be indemnified out of the assets of the Company against claims from third parties in respect of certain liabilities. Each individual, who is an officer of the Company and/or of any company within the Group at any time on or after November 5, 2014, benefits from a deed poll of indemnity in respect of the costs of defending claims against him or her and third-party liabilities.

All Directors have the benefit of Directors' and Officers' liability insurance which is maintained at the Company's expense. None of the Directors had, during the period from incorporation until the end of the year, a material interest, directly or indirectly, in any contract of significance with any Indivior entity.

Board Committee structure

Certain of the Board's governance functions are delegated to and supported by four dedicated Board Committees with the mandates summarized below. The Committees are provided with all necessary resources to enable them to undertake their duties in an effective manner. The Company Secretary or her delegate acts as Secretary to the Committees. The communication and co-ordination of the work of these Committees is achieved through regular reporting to the Board by the Committee Chairman and the circulation of minutes and relevant papers.

Audit Committee

Members

Christian Schade (Chair)
Yvonne Greenstreet
Adrian Hennah
Daniel Tassé

Key objective

To provide effective governance over 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

Main responsibilities

- Review the integrity of the Company's financial reports and statements prior to approval by the Board
- Review and report to the Board on the effectiveness of Indivior's risk management and internal controls framework
- Make recommendations to the Board on the appointment and fees of the external Auditors; review the scope of their work and their effectiveness
- Approve the internal audit plan; review the effectiveness of internal audit; and management response to their findings.

Nomination and Governance Committee

Members

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

Key objective

To ensure the Board has the skills, knowledge and experience to be effective in discharging its responsibilities and to have oversight of all governance matters

Main responsibilities

- Keep the Board's skill and experience base under regular review in light of business changes and agree with the Board the role specification for any proposed new appointments
- Conduct the search and selection process for new Directors and recommend proposed appointees to the Board
- Review senior executive development and succession plans to ensure continuity of resource at, and just below, Board level
- Review and recommend the renewal of Non-Executive Director appointments.

Remuneration Committee

Members
Daniel J. Phelan (Chair)
Rupert Bondy
Lorna Parker
Daniel Tassé

Key objective
To make recommendations to the Board on the policies for executive remuneration and packages for the individual Executive Directors

Main responsibilities
- Recommend the principles and structure of the executive remuneration policy for the Board's approval
- Recommend the quantum of the variable compensation pool for the Board's approval
- Recommend the annual objectives and compensation for individual Executive Directors for the Board's approval
- Approve the compensation for Executive Committee members
- Determine the contractual termination terms for Executive Directors and any severance payments.

Science and Policy Committee

Members
Yvonne Greenstreet (Chair)
A. Thomas McLellan
Christian Schade

Key objective
To provide assurance to the Board regarding the quality, competitiveness and integrity of the Group's R&D activities by way of meetings and dialog with our R&D leaders and other scientist employees and visits to our R&D sites

Main responsibilities
- Review the approaches adopted in respect of Indivior's chosen therapy area of addiction and its co-morbidities
- Review the scientific technology and R&D capabilities deployed within the business
- Assess the decision-making processes for R&D projects and programs
- Review benchmarking against industry and scientific best practice, where appropriate
- Review relevant important bioethical issues and assist in the formulation of, and agree on behalf of the Board, appropriate policies in relation to such issues.

Full terms of reference for each of the Board's Committees as approved by the Board can be found at www.indivior.com/corporate-governance.

Activities of Board Committees to December 31, 2014

The Audit Committee and the Science and Policy Committee did not meet throughout the relevant period due to the proximity of the Company's incorporation and demerger from RB to the end of the period.

There was one meeting of the Nomination and Governance Committee prior to the end of the period to approve Indivior's listed company policies, the Group's Code of Conduct and other key group-wide policies.

The Remuneration Committee met twice before the end of the period and a detailed report to Shareholders from the Committee on behalf of the Board, which includes a description of the Committee's activities during the period, is contained in the Directors' Remuneration Report on pages 48 to 61.

Accountability

Financial and business reporting

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 is satisfied that the financial statements, reports to various regulators and price-sensitive reports issued from the period after demerger to date, present a fair, balanced and understandable assessment of Indivior's position and prospects.

To assist with financial reporting and the preparation of consolidated financial statements, the finance function has started to put in place a series of accounting and Treasury policies, practices and controls which are designed to ensure the identification and communication of changes in accounting standards. Indivior has designed processes for evaluating the financial reporting process and the preparation of consolidated accounts. The basis for the preparation of consolidated accounts is as set out on pages 71 to 73 under Accounting Policies.

The Board has agreed an engagement letter with the Auditors in respect of the full results and the Auditors' statement on their work and reporting responsibilities is set out on pages 62 to 66.

Information on Indivior's business model and strategy for generating and preserving longer-term growth and delivering on the Company's stated objectives is set out in the CEO's Statement and the Strategic Report on pages 1 to 31.

The Directors' Statement of Responsibilities on page 47 details the Directors' responsibility for the financial statements, for disclosing relevant audit information to the Auditors and for ensuring that the Annual Report is fair, balanced and understandable.

The going concern statement required by the Listing Rules and the Code is set out in the Directors' Statement of Responsibilities on page 47.

The Audit Committee is responsible for reviewing the full-year results and the presentation of the financial statements prior to issuing a recommendation for approval by the full Board. As part of the process leading up to its recommendation of the Annual Report and Financial Statements 2014, the Committee considered all relevant areas of significant judgment and complexity including the significant risks and other issues identified by the external Auditors together with management's response to those issues.

The Committee notes that 'trade spend' (comprising sales accruals, customer discounts and rebates) was an area of focus for the external Auditors. It acknowledges that this is an area of significant activity requiring judgment, but is confident that management operates an appropriate control environment which minimizes the risks in this area.

Furthermore, management has confirmed that there were no significant items or issues which arose during the year in relation to trade spend which needed to be brought to the attention of the Audit Committee. Accordingly, the Audit Committee does not consider this a significant issue for disclosure.

Risk management and Internal control

The Board is responsible for the Group's system of internal control. This is being designed to manage, rather than eliminate, the risk of any failure to meet business objectives. It can only provide reasonable assurance against material misstatement or loss. The Board's approach to risk management will be supported by an oversight structure which includes the Audit Committee. The Group's risk management process will be embedded throughout the organization.

The aim of our internal control and risk management systems is to help us understand the risks to which we are exposed. Indivior's systems will aim to comply with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the FRC in September 2014, which provides reasonable, but not absolute, assurance against material misstatement or loss.

The Audit Committee is responsible for assessing the scope and effectiveness of the systems established by management to identify, assess, manage and monitor internal financial controls, non-financial controls and risks. The Audit Committee is also responsible for reviewing and approving the role and effectiveness of our internal audit function in the overall context of our risk management system.

Indivior's control environment is supported by a Code of Business Conduct, upon which employees receive training annually, and a range of policies on corporate responsibility including a set of Guiding Principles. Other key elements within the internal control structure include: the Board and executive management; organizational structure; budgets and financial plans; management reporting; risk management; Operating Unit controls; compliance controls and monitoring.

The Board confirms that reviews of the appropriateness and effectiveness of the system of internal control and risk management throughout the period from demerger and up to the date of approval of the Annual Report have been satisfactorily completed in compliance with provision C.2.1 of the Code.

The Company is compliant with DTR 7.2.6 and the information is included in the section on Takeover Directive on page 37.

Auditors and Auditor independence

PricewaterhouseCoopers LLP (PwC) were appointed as the Company's Auditors on demerger. PwC are the current Auditors of Reckitt Benckiser Group plc, Indivior's pre-demerger parent company. Time constraints were a factor leading to PwC's appointment because of the short period between the demerger on December 23, 2014 and the end of Indivior's financial year of December 31, 2014. Additionally, Indivior operated as a business unit of RB for almost all of 2014 and its financial results for the period were consequently included in RB's results announcement. Therefore, the Audit Committee considers it entirely appropriate for PwC to be appointed as the Company's Auditors for the period. The Audit Committee believes the relationship with the Auditors works well and it is satisfied with their independence and effectiveness. The Audit Committee will continue to consider whether it is necessary to require the firm to tender for the audit work. The audit partner currently responsible for Indivior's audit has not worked on the RB account and is, in any case, subject to rotation every five years. There are no contractual obligations restricting the Company's choice of external Auditors.

Following a recommendation by the Audit Committee and in accordance with section s. 489 of the Companies Act 2006, a resolution proposing the appointment of PwC as the Company's Auditors will be put to the Shareholders at the AGM. Indivior does not plan to indemnify its external Auditors.

Indivior has a formal policy in place to safeguard auditor independence. The Audit Committee and the CFO will 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 Auditors during the year to satisfy itself that there is no effect on their independence.

The Board recognizes 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.

The external Auditors report to the Audit Committee on the actions they take to comply with professional and regulatory requirements and with best practice designed to ensure their independence from Indivior, including periodic rotation of the lead audit engagement partner. Details of any non-audit services are set out in Note 5 on page 76.

Relations with Shareholders

The Board understands the importance of effective communication with all the Company's stakeholders including Shareholders, particularly with regard to business developments and financial results. The CEO, CFO and the Director of Investor Relations have met regularly with institutional Shareholders and financial analysts to discuss matters relating to the Company's business strategy and current performance. The Chairman presented to investors at investor days held in November and December 2014 and met with a number of prospective Shareholders on roadshows in June and September 2014.

The Board intends to communicate with Shareholders on a regular basis and currently utilizes news releases, investor presentations and Company publications to do this. In the future Indivior will expand communication channels where necessary. Regular updates are given to the Board by the Director of Investor Relations, who also provides an immediate point of contact for the Non-Executive Directors.

The AGM will provide Shareholders with an opportunity to meet and pose any questions to the Chairman, the Chairs of Board Committees and the Board as a whole.

In line with the Code, the Board has appointed Rupert Bondy as Senior Independent Director, who is available to contact throughout the year by Shareholders should they have concerns, and for such matters which have not been successfully resolved through the normal channels of the Chairman or the Executive Directors, or if such channels of communication are inappropriate.

Annual General Meeting

The 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 all Shareholders present 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 so that each share has one vote. The results of the poll will be released to the Stock Exchange and published on Indivior's website shortly after the AGM.

Directors' Statement of 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.

Directors

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 (IFRSs) as adopted by the European Union, and the Parent Company financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law). 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 IFRSs as adopted by the European Union 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;
- 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.

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

The Directors consider that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy.

Each of the Directors, whose names and functions are listed on page 33 confirms that, to the best of his/her knowledge:

- The Group Financial Statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group.
- The Strategic Report includes 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.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 31. The financial position of the Group, its cash flows, liquidity position and borrowing facilities, as well as the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposure to credit risk and liquidity risk are described in the Strategic Report on page 25 and in note 15 to the Group Financial Statements.

The Group has one business segment, being the manufacture and distribution of products for the treatment of opioid dependence. Substantially all the Group's net revenues are derived from sales of Suboxone® Film, Suboxone® Tablet and Subutex® Tablet. The Group expects the rate of growth in the US opioid addiction treatment market in the short term to be low double-digit. It anticipates that the recent entry of two additional generics and an additional branded competitor in the US market creates downward pressure on the Group's market share and pricing, although the outlook for 2015 is very uncertain as to the timing, extent and impact of tablet price erosion. The Board believes, however, that the Group's value to patients, physicians and payors will help to ensure stronger resilience in less price-sensitive distribution channels.

