November 2nd, 2016

Nine Month Financial Results: Litigation Provision of $220m booked : Guidance raised.

Period to September 30th	Q3 2016 $m	Q3 2016 Adj*	Q3 2015 $m	% Δ Act FX	% Δ Cons FX	9m 2016 $m	9m 2016 Adj*	9m 2015 $m	% Δ Act FX	% Δ Cons FX
Net Revenue	**268**	268	249	+8	**+9**	**799**	799	766	+4	+5
Operating (loss) / Profit	**(121)**	102	78	-	**-**	**78**	315	308	-75	-75
Net (loss) / Income	**(149)**	71	48	-	**-**	**(43)**	205	191	-	-
(Loss)/EPS (cents)	**(21)**	10	7	-	**-**	**(6)**	28	27	-	-

**** adjusted basis, excluding impact of exceptional items of $237m in 9m and $223m in Q3.***

This announcement contains inside information.

The Company has recorded a charge of $220m in the third quarter of 2016 for the investigative and antitrust litigation matters noted on pages 6-7. Because these matters are in various stages, Indivior cannot predict with any certainty the ultimate resolution or cost of all of the matters. The final amount might be materially different from this reserve.

Nine Months Financial Highlights

- Net revenue at $799m (2015: $766m) increased +4% versus prior year due to continuing market growth and slightly higher market share offset by higher rebates, in connection with formulary access in the US, versus prior year and exchange. Net revenue at constant FX increased by 5%.
- Operating profit of $78m (2015: $308m), reflected higher net revenues, offset by higher operating costs as a standalone public company and higher legal costs, and $237m (2015 $7m) of exceptional costs. On an adjusted basis, operating profit was $315m (2015: $315m).
- Net income was a loss of $43m (2015: $191m) after net financing costs of $39m (2015: $47m) and an unadjusted tax rate of 210% (2015: 27%). On an adjusted basis, net income was $205m (2015: $196m) with a tax rate of 26% (2015: 27%).
- Cash balance at period end of $586m. Net cash of $11m (vs. Year End 2015: net debt $174m).

Nine Months Operating Highlights

- US market growth in 2016 year to date continues to be in mid to high single digits with a slight increase in growth in recent months. SUBOXONE® Film market share was 60.5% (2015: 60%), slightly ahead of the end of 2015 share.
- New product pipeline progress. Positive top line results from the Phase III Efficacy study of RBP-6000 (Monthly Depot Buprenorphine) published August 17th, 2016 achieving both primary and secondary endpoints. Phase III Safety extension study completed Q3 2016.
- The process leading to US listing is temporarily suspended pending clarification of the Company's position in respect to outstanding litigation and investigations.
- The next round of ANDA trials is due to commence on November 7th with trial against Dr.Reddy, on the Orange Book listed patents and against Actavis, Par and Dr.Reddy on the process patent.

Outlook

- Full year guidance, reflecting faster market growth in the US, is today raised to net revenue in a range of $1,060-$1,075m (previously $1,000m-$1,030m) and adjusted net income in a range of $250m-$265m (previously $180m-$200m), at constant exchange and excluding all exceptional items. The guidance assumes current market conditions continue for the rest of the year and that the effect of accelerated shipments in Q3 in US and Europe do not repeat in Q4.

Comment by Shaun Thaxter, CEO of Indivior PLC

“Our performance this year to date continues to be strong“ commented **Shaun Thaxter**, **CEO of Indivior PLC**. “This is the third consecutive quarter of net revenue growth, with our development reflecting the growth in the market. Suboxone® Film share has been stable at over 60% this year.“

"As market growth has modestly improved, we are now able to raise our previous guidance for the full year. This over-delivery against our plan allows us to use a proportion of the over-delivery to reinvest in the long-term organic growth drivers of our business, particularly in pre-launch education and market preparation for the launch of our Monthly Depot of Buprenorphine. We look forward to giving more insight into these investments at our R&D Day for investors on December 9th. At the same time, we are continuing with our project to optimize our new organisation and structure.“