The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements in accordance with the FRC's 'Going Concern and Liquidity Risk: Guidance For Directors of UK Companies 2009'. This statement is also made to fulfil the requirements of Listing Rules 9.8.6R(3) and 9.8.10R(1) and C.1.2 of the Code.

Disclosure of information to Auditors

The Directors, having made appropriate enquiries, state that:

1. So far as each Director is aware, there is no relevant audit information of which the Company's Auditors are unaware; and
2. Each Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

By Order of the Board

Lola Emetulu
Company Secretary
Indivior PLC
103-105 Bath Road
Slough Berkshire SL1 3UH

Company registration number: 9237894

March 27, 2015

Directors' Remuneration Report

This Directors' Remuneration 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. The report meets the requirements of the UK Listing Authority's Listing Rules and the Disclosure and Transparency Rules. In this report we describe how the principles of good governance relating to directors' remuneration, as set out in the UK Corporate Governance Code (September 2012) (the Code), are applied in practice. The Remuneration Committee confirms that the Company has complied with these governance rules and best practice provisions since December 23, 2014 when it was admitted to the premium listing segment of the Official List of the UKLA and admitted to trading on the London Stock Exchange's main market for listed securities.

> Dear Shareholder, on behalf of the Board I am pleased to present our first Remuneration Report as a listed company for the financial period ending December 31, 2014.

The report has been prepared in line with the new UK reporting regulations that came into effect on October 1, 2013 and as such consists of three sections:

- **This Annual Statement**
- **Our Policy Report** which sets out the Directors' Remuneration Policy for all Directors of Indivior which will be subject to a binding Shareholder vote at our 2015 AGM.
- **Our Annual Report on Remuneration** which sets out details of how our Directors were paid during financial year 2014 and how our Policy will be implemented in financial year 2015. This part of the report is subject to an advisory Shareholder vote at our 2015 AGM.

My colleagues and I on the Remuneration Committee hope that you find the report clear, transparent and informative, and that we can count on your support for our Remuneration Policy and its implementation during the year.

Context for remuneration at Indivior

Indivior is a world-leading addiction treatment company with enormous future potential as it begins its journey as a publicly listed Company. One of the key drivers of the Company's success to date and for the future is the strong, experienced, long-serving management team.

It is therefore important that our remuneration philosophy incentivizes 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 Indivior has demerged from Reckitt Benckiser Group plc (RB) it shares many of the strengths associated with RB's culture, such as entrepreneurship and a highly motivated and committed management team with 'skin in the game' who operate within a business mindset of strong financial discipline.

Indivior's history of strong revenue and profit growth has contributed to delivering significant value to RB Shareholders in the past. This performance was supported by a remuneration framework with a strong emphasis on pay for performance. On a standalone basis, Indivior will continue to apply a remuneration philosophy which is simple, focused on delivering exceptional performance and aligned with Shareholders' interests.

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.

Our approach to remuneration has therefore been to carefully balance what is considered to be best practice for remuneration in the UK-listed environment with the need to ensure that the arrangements in place are competitive in comparison to our peers operating within the transatlantic biopharmaceutical sector. This results in a remuneration structure which is different in some respects to a typical UK PLC package, but the Committee considers is required to be able to retain and incentivize our strong management team to continue to deliver long-term value creation for our Shareholders.

This has resulted in a model where the majority of the remuneration package is focused on the long-term performance of the Company to be aligned with the long-term focus of the business where the majority of future value will be delivered though the success of our pipeline. Fixed pay is set at or below market median levels in comparison to both the US and UK. However, the incentive opportunities which are positioned around the median, in comparison to our transatlantic peers, provide the potential for significant reward in comparison to typical UK market practice, but only if superior performance is delivered.

FY 2015 pay structure

Prior to demerger the remuneration of the CEO and CFO was reviewed to ensure that the arrangements in place were appropriate in the context of their roles going forward. The proposed arrangements were also discussed with a number of our largest Shareholders following the demerger. Following feedback provided by our Shareholders a number of changes were made to the remuneration arrangements to take account of various points raised.

A simple remuneration structure is proposed comprising the following elements:

- Fixed pay (base salary, benefits and pension)
- Annual cash bonus
- Performance Share Plan

Annual cash bonus
The annual bonus plan is focused on the main financial and operational drivers of the business. For FY2015 performance will be equally weighted between net revenue, EBIT and achieving key pipeline goals. These measures provide individuals with a strong line of sight and are aligned to delivering the key strategic objective of the business: long-term sustainable growth.

Performance Share Plan
The long-term incentive arrangements for the Executive Directors will be entirely performance based, aligned with best practice for UK-listed companies. It is recognized that the size of the proposed awards is large in comparison to UK companies of a similar size. However, awards have been positioned around the median in comparison to our transatlantic peer group of pharmaceutical companies of a similar size to ensure that the overall remuneration package remains competitive in comparison to those companies with whom we are directly competing for talent.

In recognition of the size of the awards, the performance targets are set at stretching levels to ensure that management are only rewarded if significant value is delivered to Shareholders. Half of the award is to be based on absolute TSR targets which will require the business to broadly double in size over the three-year performance period for awards to vest in full. The remaining half of the award is subject to the achievement of key pipeline milestones. Our pipeline is fundamental to the success of our business going forward and therefore the achievement of these goals is essential to creating a successful and sustainable business.

Shareholding guidelines
It is considered vital that our executives are truly aligned with our Shareholders and therefore substantial shareholding guidelines of 5x salary, which are significantly above typical UK practice and our peer companies are in place for our two Executive Directors.

Clawback and malus
In line with the recent guidance in the UK Corporate Governance Code, all of our incentive plans will include malus and clawback provisions.

Shareholder engagement

We discussed our proposed remuneration structure with Shareholders shortly after the demerger and we intend to continue to consult with our Shareholders as we value your feedback. We hope to receive your support for our Policy Report and our Annual Report on Remuneration at our AGM on May 13, 2015

Daniel J. Phelan
Chairman of the Remuneration Committee

March 2015

Directors' Remuneration Policy

This section of the report sets out the Remuneration Policy for Executive Directors and Non-Executive Directors, which Shareholders will be asked to approve at the 2015 AGM on May 13, 2015. The Policy will come into effect on this date, if approved by Shareholders, and it is intended that the Policy will remain effective for a period of three years.

A summary of the Directors' Remuneration Policy is provided in the following table:

Executive Director Remuneration Policy table

Element and link to strategy	Operation	Maximum opportunity	Framework used to assess performance and provision for the recovery of sums paid
Base salary To provide an appropriate level of fixed remuneration to attract and retain executives of the calibre required to deliver the Company's strategy.	Base salaries are normally reviewed annually, typically with effect from January 1. Salary levels/increases take account of: • The competitive practice in the Company's remuneration peer group. • Individual performance. • Salary increases awarded across the Group as a whole.	The current salaries of the Executive Directors are disclosed in the Annual Report on Remuneration. To avoid setting expectations of Executive Directors and other employees, no maximum salary is set under the remuneration policy. However, salary increases will normally be aligned with increases awarded across the Group as a whole. Increases may be made above this level to take account of individual circumstances, which may include: • Increase in the size or scope of the role or responsibilities. • Increase to reflect the individual's development and performance in role. For example where a new incumbent is appointed on a below-market salary. Where increases are awarded in excess of the wider employee population, the Committee will provide rationale in the relevant year's Annual Report on Remuneration.	n/a
Pension To provide executives with an appropriate allowance for retirement planning.	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.	Up to 17.5% of base salary plus any Company matching on 401(K) elected deferrals. Further details of the level of pension benefits currently provided to the CEO and CFO are provided in the Annual Report on Remuneration.	n/a

Element and link to strategy	Operation	Maximum opportunity	Framework used to assess performance and provision for the recovery of sums paid
Benefits To provide market-competitive level of benefits for the Executive Directors.	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.	Benefits for Executive Directors are set at a level which the Committee considers to be appropriate against relevant market data for comparable roles in companies of equivalent size and complexity in similar sectors and geographical locations to the Company.	n/a
Annual bonus To drive strong financial performance and reward the delivery of the business strategy on an annual basis.	Performance is assessed on an annual basis with targets set by the Committee at the start of the year. At the end of the year, the Committee determines the extent to which these have been achieved. Bonus pay-outs are in cash. Under the terms and conditions of the plan, the Company has the right to seek redress and damages from any individual who has been found to have breached the Company's Code of Conduct. This includes the Company's right to require an individual to repay any costs incurred through a breach of the Code of Conduct from any bonus payment made in the year the breach/costs were incurred. The Committee has discretion to adjust the formulaic bonus outcomes both upwards and downwards (including to zero) to ensure alignment of pay with performance, e.g. in the event performance is impacted by unforeseen circumstances outside of management control.	The maximum annual bonus level potential is 2x of base salary. The current maximum bonus level applying to each individual Executive Director is set out in the Annual Remuneration Report.	Bonuses are based on a combination of stretching annual financial and non-financial/strategic performance measures, with the majority of the bonus assessed against the financial performance metrics. The weighting between different metrics will be determined each year according to business priorities. For threshold performance, up to 25% of the maximum bonus opportunity may be received. Further details, including the performance measures for FY 2015, are disclosed in the Annual Report on Remuneration.

Element and link to strategy	Operation	Maximum opportunity	Framework used to assess performance and provision for the recovery of sums paid
LTIP To incentivize and reward long-term performance, and align the interests of Executive Directors with those of Shareholders.	The LTIP may consist of 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 is calculated using an expected value methodology. The performance condition is reviewed before each award cycle to ensure it remains appropriately stretching. Dividend equivalents may be paid in cash or additional shares on LTIP awards that vest. The Committee has discretion to adjust the formulaic LTIP outcomes to improve the alignment of pay with value creation for Shareholders to ensure the outcome is a fair reflection of the performance of the Company.	The maximum award to any individual in one year will be 6x base salary. Details of the LTIP opportunity in respect of each year will be disclosed in the Annual Report on Remuneration.	Vesting of the LTIP is subject to continued employment and the achievement of key financial and strategic performance conditions which are aligned to the Company's strategic plan. Threshold performance will result in up to 12.5% of the maximum award vesting. Further details, including the performance targets attached to the LTIP in respect of each year, are disclosed in the Annual Report on Remuneration.
SAYE Plan To encourage the ownership of Indivior shares.	All UK resident employees, including Executive Directors, who have five or more years of continuous service are eligible to participate in this HMRC-approved employee share scheme. The Board has the discretion to reduce or eliminate the period of qualifying service.	Maximum opportunity for awards will be in line with HMRC savings limits.	n/a
Global Stock Profit Plan (GSPP) To encourage the ownership of Indivior shares.	All individuals who are employees or Executive Directors of the Company and participating subsidiaries are eligible to participate in the GSPP. The Board may determine that certain employees will not be eligible to participate in the GSPP by virtue of the fact that their participation is prohibited under laws and/or regulations of their jurisdiction or because the likely costs involved in order to enable participation are not considered justifiable by the Board. Awards will be in the form of either share options or share appreciation rights (SARS).	The maximum participants can contribute to the plan is £500 per month (or the equivalent in local currency), or such higher amount as the Board may determine, for a period of three years.	n/a

Notes to the policy table

Payments outside policy

The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy set out in this report where the terms of the payment were agreed (1) before the policy came into effect or (2) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration of the individual becoming a Director of the Company. For these purposes 'payments' include the Committee satisfying awards of variable remuneration, and an award over shares is 'agreed' at the time of award.

Clawback and malus

The Committee has the discretion to scale back LTIP awards prior to the satisfaction of awards in the event that results are materially misstated or an 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.

Performance measure selection and approach to target setting

Annual bonus

The annual bonus performance measures are selected to provide an appropriate balance between incentivizing Executive Directors to meet financial targets for the year and incentivizing them to achieve specific strategic objectives and milestones. The particular measures each year are selected to ensure focus on the key objectives for that particular financial year.

LTIP

In respect of the LTIP, the Committee regularly reviews performance to ensure that it is aligned with the Company's strategy and with our Shareholders' interests over the longer term.

Targets for both the annual bonus and LTIP are reviewed annually against a number of internal and external reference points. Targets are set on a sliding scale at levels the Committee considers to be appropriately stretching for the level of award delivered.

Remuneration policy for other employees

The remuneration policy for Executive Directors in general is more heavily weighted towards variable pay than for other employees. The majority of employees participate in an annual bonus plan, but LTIP awards are only made to the most senior (c.65) individuals in the Group.

The Company's approach to annual salary reviews is consistent across the Group, with consideration given to the level of experience, responsibility, individual performance and salary levels for comparable roles in comparable companies.

All UK employees are eligible to participate in the Company's SAYE plan on identical terms and those outside of the UK in the GSPP.

Shareholder alignment

The Committee recognizes the importance of aligning Executive Directors and Shareholder interests through executives building up significant shareholdings in the Company. Executive Directors are expected to acquire a significant number of shares over a period of five years and retain these until retirement from the Board of Directors. The shareholding requirement is 5x of salary for both the CEO and CFO. Details of the Executive Directors' current personal shareholdings are provided in the Annual Report on Remuneration on page 61.

Scenario analysis

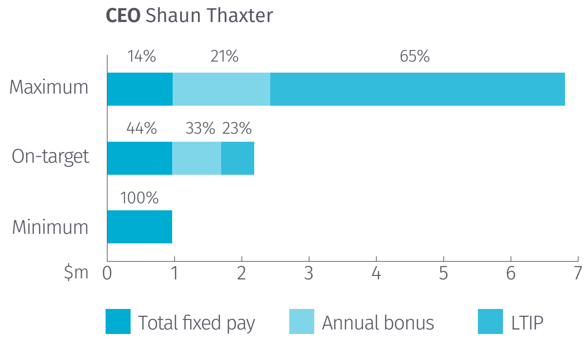
The charts below provide an estimate of the potential future reward opportunities for the Executive Directors, and the potential split between the different elements of remuneration under three different performance scenarios: 'Minimum', 'On-target' and 'Maximum'.

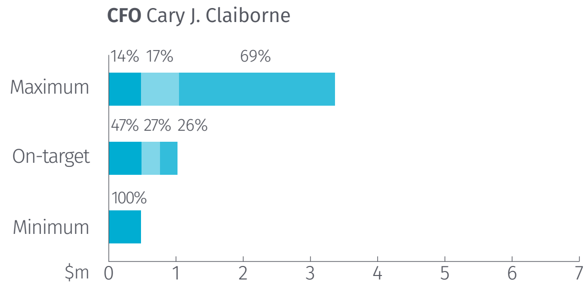
Performance scenario	Basis of valuation
Minimum performance (below threshold)	Fixed pay only – base salary, benefits and pension
On-target performance	Fixed pay plus bonus at target performance and threshold vesting under the LTIP
Maximum performance (all performance conditions met)	Fixed pay plus maximum bonus and full vesting under the LTIP

The charts are based on the face value of awards and do not include any share price growth or the value of any dividends.

Target performance under the bonus assumes payment of 50% of the maximum.

Threshold performance under the LTIP assumes 10% of maximum vesting for the TSR portion of the award and 12.5% of maximum in respect of the strategic milestones.





Non-Executive Director remuneration

The Chairman and Non-Executive Directors do not have service agreements, but are engaged on the basis of a letter of appointment. In line with the UK Corporate Governance Code (September 2012) guidelines, all Directors are subject to re-election annually at the AGM.

It is the policy of the Board of Directors that Non-Executive Directors are not eligible to participate in any of the Company's bonus, share option, long-term incentive or pension schemes. However, a proportion of their fees may be paid in the form of Indivior shares.

Details of the policy on fees paid to our Non-Executive Directors are set out in the table below:

Component and objective	Approach of the Company
Fees (cash and shares) To attract and retain Non-Executive Directors of the highest calibre with broad commercial experience relevant to the Company.	The fees paid to Non-Executive Directors are determined by the Board of Directors, with recommendations provided by the Chairman and CEO. The fees of the Chairman are determined by the Committee. Additional fees are payable for acting as Senior Independent Non-Executive Director and as Chairman of the Audit, Remuneration, Science and Policy and Nomination and Governance Committees. Members of all Board Committees also receive an additional fee. Fee levels may be reviewed biennually. Fees are reviewed by taking into account external advice on best practice and competitive levels, in particular at FTSE 350 companies. Time commitment and responsibility are also taken into account when reviewing fees. Chairman and Non-Executive fees are delivered partly in cash and partly in Indivior shares. The fees paid to the Chairman and Non-Executive Directors in respect of the year under review (and for the following year), including the split between cash and shares, are disclosed in the Annual Report on Remuneration. Aggregate fees are limited to £1.5m by the Company's Articles of Association.

Non-Executive Directors letter of appointment

Non-Executive Directors have had letters of appointment setting out their duties and time commitment expected. Appointments are for an initial period of three years after which they are renewed. Non-Executive appointments can be terminated by one month's notice by either party. Non-Executives have no entitlement to compensation on termination.

Approach to recruitment remuneration

External appointment

When determining the remuneration package for a new Executive Director, the Committee will take into account all relevant factors based on the circumstances at that time. This may include factors such as the calibre of the individual, market practice in the candidate's location or locations and scope of the role to which they are being appointed.

Typically, the package will be aligned to the Company's remuneration policy as set out above. However, should there be a commercial rationale for doing so, the Committee has the discretion to include any other remuneration elements which are not included in the on-going remuneration policy, subject to the overall limit on variable remuneration set out below. The Committee does not intend to use this discretion to make non-performance incentive payments and is always mindful of the need to pay no more than is necessary.

The overall limit of variable remuneration will be as set out in the policy table taking into account the maximum value of the annual bonus and the maximum awards under the LTIP (i.e. 8x base salary).

The Committee may make an award in respect of a new appointment to 'buy out' incentive arrangements forfeited on leaving a previous employer, i.e. over and above maximum limit on variable remuneration set out above. In doing so, the Committee will consider relevant factors including any performance conditions attached to these awards and the likelihood of those conditions being met with the intention that the value awarded would be no higher than the expected value of the forfeited arrangements and made on a like-for-like basis.

Internal promotion

When appointing a new Executive Director by way of internal promotion, the policy will be consistent with that for external appointees, as detailed above. Where an individual has contractual commitments made prior to their promotion to Executive Director level, the Company will continue to honor these arrangements even in instances where they would not otherwise be consistent with the prevailing Executive Director remuneration policy at the time of appointment.

Non-Executive Directors

In recruiting a new Non-Executive Director, the Remuneration Committee will use the policy as set out in the table on page 54. A base fee in line with the prevailing fee schedule would be payable for membership of the Board of Directors, with additional fees payable for acting as Senior Independent Non-Executive Director, as Chairman of the Audit, Remuneration, Science and Policy and Nomination and Governance Committees, and for being a member of the Audit, Remuneration, Science and Policy and Nomination and Governance Committees. Fees will be delivered partly in cash and partly in Indivior shares to be held until no longer on the Board.

Service contracts and exit payment policy

Executive Director service contracts, including arrangements for termination, are carefully considered by the Committee. In accordance with general market practice, each of the Executive Directors has a rolling service contract which is terminable on 12 months' notice and this practice will also apply for any new Executive Directors. In such an event, the compensation commitments in respect of their contracts could amount to one year's remuneration based on base salary and benefits in kind and pension rights during the notice period. Termination payments may take the form of payments in lieu of notice. Copies of Executive Director service contracts are available to view at the Company's registered office.

The Company's policy on any termination payments is to consider the circumstances on a case-by-case basis, taking into account the relevant contractual terms in the executive's service contract and the circumstances of the termination. The table below summarizes how awards under the annual bonus and LTIP are typically treated in specific circumstances, with the final treatment remaining subject to the Committee's discretion as provided under the rules of the plan:

Reason for cessation	Timing of vesting/payment	Calculation of vesting/payment
Annual bonus		
Voluntary resignation or termination with 'cause'.	Not applicable.	No bonus to be paid for the financial year.
All other circumstances.	Following the end of the financial year at the usual bonus payment date.	Bonuses will be paid only to the extent that objectives set at the beginning of the plan year have been met. Any such bonus will be paid on a pro-rata basis up to the termination date.
LTIP		
Voluntary resignation or termination with 'cause'.	Not applicable.	Unvested awards lapse.
Ill-health, injury, permanent disability, retirement with the agreement of the Company, redundancy or any other reason that the Committee determines in its absolute discretion.	After the end of the financial year in which the cessation of employment occurs; or at the discretion of the Committee, after the end of the relevant performance period.	The Committee determines whether and to what extent outstanding awards vest based on the extent to which performance conditions have been achieved (either to the end of the financial year in which cessation of employment occurs, or over the full performance period) and the proportion of the performance period worked.
Death.	As soon as possible after date of death.	The Committee may disapply performance conditions but will reduce awards to reflect the proportion of the performance period worked.
Change of control.	On change of control.	Awards will vest to the extent that any performance conditions have been satisfied (unless the Committee determines that the performance conditions should not apply). Awards will also be reduced pro-rata to take into account the proportion of the performance period not completed, unless the Committee decides otherwise. Awards may alternatively be exchanged for new equivalent awards in the acquirer, where appropriate.

External appointments

With the approval of the Board of Directors in each case, and subject to the overriding requirements of the Company, Executive Directors may accept one external appointment as a Non-Executive Director of another company. Details of external appointments and the associated fees received are included in the Annual Report on Remuneration.

Consideration of conditions elsewhere in the Company

The Committee does not consult with employees specifically on executive remuneration policy. However, the Committee considers pay practices across the Company and is mindful of the salary increases applying across the rest of the business in relevant markets when considering salaries for Executive Directors.

Consideration of Shareholder views

The Committee will consider Shareholder views received during the year and at the Annual General Meeting each year, as well as guidance from Shareholder representative bodies more broadly, in shaping remuneration policy. This feedback, and any additional feedback received from time to time, will then be considered as part of the Company's annual review of remuneration. It is the Committee's intention to consult with major Shareholders in advance of making any material changes to remuneration arrangements.

The following section provides details of how our remuneration policy was implemented during the year ended December 31, 2014.