“Indivior PLC is focused on empowering patients and striving to improve their quality of life by pioneering innovative, high-quality, accessible and cost effective treatments,“ **Shaun Thaxter** continued. "I am pleased with our progress towards realizing our vision and achieving key strategic priorities for 2016. We continue to demonstrate the resilience of Suboxone® Film in the market place. Our pipeline is making excellent progress with both our depot products, the Monthly Depot of Buprenorphine which we believe can potentially transform the treatment of opioid use disorder, if approved, and the Monthly Risperidone Depot for treatment of schizophrenia, nearing completion of their clinical development phase and both should be filing NDAs next year. The Board has recorded a $220m provision in connection with the ongoing litigation and investigation.“

Nine Months Operating Review

US Market Update

The market for buprenorphine products continued to grow in 2016, showing volume growth of mid-to-high single digit percentage and with signs of a slight improvement in recent months. A key driver of growth remains the certification of new physicians to practice addiction medicine as patients look to find treatment, with new certifications running ahead of last year. In addition, over 1,400 physicians have already qualified for the higher patient cap of 275 through October. Suboxone Film had a market share of 60.5% in the first nine months, compared to 60% in the same period in 2015. This was ahead of the exit share at the end of 2015, so market share has slightly increased in the year to date. The Company has enhanced, and continues to enhance, its compliance capability to deal with this growth.

Update on Guidance for Full Year

We said in July that if the environment continued to be favourable we would update our full-year guidance at Q3. Full year guidance, reflecting faster market growth in the US, is today raised to net revenue in a range of $1,060m-$1,075m (previously $1,000m-$1,030m) and net income in a range of $250m-$265m (previously $180m-$200m), at constant exchange and excluding all exceptional items. The guidance assumes current market conditions continue for the rest of the year and that the effect of accelerated shipments in Q3 in US and Europe do not repeat in Q4.

Financial Performance for nine months to September 30, 2016

The Company has recorded a charge of $220m in the third quarter of 2016 for the investigative and antitrust litigation matters noted on pages 6-7. Because these matters are in various stages, Indivior cannot predict with any certainty the ultimate resolution or cost of all of the matters. The final amount might be materially different from this reserve. The analysis below shows the financial performance both as reported and on an adjusted basis, excluding the exceptional items. A full profit & loss account on an adjusted basis for both Q3 and 9 months 2016 (and 2015) is shown on page 25.

For the nine month period, total net revenue grew 4% to $799m (2015: $766m) at actual exchange rates reflects continuing US market growth, slightly higher market share versus prior year, slightly offset by the annualisation of rebate increases in connection with formulary access in 2015 plus the impact of adverse translation into USDs from weaker currencies in Rest of World (Euro, Australian Dollar and Sterling). At constant exchange rates, the growth in net revenue was 5%.

In Q3, total net revenue grew 8% at actual exchange rates to $268m (Q3 2015: $249m). At constant exchange rates the growth in Q3 was 9%. This acceleration in growth reflects an increase in market growth and an improving trend in net pricing as the Company passes the anniversary of significant rebate increases in 2014-2015 plus some accelerated shipments in both US and Europe.

US net revenue grew in the nine month period by 6% to $651m (2015: $613m). Volume was well ahead of last year reflecting market growth and slightly higher market share compared to prior year. Pricing reflected a combination of a price increase in January 2016, offset by the annualisation of rebate increases from 2014-2015, and slightly adverse channel mix.

In Q3, net revenue grew by 9% in the US to $219m (Q3 2015: $201m) reflecting an increase in market growth, higher market share and an improving trend in net pricing, plus some accelerated shipments which do not repeat in Q4.

For the nine month period, Rest of World net revenue declined by 3% to $148m (2015: $153m) as reported in USDs but the majority of this decline was due to translation from weak sterling. At constant exchange, the net revenue decline was 1%, reflecting volume growth offset by continuing price constraints in Europe, and continuing growth in Australia and New Zealand.

In Q3, Rest of World net revenue increased 2% to $49m (Q3 2015: $48m) helped by accelerated shipments in Europe which do not repeat in Q4; at constant exchange rates the increase was 8%.

Gross margin for the nine month period was 90%, broadly in line with last year (2015: 91%). Excluding the exceptional charge of $11m within cost of goods, the underlying Gross Margin was 92%.

Exceptional costs in the nine month period amounted to $237m (2015: $7m); these consisted of the $220m legal provision for the investigative and antitrust litigation matters noted on pages 6-7; $11m charged in cost of goods and $6m included in SD&A primarily in relation to manufacturing, legal and advisory costs in the exploration of strategic initiatives for the event of a potential negative ANDA ruling.

SD&A expenses for the period were $556m (2015: $295m), the increase being principally due to the exceptional costs referred to above. On an adjusted basis, SD&A expenses for the nine month period increased by 15% to $330m (2015: $288m). This increase was driven by annualisation of standalone PLC costs and by higher legal costs.

In Q3, SD&A expenses were $335m (2015: $111m) reflecting the exceptional costs referred to above. On an adjusted basis, SD&A expenses increased by 4% to $113m (Q3 2015: $109m) mainly reflecting increased legal expenses.

R&D expenses in the nine month period were $87m (2015: $91m), reflecting the reducing level of activity in the Company's clinical development pipeline, with the two pivotal Phase III trials nearing completion. In Q3, R&D expenses were $29m (Q3 2015: $36m).

Operating profit in the nine month period was $78m, 75% below prior year (2015: $308m). On an adjusted basis, excluding exceptional costs of $237m (2015: $7m), operating profit was $315m, in line with prior year (2015: $315m). In Q3, operating loss was $121m (2015: profit of $78m). On an adjusted basis, operating profit increased 28% to $102m (2015: $80m).

EBITDA for the nine month period was $90m (2015: $326m), and excluding the exceptional costs was $327m (2015: $333m).

Operating margin was 10% (2015: 40%) as reported. Excluding the exceptional costs, the operating margin was 39% (2015: 41%).

Finance expenses in the nine month period were $39m (2015: $47m), the decline reflecting the benefit of repurchasing $120m of the Company's debt facility over the past year.

The tax charge in the nine month period was $82m (2015: $70m) including $11m of exceptional items within taxation. This represented a rate of 210% (2015: 27%) as reported, and 26% (2015: 27%) on the adjusted pretax profit for the period reflecting the mix of profits in the period. Based on current projections we continue to expect our full year effective tax rate to be 25% on an adjusted basis. The tax charge as reported assumes that the exceptional legal provision is non-deductible for tax purposes at this point in time but will be re-assesssed once a final determination of the litigation charge has been reached.

Net income for the nine month period was therefore a loss of $43m (2015: profit of $191m) as reported. Excluding exceptional costs, the net income was $205m (2015: $196m) an increase of 5%. In Q3 net income was a loss of $149m (Q3 2015: profit of $48m); on an adjusted basis, Q3 net income was a profit of $71m (Q3 2015 adjusted profit of $50m).

EPS for the nine month period was a loss of 6 cents (2015: profit of 27 cents). On an adjusted basis, excluding the effect of exceptional costs, EPS were 28 cents (2015: 27 cents). In Q3 EPS were a loss of 21 cents (Q3 2015: profit of 7 cents), but on an adjusted basis, Q3 EPS were 10 cents (Q3 2015: 7 cents).

Cash Flow

Cash generated from operations in the nine month period was $359m (2015: $446m), a decrease of $87m reflecting the exceptional costs and reduced profitability, offset by an improvement in net working capital of $33m and the effect of the non-cash legal provision of $220m leading to a release of cash of $253m (2015: $117m released).

In the nine month period, net cash inflow from operating activities was $280m (2015: $274m) reflecting the reduction in cash from operating activities offset by lower tax paid in the period of $46m (2015: $109m).

During the nine month period, investment in property, plant and equipment, primarily related to the development of the company's ERP system, the development of new and improved R&D laboratories and building refits was $23m (2015: $12m).

During the nine month period, the Group repaid $69m of its term loan as part of its commitment under the syndicated debt facility (see below). In the same period in 2015, the Group repaid $37m in outstanding overdrafts and borrowings. In addition, in July the Group paid the second dividend in relation to 2015, in line with its prospectus commitment, amounting to $69m (2015: nil).