Annal Report on Remuneration

Remuneration Committee membership in 2014
As of December 31, 2014 and the date of this Annual Report, 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 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 agreement;
  - 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 CEO are responsible for evaluating and making recommendations to the Board of Directors on the remuneration of the Non-Executive Directors. Members of the Remuneration Committee and any person attending its meetings do not participate in any discussion or decision on their own remuneration.

The Remuneration Committee held two meetings during the year, both prior to the listing of the Company, on November 13 and December 1, 2014.

Advisors
Deloitte LLP has been the advisor to the Remuneration Committee from the point of listing on December 23, 2014 following a review of the advisors in advance of listing. 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. No fees were paid to Deloitte LLP for executive remuneration consulting between the date of appointment and the year end. No other services were provided by Deloitte between listing and the year end.

Single total figure of remuneration for Executive Directors (audited)
The table below sets out a single figure for the total remuneration received by each Executive Director for 2014. As the Company was only listed on December 23, 2014 no prior year figures have been shown. The figures for Shaun Thaxter relate to the whole of 2014 including the period whilst the Company was a business unit of RB. The values of each element of remuneration are based on the actual value delivered, where known.

	Shaun Thaxter **2014** **$**	Cary J. Claiborne[5] **2014** **$**
Base salary	$540,342	$62,019
Taxable benefits[1]	$103,986	$0
Annual bonus[2]	$1,163,232	$111,634
LTIP[3]	–	–
Pension benefit[4]	$160,591	$3,287
Other	–	–
Total	$1,968,151	$176,940

[1] Taxable benefits consist primarily of company car or car allowance, healthcare, home leave and children's education.

[2] Cash payment for performance during the year. See 'Annual Bonus in respect of 2014 performance' on page 57 for details.

[3] No LTIPs in Indivior shares vested during the year. The CEO was treated as a Good Leaver in respect of the RB LTIP award made in December 2011. Further details of this award are provided on page 58.

[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 contributions to the International Executive Pension Plan.

[5] Cary J. Claiborne was appointed to the Board on November 10, 2014

Single total figure of remuneration for Non-Executive Directors (audited)

The table below sets out a single figure for the total remuneration received by each Non-Executive Director for the year ended December 31, 2014. The entire fees paid to the Non-Executive Directors during 2014 were paid in cash.

2014 fees	Base fee Cash	Committee fees	**2014** **Total**
Howard Pien	£43,009	NA	£43,009
Rupert Bondy	£8,602	£6,256	£14,858
Yvonne Greenstreet	£8,602	£4,692	£13,294
Adrian Hennah	£8,938	£1,625	£10,563
A. Thomas McLellan	£8,602	£2,346	£10,948
Lorna Parker	£8,602	£2,346	£10,948
Daniel J. Phelan	£8,602	£3,910	£12,512
Christian Schade	£8,602	£4,692	£13,294
Daniel Tassé	£8,602	£3,128	£11,730

Incentive outcomes for the year ended December 31, 2014 (audited)

Annual bonus in respect of 2014 performance

The payments under the annual bonus for 2014 relate to historic RB arrangements and are different to the annual bonus arrangements for Indivior going forwards.

The CEO and CFO participated in the RB annual bonus plan during 2014 with performance measures and targets set by RB prior to the start of the financial year. The performance measures set were net revenue, operating profit and the delivery of key strategic objectives.

The CEO and CFO had a target annual bonus opportunity of 60% of salary. Performance under each of the measures was combined multiplicatively. For truly exceptional performance the maximum bonus was 3.57x target bonus (214% of salary) for the CEO and 3x target bonus (180% of salary) for the CFO. In the context of a challenging year and an uncertain market, Indivior continued to expand treatment access, strengthen the resilience of the Suboxone® Tablet franchise and maintain significant market share whilst making strong progress in respect of the pipeline. This strong performance resulted in the stretch targets for all three measures being met and the maximum bonus opportunity being awarded. This resulted in a total bonus pay-out of $1,163,232 for the CEO. The CFO was awarded a total bonus pay-out of $111,634, which is pro-rated to take account of the time served as an Executive Director since joining the Company in November 2014.

LTI vesting in 2014

The CEO received an LTIP award under the RB LTIP in December 2011 which was subject to compound average annual growth (CAAG) in adjusted EPS over the three-year period ended on December 31, 2014. The CEO was treated as a Good Leaver under the rules of the plan, upon completion of the demerger. His award vested at the end of the performance period in accordance with the plan rules.

Based on performance to the end of the performance period, 40% of the LTIP award vested based on the achievement of the performance condition as set out in the table below. Note that all shares and share prices are in respect of RB.

	Interests held	Exercise price	Vesting	Interests vesting[1]	Date vesting	Assumed market price	Estimated value[1]
Shares	14,000	n/a	40%	5,600	May 2015	£51.83	£290,248
Options	28,000	£32.09		11,200	May 2015	£51.83	£221,088

[1] As the market price on the date of vesting is unknown at the time of reporting, the value is estimated using the average market value in RB shares over the last quarter of 2014 of £51.83.

Scheme interests awarded in 2014 (audited)

Legacy award – Indivior LTIP (formerly Reckitt Benckiser LTIP)

Upon Indivior demerging from the Reckitt Benckiser Group plc 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 the CEO.

	Date of conversion	Indivior shares over which awards converted	Market price date of conversion[1]	Exercise price price[1]	Face value at conversion	% vesting for threshold performance	Performance period	Exercise/ vesting period
Performance shares Shaun Thaxter	December 29, 2014	495,600	£1.42	Nil	£703,752	40%	FY 2013 – FY 2015	May 2016
Share options Shaun Thaxter	December 29, 2014	987,315	£1.42	£1.11	£1,401,987	40%	FY 2013 – FY 2015	May 2016 – February 2023
Restricted shares[2] Shaun Thaxter	December 29, 2014	177,000	£1.42	Nil	£251,340	40%	n/a	May 2016

[1] Awards were converted based on the opening share price of RB on December 22, 2014 and the closing price of Indivior on December 23, 2014.

[2] The award is subject to time vesting only, i.e. there are no further performance conditions.

Vesting of the performance shares and share options is dependent on the achievement of targets relating to compound average annual growth (CAAG) in RB's EPS over a three-year period. The Remuneration Committee of Indivior will determine the vesting of awards at the 2016 AGM, where applicable, taking into account RB's actual EPS and Indivior's achievements during the performance period. The Committee maintains the discretion to make adjustments if this is considered to be appropriate. Any adjustments will be disclosed in the Annual Report on Remuneration for FY2015.

Legacy award – 2014 Value Creation Plan

The CEO did not receive an award under the RB LTIP in 2013. Instead he was made an award under the RBP Value Creation Plan (VCP). This was a cash-based plan, put in place by RB to incentivize managing the decline of the US Suboxone® Film Market Share over the three-year period 2014–2016.

Following the demerger, Indivior has agreed for the VCP to continue on the same terms as the original VCP put in place by RB. Under the terms of the plan the CEO may receive a target cash payment of $1,326,000 in 2017 based on the Company's average market share of the sublingual opioid dependence medications over the performance period. For achieving the threshold target, 25% of the target award will be received and for achieving the maximum target 2x of the target awards will be received.

The performance targets are not being disclosed at present as we consider these to be commercially sensitive, but we will disclose these targets in full in 2017 once the awards have vested.

Awards to CFO on appointment

The Company appointed a new CFO, Cary J. Claiborne, in November 2014, prior to the demerger from RB. As part of the terms of his appointment, it was agreed that he would be awarded the following awards to compensate him for the value of remuneration foregone as a result of him leaving his previous employer:

- An award of $292,000 being the fair value equivalent of shares/options forfeited as a result of leaving previous employment. It is expected that the CFO will use this payment to buy shares to go towards reaching the share ownership requirement of 5x of base salary. (Following the payments Cary has purchased 85,780 shares in the Company.)
- A cash payment of $158,000 to partially compensate for the loss of bonus and unvested 401(K) company match as a result of leaving his previous employment. This will be repayable to the Company if he resigns within two years of the payment date, pro-rated for the time not employed during the two-year period.
- An enhanced LTIP award in 2015 with an additional award of 1x of base salary which will be subject to the same stretching performance conditions as for all other 2015 LTIP awards.

Percentage change in CEO remuneration

This section is not applicable as the Company only listed on December 23, 2014 and as such there is no prior year comparator which can be shown.

Relative importance of spend on pay

There were no dividends paid or share buybacks implemented in 2014. For comparison, the total employee expenditure is $142m as set out in Note 6 in the notes to the financial statements.

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 Board's approval, Executive Directors are able to accept a limited number of external appointments outside the Company and can retain any fees paid for these services. The CEO and CFO currently hold no external appointments.

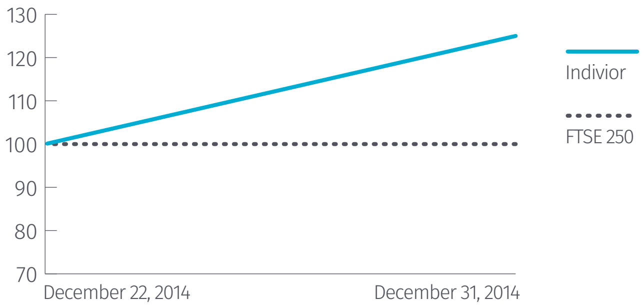
Review of past performance (audited)

Historical TSR performance

The graph below shows the TSR of the Company and the UK FTSE 250 index over the period from admission on December 23, 2014 to December 31, 2014. The index was selected on the basis that the Company is a member of the FTSE 250 index in the UK.

Growth in the value of a hypothetical holding of £100 invested from admission to December 31, 2014.

£ Value of £100 invested at the opening price on December 23, 2014



Historical CEO pay

Given that the Company has only been publicly listed since December 23, 2014, the following sets out information regarding the CEO's historic pay since admission.

CEO single figure of remuneration	2014 $
Shaun Thaxter	$1,968,151
STI award against maximum opportunity	100%
LTI award against maximum opportunity	N/A

Implementation of Executive Director remuneration policy for 2015

Base salary

Base salaries are reviewed taking into account competitive practice for similar roles in the Company's remuneration peer group. The current salaries of the Executive Directors are set out below:

Executive Director	Current base salary
Shaun Thaxter	$730,000
Cary J. Claiborne	$465,000

Pension

The CEO 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 Reckitt Benckiser Pharmaceuticals 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. The CFO will continue to receive pension contributions of profit-sharing contributions of 4% of pay directed into the Reckitt Benckiser Pharmaceuticals Inc. Profit Sharing and 401(K) plan, plus any Company match of 75% on elected deferrals up to 4.5% of pay. The Reckitt Benckiser Pharmaceuticals 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

In line with Indivior's remuneration policy going forward, for 2015 the CEO and CFO will have a maximum bonus opportunity of 2x and 1.2x of salary respectively, with 1x of salary paid for on-target performance for the CEO and 0.6x of salary for the CFO.

The annual bonus for 2015 will be based on the following measures and weightings:

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

As an additional underpin, if the Company violates its debt covenants, no award will be received in respect of the EBIT portion of the annual bonus.

We have not disclosed the actual performance targets for 2015 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 2015.

In respect of the pipeline milestones, these are strategic milestones that span all R&D pipeline projects and are based on objective measures that are expected to be achieved in the calendar year, such as:

- Patient enrolment/randomization in clinical studies
- Completion of Clinical Study Reports
- Completion of required briefing packages and meetings with regulatory agencies (e.g. pre-IND meetings, IND submissions, Type B and C meetings, pre-NDA meetings).

Achievement of these key milestones by the stated date is critical to move our R&D pipleline projects towards regulatory submission and approval dates that are aligned with the strategic plan.

Indivior LTIP

In line with Indivior's remuneration policy going forward, the CEO and CFO will be eligible to receive awards, subject to a three-year performance period, of 3x and 2.5x of base salary respectively at target. Both directors can receive up to 2x of the target award at maximum for achieving stretching targets.

The LTIP award granted in 2015 will be based on 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.

For the initial performance period (2015 – 2017) and aligned with the strategic plan, it is anticipated that achievement of these targets will help lead to both long-term market growth in the US and geographic expansion outside the US, which are both key drivers for the future success of the Company and creating long-term Shareholder value.

The actual targets relating to the pipeline milestones 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.

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.

Absolute TSR has been chosen as a performance metric as it is directly aligned to the value that is created for Shareholders. This 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.

Implementation of Non-Executive Director remuneration policy for 2015

Chairman and Non-Executive Director fees

The fees payable to the Chairman of the Board of Directors and other Non-Executive Directors are outlined in the table below. 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.

Role	Total fee (cash and shares)
Chairman	£275,000
Non-Executive Director basic fee	£55,000
Chairman of Audit Committee	£20,000
Chairman of Remuneration Committee	£20,000
Chairman of Science and Policy Committee	£20,000
Chairman of Nomination and Governance Committee	£10,000
Member of Audit Committee	£10,000
Member of Remuneration Committee	£10,000
Member of the Science and Policy Committee	£10,000
Member of the Nomination and Governance Committee	£5,000
Senior Independent Director	£20,000

Executive Directors' shareholding requirements (audited)

In line with Indivior's remuneration policy, Executive Directors are required to hold shares in the Company equivalent to 5x of base salary. They have five years over which to reach this shareholding requirement.

The table below shows the shareholding of each Executive Director against their respective shareholding requirement as at March 20, 2015:

	Shares held			Options held			
	Owned outright or vested	Performance tested but unvested	Subject to continued employment but unvested	Performance tested but unvested	Vested but not exercised	Current shareholding	Shareholding guideline (% of salary)
Shaun Thaxter	425,000	2,154,691	177,000	987,315	-	153%	500%
Cary J. Claiborne	85,780	1,056,818	-	-	-	48%	500%

Non-Executive Directors' shareholding requirements (audited)

With effect from January 1, 2015, our 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 ordinary shares. Each Non-Executive Director had to submit an election before the end of the FY 2014 relating to the fees for the FY 2015. The on-market purchase of the Indivior ordinary shares to fulfil the mandatory purchase and any additional shares the Non-Executive Directors have elected to purchase of the FY 2015 will occur after the Company's AGM in May 2015.

The following table shows the shareholdings of each Non-Executive Director and their connected persons as at December 31, 2014.

	Total number of shares owned as of March 20, 2015	Total number of shares owned as of December 31, 2014
Howard Pien	0	0
Rupert Bondy	0	0
Yvonne Greenstreet	0	0
Adrian Hennah	26,851	26,851
A. Thomas McLellan	0	0
Lorna Parker	0	0
Daniel J. Phelan	0	0
Christian Schade	0	0
Daniel Tassé	0	0

Daniel J. Phelan
Chairman of the Remuneration Committee

March 2015

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 2014 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.

What we have audited

Indivior PLC's Financial Statements comprise:

- the Group balance sheet as at 31 December 2014;
- the Group income statement for the year then ended;
- the Group cash flow statement for the year then ended;
- the Group 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.

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: $28 million which represents 5% of profit before tax.
Audit scope	• 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 we focused operational-level procedures here. 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.
Areas of focus	• Significant judgments and estimates in sales rebates, discounts and returns adjustments recognised primarily in the US pharmaceuticals business. • Risk of misstatement relating to on-going legal claims and regulatory investigations and claims and the related provisions. • 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 judgments, 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 judgments and estimates in sales rebates, discounts and returns adjustments recognised primarily in the US Pharmaceuticals 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 up to several months. Accordingly, an estimate of the selling price is necessary at the date of shipment. As a result, revenue recognised on sales to wholesale and retail distributors is subject to final determination of the sales price (in the form of rebates and discounts) in addition to 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 both sales rebates and discounts and sales returns recognised at the year-end. We focused on this area, as the process for calculating sales rebates and discounts and return accruals involves large volumes of data using sales volumes and multiple discount 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 European Union.	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 years to actual rebates, discounts or returns received in order to test the Directors' historical accuracy in calculating these accruals. Based on this analysis, we found the Directors' assumptions to be balanced. We assessed the completeness and accuracy of the accruals by understanding and testing the process management used to record the year-end balances, including by comparing such amounts to our own independently developed expectations of the year-end balances. Our independent expectations were developed based upon historic rebate invoices received, adjusted for current volumes and 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 and we found that within that, the directors' judgement was within an acceptable range and that the policies applied were consistent with IFRSs as adopted by the European Union.

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 on-going litigations and investigations, which may have a material impact on the Group Financial Statements. 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 differ from those anticipated by the Directors, this could materially impact the Group Financial Statements. At December 31, 2014, 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 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.	We discussed all 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, by using documentation such as correspondence with external legal counsel, independent confirmations that we received from the Group's external legal counsel, or penalties awarded and costs incurred for other similar completed legal or regulatory cases, to form our own expectation of the likely outcome and comparing that to the provision. Our testing did not identify any material misstatements in the provision booked. For certain on-going regulatory investigations where no claim had been brought against the Group at 31 December 2014, we met with external legal counsel about the matters and extent of their work to determine whether it was sufficient to support their conclusions that there have been no illegal acts. We used our own accumulated knowledge from working with clients in the pharmaceutical industry operating in the US to challenge whether the external legal counsel had not omitted any relevant factors when drawing their conclusion as of that time 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 they are unaware of any 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.
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, judgments are used in determining the liability for tax to be paid. For 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' judgments 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' judgments, we considered the status of recent and current tax authority audits and enquiries, the outturn of previous claims, recent developments in tax legislation, reading relevant correspondence, 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 and our own knowledge and experience, and tax planning activities to assess the reasonableness of the provisions recorded. From the evidence obtained, we considered the level of provisioning to be acceptable in the context of Indivior's Financial Statements taken as a whole.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the Group 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. As noted above under 'Overview' we worked closely with our US-based team in Richmond, Virginia, as the US operation is the largest component in the Group.

In total our audit scope consisted of eight full-scope audits out of 39 reporting units, with specific audit procedures on a further two reporting units. With all audit procedures combined together our audit scope addressed 87% of the Group's net revenues and 83% of the Group's operating profit before tax.

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.

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 and to evaluate the effect of misstatements, both individually and on the Financial Statements as a whole.

Based on our professional judgement, we determined materiality for the Financial Statements as a whole as follows:

Overall Group materiality	$28m
How we determined it	5% of profit before tax
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practice, in the absence of indicators that an alternative benchmark would be appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $1.4m 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 47, in relation to going concern. We have nothing to report having performed our review.

As noted in the Directors' Statement, the Directors have concluded that it is appropriate to prepare the Financial Statements using the going concern basis of accounting. 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.

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 Report of the Directors for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the information given in the Corporate Governance Statement set out on pages 41 to 46 with respect to internal control and risk management systems and about share capital structures 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 arising from this responsibility.
• the statement given by the Directors on page 47, 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 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 arising from this responsibility.
• the section of the Annual Report on pages 44 to 45, 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 arising from this responsibility.

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 these responsibilities.

Corporate governance statement

Under the Companies Act 2006 we are required to report to you if, in our opinion, a corporate governance statement has not been prepared by the parent company. We have no exceptions to report arising from this responsibility.

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to the parent company's compliance with ten provisions of the UK Corporate Governance 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 Statement of Directors' Responsibilities set out on page 47, 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 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' judgments against available evidence, forming our own judgments, 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 and Financial Statements (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 2014 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

27 March 2015

Consolidated income statement

For the year ended December 31	Notes	2014 $m	2013 $m
Net revenues	3	**1,115**	1,216
Cost of sales		**(95)**	(104)
Gross profit		**1,020**	1,112
Selling, distribution and administrative expenses	4	**(343)**	(341)
Research and development expenses	4	**(115)**	(76)
Operating profit		**562**	695
Operating profit before exceptional items		**586**	695
Exceptional items	4	**(24)**	–
Operating profit		**562**	695
Finance expense	7	**(1)**	–
Net finance expense	7	**(1)**	–
Profit on ordinary activities before taxation		**561**	695
Tax on profit on ordinary activities	8	**(158)**	(206)
Net income		**403**	489

Earnings per ordinary share	9		
Basic earnings per share		**0.56**	0.68
Diluted earnings per share		**0.56**	0.68

Consolidated statement of comprehensive income

For the year ended December 31	Notes	2014 $m	2013 $m
Net income		**403**	489
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent years			
Net exchange adjustments on foreign currency translation, net of tax		**(16)**	–
Other comprehensive income, net of tax		**(16)**	–
Total comprehensive income		**387**	489

Consolidated balance sheet

As at December 31	Notes	2014 $m	2013 $m
Assets			
Non-current assets			
Intangible assets	10	**91**	94
Property, plant and equipment	11	**13**	13
Deferred tax assets	12	**77**	79
Other receivables	14	**1**	12
		182	198
Current assets			
Inventories	13	**41**	36
Trade and other receivables	14	**193**	185
Cash and cash equivalents	16	**331**	7
		565	228
Total assets		**747**	426
Liabilities			
Current liabilities			
Borrowings	17	**(17)**	–
Provisions for liabilities and charges	18	**–**	–
Trade and other payables	21	**(383)**	(434)
Current tax liabilities		**(62)**	(17)
		(462)	(451)
Non-current liabilities			
Borrowings	17	**(719)**	–
Provisions for liabilities and charges	18	**(41)**	(41)
		(760)	(41)
Total liabilities		**(1,222)**	(492)
Net liabilities		**(475)**	(66)
Equity			
Capital and reserves			
Share capital	22	**1,437**	1,437
Other reserves	23	**(1,295)**	(1,295)
Foreign currency translation reserve	23	**(16)**	–
Retained earnings	23	**(601)**	(208)
		(475)	(66)
Total equity		**(475)**	(66)

The financial statements on pages 67 to 92 were approved by the Board of Directors on March 27, 2015 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, 2013		**1,437**	**–**	**(1,295)**	**–**	**3**	**145**
Comprehensive income							
Net income		–	–	–	–	489	489
Other comprehensive income		–	–	–	–	–	–
Total comprehensive income		**–**	**–**	**–**	**–**	**489**	**489**
Payments to former owners, recognized directly in equity	23	–	–	–	–	(967)	(967)
Charges from former owners, recognized directly in equity	23	–	–	–	–	267	267
Total transactions with former owners, recognized in equity	23	**–**	**–**	**–**	**–**	**(700)**	**(700)**
Balance at December 31, 2013		**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, recognized in equity	23	–	–	–	–	(796)	(796)
Balance at December 31, 2014		**1,437**	**–**	**(1,295)**	**(16)**	**(601)**	**(475)**

Consolidated cash flow statement

For the year ended December 31	Notes	2014 $m	2013 $m
Cash flows from operating activities			
Operating profit		**562**	695
Adjustments to reconcile net cash provided by operating activities:			
Foreign exchange impacts		**(13)**	–
Depreciation amortization and impairment	10, 11	**26**	28
Changes in assets and liabilities			
Trade and other receivables	14	**3**	110
Inventories	13	**(5)**	(2)
Trade and other payables and provisions	18, 21	**(50)**	63
Cash generated from operations		**523**	894
Interest paid and debt issue costs	17	**(24)**	–
Tax paid		**(59)**	(103)
Net cash inflow from operating activities		**440**	791
Cash flows from investing activities			
Purchase of property, plant and equipment	11	**–**	(3)
Purchase of intangible assets	10	**(26)**	–
Net cash (outflow) from investing activities		**(26)**	(3)
Cash flows from financing activities			
Proceeds from short-term financing	17	**9**	–
Gross proceeds from borrowings	17	**750**	–
Dividends	23	**(500)**	(239)
Net transfers to former owners		**(349)**	(567)
Net cash (outflow) from financing activities		**(90)**	(806)
Net (decrease)/increase in cash and cash equivalents	16	**324**	(18)
Cash and cash equivalents at beginning of the year	16	**7**	25
Cash and cash equivalents at end of the year	16	**331**	7

Notes to the Financial Statements

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 RB 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 RB 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, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

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 entire year ended December 31, 2014 and 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 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.

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 as a reduction in the former owner's investment in the Group (that is, in substance, a distribution).

The Directors continue to adopt the going concern basis for accounting in preparing these Financial Statements. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

The Group applies, for the first time, amendments to *IAS 32 Financial Instruments: Presentation – Offsetting financial assets and financial liabilities, IAS 39 Financial Instruments: Recognition and measurement – Novation of derivatives and continuation of hedge accounting and IFRIC 21 – Levies*. The new standards have not impacted the reported results or position of the Group.

2. Basis of preparation and changes in accounting policy (continued)

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, 2013.

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, which will be effective for annual periods beginning on or after January 1, 2018.

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:

	2014	2013
GBP year-end exchange rate	**1.5577**	1.6557
GBP average exchange rate	**1.6476**	1.5649

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.

2. Basis of preparation and changes in accounting policy (continued)

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 United States 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.

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.

3. Segment information (continued)

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, 2014	Revenue from sale of goods $m	Non-current assets $m
United States	**855**	**66**
Rest of World	**260**	**38**
Total	**1,115**	**104**

January 1 – December 31, 2013	$m	$m
United States	950	50
Rest of World	266	57
Total	1,216	107

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	2014 %	2013 %
Customer A	**22%**	24%
Customer B	**28%**	28%
Customer C	**19%**	18%

4. Operating costs and expenses

Accounting policies

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.

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

	Notes	**2014 $m**	2013 $m
Research and Development expenses		**(115)**	(76)
Marketing, selling, and distribution expenses		**(147)**	(160)
Administrative expenses		**(167)**	(151)
Depreciation and amortization	10, 11	**(26)**	(28)
Operating lease rentals	19	**(3)**	(2)
		(343)	(341)

Exceptional items

	2014 $m	2013 $m
Demerger restructuring costs	**24**	–
Total exceptional Items	**24**	–

Restructuring costs consists primarily of legal and advisory costs related to business integration, re-registration costs, and redundancy provisions which have been included within operating expenses.

5. Auditor's remuneration

	2014 $m
Audit of parent company and consolidated Financial Statements:	
Audit of the Group's Annual Report and Financial Statements	**0.7**
Audit of account of the Group's subsidiaries	**0.2**
Total audit and audit-related services	**0.9**

There were no material non-audit services in the year relating to the Indivior Group or any of its subsidiaries.

Further fees were borne by the former parent during 2014 in relation to audit services associated with the demerger of Indivior from Reckitt Benckiser Group plc.

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 are 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 pricing 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.

6. Employees (continued)

(a) Staff costs

	2014 $m	2013 $m
The total employment costs, including Directors, were:		
Wages and salaries	**(112)**	(104)
Social security costs	**(25)**	(24)
Net pension costs	**(2)**	(2)
Share-based payments	**(3)**	(3)
	(142)	(133)

Details of Directors' emoluments are included in the Directors' Remuneration Report on pages 48 to 61, which forms part of the Financial Statements.

Compensation awarded to key management (the Executive Committee):

	2014 $m	2013 $m
Short-term employee benefits	**6**	5
	6	5

Termination benefits and share-based payments include contractual commitments made to key management in 2014, comprising cash payments and shares to vest in 2015.

(b) Staff numbers

The monthly average number of people employed by the Group, including Directors, during the year was:

	2014	2013
Operations	**540**	547
Management	**116**	74
Research and development	**85**	79
Average number of employees	**741**	700

7. Net finance expense

Accounting policy

Finance costs of borrowings are recognized in the income statement over the term of those borrowings.

Finance expense	2014 $m	2013 $m
Interest payable on borrowings	**(1)**	–
Total finance expense	**(1)**	–
Net finance expense	**(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.

	2014 $m	2013 $m
Current tax	**157**	224
Adjustments for current tax of prior years	**(3)**	(1)
Total current tax	**154**	223
Origination and reversal of temporary differences	**4**	(17)
Total deferred tax	**4**	(17)
Tax on profit on ordinary activities	**158**	206

The tax charge was reduced by $5m as a consequence of demerger restructuring expenses.

The standard rate of corporation tax in the UK changed from 23% to 21% with effect from April 1, 2014. The Group's profits for the year ended December 31, 2014 are taxed at an effective rate of 28.2% (2013: 29.6%). UK income tax of $74m (2013: $94m) is included within current tax and is calculated at 21.5% (2013: 23.25%) 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:

	2014 $m	2013 $m
Profit on ordinary activities before taxation	**561**	695
Tax at the notional UK corporation tax rate of 21.5% (2013: 23.25%)	**120**	162
Effects of:		
Tax at rates other than the UK corporation tax rate	**33**	38
Adjustments to amounts carried in respect of unresolved tax matters	**(3)**	14
Adjustments in respect of prior years	**(3)**	(1)
Impact of changes in tax rates	**3**	–
Other permanent differences	**8**	(7)
Income tax expense	**158**	206

The tax charge is expected to be impacted by items in the nature of those listed above for the foreseeable future.

9. Earnings per share

	2014 $	2013 $ pro-forma
Basic earnings per share	**0.56**	0.68
Diluted earnings per share	**0.56**	0.68
Adjusted basic earnings per share	**0.58**	0.68
Adjusted diluted earnings per share	**0.58**	0.68

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, 2014.

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, 2013.

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 exercise of share options.

	2014 Average number of shares	2013 Average number of shares pro-Forma
On a basic basis	**718,577,618**	718,577,618
Dilution for Executive Options outstanding and Executive Restricted Share Plan*	**1,847,880**	1,847,880
Dilution for Employee Sharesave Scheme Options outstanding*	**3,459,130**	3,459,130
On a diluted basis	**723,884,628**	723,884,628

*These do not represent new options; Indivior executives exchanged previously awarded RB restricted shares and options for Indivior shares and options.

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:

	2014 $m	2013 $m
Net income	**403**	489
Exceptional items	**24**	–
Tax effect of exceptional items	**(7)**	–
Adjusted net income	**420**	489

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, 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 and impairment charge	25	–	25
Exchange adjustments	2	–	2
At December 31, 2014	185	–	185
Net book amount at December 31, 2014	35	56	91

10. Intangible assets (continued)

	Acquired distribution rights $m	Technology and licenses acquired $m	Total $m
Cost			
At January 1, 2013	218	30	248
Exchange adjustments	4	–	4
At December 31, 2013	222	30	252
Accumulated amortization and impairment			
At January 1, 2013	131	–	131
Amortization and impairment charge	25	–	25
Exchange adjustments	2	–	2
At December 31, 2013	158	–	158
Net book amount at December 31, 2013	64	30	94

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.

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.

In February 2014, the Group entered into a co-development and asset purchase agreement with AntiOp, Inc. to co-develop a naloxone nasal spray to aid in the reversal of opioid overdose. Additions recognized in the period for this agreement amounted to $4m.

In May 2014, the Group entered into an exclusive worldwide licensing agreement with XenoPort Inc. for the development and commercialization of a clinical-stage oral product candidate called Arbaclofen Placarbil for the treatment of alcohol use disorders. Total additions recognized in the period for this agreement amounted to $22m.

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, 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

	Land and buildings $m	Plant and equipment $m	Total $m
Cost			
At January 1, 2013	2	32	34
Additions	–	3	3
At December 31, 2013	2	35	37
Accumulated depreciation and impairment			
At January 1, 2013	1	20	21
Charge for the year	–	3	3
At December 31, 2013	1	23	24
Net book amount at December 31, 2013	1	12	13

Depreciation and amortization expense is included in selling, distribution and administrative expense within the income statement.

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 liabilities	Unrealized profit in inventory $m	Intangible assets $m	Short-term temporary differences $m	Total $m
At January 1, 2013	–	(4)	–	(4)
(Charged) to the income statement	–	(2)	–	(2)
At December 31, 2013	–	(6)	–	(6)
Credited to the income statement	–	8	–	8
At December 31, 2014	**–**	**2**	**–**	**2**

Deferred tax assets	Unrealized profit in inventory $m	Intangible assets $m	Short-term temporary differences $m	Total $m
At January 1, 2013	52	2	11	65
Credited/(charged) to the income statement	11	–	7	18
Charged/(credited) directly to equity	–	–	–	
Exchange differences	2	–	–	2
At December 31, 2013	65	2	18	85
(Charged)/credited to the income statement	(1)	(5)	(6)	(12)
Charged/(credited) directly to equity	–	–	4	4
Exchange differences	–	–	–	
At December 31, 2014	**64**	**(3)**	**16**	**77**

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 (2013: $40m) have not been recognized at December 31, 2014 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.

	2014 $m	2013 $m
Raw materials, stores and consumables	7	8
Work in progress	9	15
Finished goods and goods held for resale	25	13
Total inventories	**41**	36

The cost of inventories recognized as an expense and included as cost of sales amounted to $95m (2013: $104m). This includes inventory write-offs and losses of $4m (2013: $8m).

The Group inventory provision (reflected in the carrying amount above) at December 31, 2014 was $2m (2013: $5m).

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 reorganization, 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	2014 $m	2013 $m
Prepayments	1	12
Total non-current receivables	1	12

Current assets		
Trade receivables	169	177
Less: Provision for impairment of receivables	(7)	(8)
Trade receivables – net	162	169
Other receivables	9	2
Prepayments	22	14
Total current receivables	193	185

Non-current prepayment in 2013 relate to the Group's exclusive manufacturing agreement with MSRX. These balances became current as of December 31, 2014.

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.

14. Trade and other receivables (continued)

As at December 31, 2014, trade receivables of $6m (2013: $10m) were past due, but not impaired. The ageing analysis of trade receivables past due is as follows:

	2014 $m	2013 $m
Up to three months	6	9
Over three months	–	1
	6	10

As at December 31, 2014, trade receivables of $10m (2013: $11m) were considered to be impaired. The amount of provision at December 31, 2014 was $7m (2013: $8m). 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:

	2014 $m	2013 $m
Up to three months	–	1
Over three months	10	10
	10	11

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:

	2014 $m	2013 $m
Sterling	10	7
Euro	39	36
US dollar	130	126
Other currencies	14	16
	193	185

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	2014 $m	2013 $m
Prepayments	1	12
Total non-current receivables	1	12

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, trade receivables and trade payables as set out in Notes 16, 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.

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 newly formed 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 will be 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.

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	**2014 $m**	2013 $m
Net debt	17	**(405)**	7
Total equity		**(475)**	(66)
		(880)	(59)

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 ($405m) (2013: $7m). The Group seeks to pay down net debt using cash generated by the business to maintain an appropriate level of financial flexibility.

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.

	2014 $m	2013 $m
Cash and cash equivalents	**331**	7
	331	7

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	2014 $m	2013 $m
Bank loans and overdrafts	**17**	–
	17	–

Non-current	2014 $m	2013 $m
Bank loans	**719**	–
	719	–

Analysis of net debt	2014 $m	2013 $m
Cash and cash equivalents	**331**	7
Overdrafts	**(9)**	–
Borrowings (excluding overdrafts)	**(727)**	–
	(405)	7

Reconciliation of net debt	2014 $m	2013 $m
Net debt at beginning of year	**7**	25
Net (decrease)/increase in cash and cash equivalents	**324**	(18)
Proceeds from borrowings and overdrafts	**(736)**	–
Net debt at end of year	**(405)**	7

Indivior obtained a $750m term loan and a $50m revolving credit facility in 2015. The term loan was drawn in full on December 19, 2014 in connection with the demerger from RB. The net proceeds of this were $727m. The $750m debt facility was fully underwritten by Morgan Stanley and Deutsche Bank. Terms of the loan are as follows:

December 31, 2014

	Currency	Nominal interest margin	Maturity	Amortization	Issuance cost $m	Face value $m	Carrying amount $m
Unsecured bank loan*	USD	LIBOR (1%) + 4.5%	7 years	1%	23	750	750

*Also included within the terms of the loan was a financial covenant to maintain a net secured leverage covenant of 3.25x with step down to 3.00x on June 30, 2016.

Maturity of debt	2014 $m
Bank loans and overdrafts payable due:	
Within one year or on demand	16
Bank loans payable due:	
Later than one and less than five years	30
Over five years	690
Gross borrowings (unsecured)	736

Debt syndication was completed on March 16, 2015. Details of the new terms are set out in Note 25.

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.

	Legal provisions $m	Total provisions $m
At January 1, 2013	16	16
Charged to the income statement	25	25
At December 31, 2013	41	41
At January 1, 2014	41	41
At December 31, 2014	**41**	**41**

At December 31, 2014, total provisions consisted of non-current legal provisions in the amount of $41m (2013: $41m) 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.

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.

	2014 $m	2013 $m
Total future minimum lease payments under non-cancellable operating leases due:		
Within one year	**1**	1
Later than one and less than five years	**2**	3
	3	4

Operating lease rentals charged to the income statement in 2014 were $3m (2013: $2m).

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 ongoing, and as yet no decision has been made by either agency on whether to pursue any legal action for enforcement.

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

Given the limited information available to the 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

	2014 $m	2013 $m
Sales returns and rebates	**273**	305
Trade payables	**29**	54
Other payables	**1**	–
Other tax and social security payable	**7**	4
Accruals	**73**	71
	383	434

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

The carrying amounts of total trade and other payables are denominated in the following currencies:

	2014 $m	2013 $m
Sterling	**41**	31
US dollar	**314**	383
Other currencies	**28**	20
	383	434

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	Nominal value $m
At January 1, 2014	**718,577,618**	**1,437**
Allotments	**–**	**–**
At December 31, 2014	**718,577,618**	**1,437**

Issued and fully paid	Equity ordinary shares	Nominal value $m
At January 1, 2013	718,577,618	1,437
Allotments	–	–
At December 31, 2013	718,577,618	1,437

The holders of ordinary shares (par value $2)* are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Parent Company.

* A resolution to reduce share capital from $2.00 to $0.10 was passed on October 30, 2014. More details are set out in Note 25.

23. Other equity

Retained earnings	**2014 $m**	2013 $m
Opening balance at January 1	**(208)**	3
Net profit for the year	**403**	489
Capital reduction	**(796)**	(700)
Closing balance at December 31	**(601)**	(208)

Transactions with former owners are included within retained earnings on the consolidated statement of changes in equity. The components of the transactions' owners as of December 31, 2014 and 2013 are as follows:

	2014 $m	2013 $m
Intercompany dividends	**(500)**	(239)
Cash pooling and general financing activities	**(491)**	(728)
Corporate allocations, including income tax provision	**195**	267
Total for year ended December 31	**(796)**	(700)

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. 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 RBP 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.

Key management compensation is disclosed in Note 6a.

The principal subsidiary undertakings included in the consolidated Financial Statements at December 31, 2014 are disclosed in Note 2 to the Parent Company financial statements.

25. Post balance sheet events

The initial Shareholders resolved, by a special resolution passed on October 30, 2014, to reduce Indivior's share capital by decreasing the nominal value of each Indivior ordinary share from $2.00 to $0.10. This will create 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, 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.

On March 16, 2015, the Company completed syndication of its $750m debt facility. As a result of the syndication, the following terms were modified and an additional covenant was added:

- Maturity date of the term loan reduced from seven to five years resulting in a new maturity date of December 19, 2019.
- Interest margin increased from 4.5% to 6% over a LIBOR floor of 1.00%.
- Additional issue discount on syndication of 3% of the term loan, or $22.5m.
- Amortization rate of principal increased from 1% to 5% in 2015 and 2016, and 10% thereafter.
- An additional covenant requiring minimum liquidity of $150m (defined as cash in hand plus the undrawn amount available under the Company's revolving credit facility).

Historical financial information

Income statement	2014 $m	2013 $m	Unaudited 2012 $m	Unaudited 2011 $m
Revenue from continuing operations	**1,115**	1,216	1,339	1,254
Operating profit	**562**	695	884	872
Net finance (expense)/income	**(1)**	–	–	–
Profit on ordinary activities before tax	**561**	695	884	872
Tax on profit on ordinary activities	**(158)**	(206)	(277)	(258)
Net income	**403**	489	607	614
Balance sheet				
Net assets	**(475)**	(66)	145	254
Net working capital[1]	**(149)**	(213)	(72)	3
Statistics				
Reported basis				
Operating margin	**50.4%**	57.2%	66.0%	69.5%
Tax rate	**28.2%**	29.6%	31.3%	29.6%
Diluted earnings per share	**0.56**	0.68	0.83	0.85

[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 2014;
- 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

Indivior PLC's financial statements comprise:

- the Parent Company Balance Sheet as at 31 December 2014; 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 and Financial Statements (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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Other required reporting

Consistency of other information

Companies Act 2006 opinions
In our opinion, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

ISAs (UK and Ireland) reporting
Under International Standards on Auditing (UK and Ireland) ("ISAs (UK and 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 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 47, 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 and 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 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

We conducted our audit in accordance with ISAs (UK and 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 2014.

Simon Friend
(Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

27 March 2015

Parent Company balance sheet

As at December 31	Notes	2014 $m
Fixed assets		
Investments	2	**1,437**
Current liabilities		
Creditors – amounts falling due within one year	3	–
Total assets less current liabilities		**1,437**
Net assets		**1,437**

Equity

Capital and reserves		
Called up share capital	4	**1,437**
Profit and loss account	5	**–**
Equity Shareholders' funds		**1,437**

The financial statements on pages 96 to 100 were approved by the Board of Directors on March 27, 2015 and signed on its behalf by:

Shaun Thaxter
Director

Cary J. Claiborne
Director

Notes to the parent Company Financial Statements

1. Parent company accounting policies

Accounting convention

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. Accounting policies have been consistently applied to all the years presented unless otherwise stated.

As permitted by s408 of the Act 2006, no profit and loss account is presented for Indivior PLC.

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.

Cash flow statement

Indivior PLC has presented a Group cash flow statement in its 2014 Annual Report and Financial Statements, therefore as permitted by IFRS 1 (revised 1996), 'Cash Flow Statements', the Directors have not prepared a cash flow statement for the Company.

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 FRS 11, 'Impairment of Fixed Assets and Goodwill'.

	Shares in subsidiary undertakings $m
Cost:	
At January 1, 2014	–
Additions during the year	1,437
At December 31, 2014	**1,437**
Provision for impairment:	
At January 1, 2014	–
Provided for during the year	–
At December 31, 2014	**–**
Net book amounts:	
At January 1, 2014	–
At December 31, 2014	**1,437**

During the year, the Company acquired RBP Global Holdings Ltd and its subsidiaries. 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.

Principal subsidiary undertakings

The principal subsidiary undertakings as at December 31, 2014, all of which are included in the consolidated Financial Statements, are shown below, in accordance with s410 of the Act. A full list will be appended to Indivior's next annual return to Companies House:

	Principal activity	Country of incorporation or registration and operation	Effective % of share capital held by the Group
RBP Global Holdings Ltd	Holding and Finance company	England and Wales	Ordinary 100
Indivior Finance S.a.r.l	Finance company	Luxembourg	Ordinary 100
RB Pharmaceuticals Pty Ltd	Operating company	Australia	Ordinary 100
RB Pharmaceuticals Ltd	Operating company	England and Wales	Ordinary 100
Reckitt Benckiser Pharmaceuticals Healthcare South Africa (Pty) Ltd	Operating company	South Africa	Ordinary 100
RB Pharmaceuticals (EU) Ltd	Operating company	England and Wales	Ordinary 100
RB Pharmaceuticals Ltd Hellas Branch	Operating company	Greece	Ordinary 100
Reckitt Benckiser Pharmaceuticals France SAS	Operating company	France	Ordinary 100
RB Pharmaceuticals (Italia) Srl	Operating company	Italy	Ordinary 100
RB Pharmaceuticals (Deutschland) GmbH	Operating company	Germany	Ordinary 100
Reckitt Benckiser Pharmaceuticals Solutions Inc.	Operating company	US	Ordinary 100
Reckitt Benckiser Pharmaceuticals Inc.	Operating company	US	Ordinary 100

With the exception of RBP Global Holdings Ltd, none of the above subsidiaries is held directly by Indivior PLC.

3. Creditors falling due within one year

Accounting policy

The fixed rate preference shares rank for dividend in priority to any other class of shares in the capital of the Company from time to time in issue. These shares are included within liabilities on the balance sheet.

	2014 $m	2013 $m
Fixed rate preference shares	–	–

On October 30, 2014, the Company issued 50,000 redeemable fixed rate preference shares of £1 each to Reckitt Benckiser Group plc, paid in cash. The redeemable shares carry a cumulative right to a dividend at a fixed rate of 5% per annum on the nominal value of each share held which is fully paid-up or credited as fully paid-up. Such distribution is to be made out of the profits available for distribution among the holders of the preference shares as if they constituted one and the same class of shares.

The Company redeemed all of the redeemable fixed rate preference shares on November 4, 2014, by notice in writing to the holders, at $80,070.

The holders of the fixed rate preference shares were ranked in priority to any other class of shares in the capital of the Company for dividend purposes.

4. Called up share capital

Accounting policy

When the Company purchases equity share capital, the amount of the consideration paid, including directly attributable costs, is recognized as a charge to equity. Purchased shares are either held in Treasury in order to satisfy employee options, or cancelled and, in order to maintain capital, an equivalent amount to the nominal value of the shares cancelled is transferred from the profit and loss account to the capital redemption reserve.

	Equity ordinary shares	Nominal value $m
Issued and fully paid		
At January 1, 2014	–	–
Allotments	718,577,618	1,437
At December 31, 2014	**718,577,618**	**1,437**

For details of the allotment of ordinary shares during 2014 refer to Note 22 of the Group Financial Statements on page 91.

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 Company has applied the provisions for merger relief under s612 of the Act, and as a consequence no recognition of share premium was necessary.

5. Reconciliation of movements in Shareholders' funds

	Called up share capital $m	Profit and loss account $m	Total $m
Movements during the year:			
At January 1, 2014	–	–	–
Issues of ordinary shares	1,437	–	1,437
Profit for the year	–	–	–
At December 31, 2014	**1,437**	**–**	**1,437**

Further information on the share capital of the Company can be found in Note 22 of the notes to the Group accounts.

6. Auditors' remuneration

The fee charged for the statutory audit of the Company was $32,000.

7. Related party transactions

The Company has taken advantage of the exemption within Financial Reporting Standard No. 8 'Related Party Disclosures' not to disclose related party transactions with wholly owned subsidiaries of the Group. There were no other related party transactions (2013: not applicable).

8. Dividends

Dividends to owners of the Parent are recognized as a liability in the period in which the dividends are approved by the Company's Shareholders. Interim dividends are recorded in the period in which they are approved and paid.

9. Post balance sheet events

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

As required under s645 of the Companies Act, 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.

Shareholder information

Electronic communications

All Indivior Shareholders will be sent various company communications, such as the Annual Report and Accounts. Legislation enables all companies to communicate with their shareholders electronically. This means information about the Company can be received by Shareholders quickly and more cost effectively. To assist us with our commitment to the environment and our focus on cost control, if you don't already do so we encourage you to switch to accessing shareholder information about Indivior online. Our share register is managed and maintained by our Registrar, Computershare Investor Services PLC, who will be responsible for sending you these communications, as well as handling any queries you may have.

On December 23, 2014, each RB Shareholder received one ordinary share in Indivior for each RB ordinary share held. As an RB Shareholder, if you have elected, or are deemed to have consented, to receiving electronic communications in accordance with the Companies Act 2006, this consent will automatically apply to your Indivior holdings. To register to receive electronic communications, you will need to access Computershare's Investor Centre Website at www.investorcentre.co.uk/ecomms and follow the prompts to register your email address. By providing your email address you will no longer receive paper copies of annual reports or other communications that are available electronically. Instead you will receive emails advising you when and how to access documents online.

Shareholders who receive email notifications are entitled to request a hard copy of any such document at any time free of charge from the Company's Registrar. Shareholders can also revoke their consent to receive electronic communications at any time by contacting the Registrar.

The Company's 2014 Annual Report and Notice of the 2015 AGM are available to view at www.indivior.com.

The Investor Relations section of the website contains up-to-date information for Shareholders including:

- Detailed share price information;
- Financial results;
- Dividend payment dates and amounts;
- Access to Shareholder documents including the Annual Report; and
- Share capital information.

Annual General Meeting

To be held on Wednesday, May 13, 2015 at 3.00 pm at
The London Marriott Hotel Grosvenor Square,
Grosvenor Square, London, W1K 6JP.

Every Shareholder is entitled to attend and vote at the meeting. The Notice convening the meeting is contained in a separate document for Shareholders. Shareholders who are registered for electronic communication can:

- Receive an email alert when Shareholder documents are available;
- View the Annual Report and Notice of AGM on the day they are published;
- Cast their AGM vote electronically; and
- Manage their shareholding quickly and securely online.

Company Secretary

Lola Emetulu

Registered office

103-105 Bath Road
Slough, Berkshire SL1 3UH
Telephone: +44 (0) 1753 217800
Facsimile: +44 (0) 1753 217899

Registered and domiciled in England and Wales

No. 9237894

Company status

Public Limited Company

Auditors

PricewaterhouseCoopers LLP

Solicitors

Slaughter and May
Covington & Burling

Registrar and transfer office

Computershare is responsible for maintaining and updating the Shareholder register and making dividend payments.

If you have any queries relating to your shareholding please write to, or telephone, the Company's Registrar using the following details:

Computershare Investor Services PLC
The Pavilions, Bridgwater Road
Bristol BS13 8AE

Indivior Shareholder helpline: 0870 707 1820
Contact: www.investorcentre.co.uk/contactus
Website: www.investorcentre.co.uk

American Depositary Receipts

Indivior sponsors a Level I American Depositary Receipt (ADR) program in the United States. The ADRs are publicly traded in the US on the over-the-counter market, under symbol INVVY. Five Indivior ADRs is equal to one Indivior share. J.P. Morgan Chase Bank N.A. is the Depositary.

If you should have any queries, please contact:

J.P. Morgan Chase Bank N.A.
P.O. Box 64504, St. Paul, MN 55164-0854, US

Email: jpmorgan.adr@wellsfargo.com
Telephone number for general queries: +1 800 990 1135
Telephone number from outside the US: +1 651 453 2128
Website: http://www.adr.com

Key dates

Announcement of Quarter 1 interim management statement	May 5, 2015
Annual General Meeting	May 13, 2015
Announcement of interim results	August 3, 2015
Announcement of Quarter 3 interim management statement	November 3, 2015
Preliminary announcement of 2015 results	February 2016
Publication of 2015 Annual Report and Accounts	April 2016
Annual General Meeting	May 2016

Analysis of shareholders as at December 31, 2014

Distribution of shares by type of shareholder	No. of holdings	Shares
Nominees and institutional investors	9,430	701,703,107
Individuals	14,354	16,874,511
Total	**23,784**	**718,577,618**

Size of shareholding	No. of holdings	Shares
1 – 500	14,843	2,980,673
501 – 1,000	3,884	2,845,859
1,000 – 5,000	3,592	7,336,453
5,001 – 10,000	374	2,609,010
10,001 – 50,000	507	11,545,465
50,001 – 100,000	136	9,594,820
100,001 – 1,000,000	341	106,229,433
1,000,000 and above	107	575,435,905
Total	**23,784**	**718,577,618**

Warning to shareholders ('Boiler Room' scams)

Shareholders who are offered unsolicited investment advice, discounted shares, a premium price for shares, or free company or research reports, should take these steps before handing over any money:

1. Get the name of the person and organization.
2. Check the Financial Services Register at www.fca.org.uk/register to ensure they are authorized.
3. Use the details on the Financial Services Register to contact the firm.
4. Call the FCA Consumer Helpline on 0800 111 6768, if there are no contact details on the Register or if they are out of date.
5. Search the FCA's list of unauthorized firms and individuals to avoid doing business with at www.fca.org.uk/scams.
6. If you are approached by fraudsters please contact the FCA using their helpline, or their investment scam form and share fraud reporting form at www.fca.org.uk/scams.
7. Consider getting independent financial advice.

Using an unauthorized firm to buy or sell shares or other investments will prohibit access to the Financial Ombudsman Service or Financial Services Compensation Scheme (FSCS) if things go wrong.

Indivior PLC's demerger from Reckitt Benckiser Group plc

Base cost apportionment

This information is provided as indicative guidance only. Indivior accepts 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 professional advisor.

The demerger of Indivior PLC (Indivior) from Reckitt Benckiser Group plc (RB) was approved by RB's shareholders on December 11, 2014 and completed with the admission of Indivior 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 apportioned between RB and Indivior shares as follows:

RB: 97.514%
Indivior: 2.486%

The apportionment, as prescribed by section 130(2) Taxation of Chargeable Gains Act 1992 (TCGA), is by reference to both 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

References for global context (pages 6 and 7)

Statement	Source reference
Page 6 122m people worldwide dependent on alcohol.	Global dependency trends, July 2014, Abuwala & Company, LLC
23.3m people worldwide opioid dependent.	National Survey on Drug Use and Health (NSDUH) 2013, Substance Abuse and Mental Health Services Administration (SAMHSA) and RBP Global Dependency Treatment Trends Study 2011-12.
An estimated 2.4 million people in the US are dependent on opioids.	Trinity Market Research, October 2012, IMS data, RBP estimated.
Page 7 In 2010, 12 million Americans aged over 12 reported non-medical use of prescription painkillers.	Prescription Painkiller Overdoses in the US, November 2011, Centers for Disease Control and Prevention.
In the state of Oklahoma in 2008/2009, 1 in 12 residents reported non-medical use of prescription painkillers.	Prescription Painkiller Overdoses in the US, November 2011, Centers for Disease Control and Prevention.
In China, 1.2 million people are currently registered as opioid dependent, but China's Anti-drug Abuse Agency estimates the total to be more like 5 million.	RBP investor and analyst presentation – November 21, 2014. China Anti-drug Abuse Agency 2011.
In 2011, cocaine abuse alone caused over 505,000 visits to emergency departments in the US. At an average cost of $900 per visit, that's $454m. Nearly a quarter of them were admitted, at a cost of $4,200-$8,600 per admission.	Drug Abuse Warning Network (DAWN) 2011. http://www.samhsa.gov/data/sites/default/files/DAWN2k11ED/DAWN2k11ED/DAWN2k11ED.pdf
In the US, opioid overdose is the second leading cause of accidental death and growing. With 16,000 deaths in 2010 opioid overdose deaths were four times higher than 1999.	NIDA "Topics in Brief" – Prescription Drug Abuse December 2011, Centers for Disease Control and Prevention, Morbidity and Mortality Weekly; March 2013.
Ten years ago, 3,682 physicians in the US had been granted a DEA waiver. By 2014 there were over 27,000 DEA waivered physicans who have enabled the treatment of over 5 million patients with Suboxone® Tablet and Suboxone® Film.	Healthcare Analytics Retail Pharmaceutical Audit Suite Weekly Data, 2004-2013; internal modelling; NTIS DEA Certification List.
For every $1 spent treating patients, it has been estimated that society may save up to $12 in healthcare and other societal costs.	World Health Organization, http://whqlibdoc.who.int/unaids/2004/9241591153_eng.pdf.
70% of people dependant on opioids are not in treatment There are 10 million people dependent on opioids in the countries where we are present, but only 30% of them currently get treatment.	RBP Global Dependency Treatment Trends Study 2011-12.
Two-thirds of the people dependent on opioids in the US are working and 73% are high school or college educated.	National Survey on Drug Use and Health (NSDUH) 2013, Li-Tzy Wu, ScD – J Addict Med. March 2011; 5(1): 28–35, Becker, William Drug and Alcohol Dependence, 2008, 207–213.

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