The net increase in cash and cash equivalents in the period therefore was $119m (2015: $221m), being the sum of the cash inflow from operating activities of $280m, less net cash outflows from investing and financing activites of $23m and $138m respectively. Added to the cash and cash equivalents at the beginning of the period of $467m, that gave the Group a total cash and cash equivalents balance of $586m at the period end.

The increase in cash and cash equivalents in Q3 was $9m (Q3 2015: $29m). The slower rate of cash generation in Q3 was due to payment of the dividend of $69m.

Balance Sheet at September 30th

Non-current assets were $213m at the period end (YE 2015: $216m), due to net increases in property, plant and equipment (PPE), offset by amortisation of intangible assets and lower deferred tax assets.

Inventories were maintained at $48m (YE 2015: $48m). Trade and other receivables were $242m (YE 2015: $206m). The overall increase in current assets was primarily due to the $119m increase in cash and cash equivalents in the year to date to $586m (YE 2015: $467m).

Trade and other payables increased to $593m (YE 2015: $528m), reflecting higher levels of rebates in the US in connection with formulary access and in response to heightened branded competition, and to higher overall sales by volume and net revenue.

Current provisions for liabilities and charges of $220m (YE 2015: nil) reflect the legal provision booked in the period.

Current tax liabilities increased to $70m (YE 2015: $41m).

Net working capital (inventory plus trade and other receivables, less trade and other payables) was minus $303m at the period end, an improvement of $29m on December 2015.

Cash and cash equivalents at the period end was $586m, reflecting a net cash increase of $119m in the period ($9m in Q3). Borrowings, net of issuance costs, were $546m at the period end (YE 2015: $605m) a decrease of $59m reflecting repurchase of outstanding debt and amortisation of principal and issuance costs during the period.

The net cash of the Group was $11m at the period end (YE 2015: net debt of $174m) including the unamortised issuance costs.

At the period end, therefore, the Group had net liabilities of $382m (YE 2015: $279m), consisting of assets of $1,089m (YE 2015: $937m), and liabilities of $1,471m (YE 2015: $1,216m), the increase in liabilities primarily reflecting the provision booked in the quarter.

R&D / Pipeline Update

Developments since Half Year 2016 results announcement: -

Treatment of Opioid Dependence

- **Suboxone Tablet**. China Efficacy Study (RB-CN-10-0013) completed. On track to submit NDA to Chinese FDA by end Q4 2016.
- **RBP-6000, Monthly Depot Buprenorphine**: Phase III Efficacy study (RB-US-13-0001); top line results published on August 17th 2016 showing RBP-6000 achieved both primary and secondary endpoints. Phase III Safety Extension Study (RB-US-13-0003) completed with last patient last visit in August 2016.

  US Fast Track Designation granted May 23rd, 2016.

  Pre-NDA meeting scheduled by end 2016.

Overdose Rescue Products

- **Intranasal Naloxone for treatment of opioid overdose**. Nalscue® launched in France under Temporary Authorisation for US (ATU) in July 2016.
- **RBP-8000 Cocaine Esterase for treatment of Cocaine Intoxification**. Second type B meeting with FDA held March 2016.

Treatment of Alcohol Use Disorder

- **Arbaclofen Placarbil for alcohol use disorder**: Phase IIa study (RB-US-14-0001) reported July 2016 finding Arbaclofen Placarbil to be safe and well tolerated in controlled abstinence setting, but with high inter-individual PK variability observed. New formulation development under way.

Treatment of Schizophrenia

- **RBP-7000, Monthly Depot Risperidone** for the treatment of schizophrenia. Preliminary data from pivotal Phase III Efficacy study were published on May 5th, 2015; more detailed

information regarding these data is available at www.indivior.com and in the separate press release issued on May 5th, 2015.

Phase 3 long-term safety study (RB-US-13-0005) Completed in September 2016 with database lock achieved October 2016.

Pre-NDA meeting held August 2016.

Litigation Update

The Company has recorded a charge of $220m in the third quarter of 2016 for the investigative and antitrust litigation matters noted below. Because these matters are in various stages, the Company cannot predict with any certainty the ultimate resolution or cost of all of the matters. The final amount might be materially different from this reserve.

Department of Justice Investigation

- A federal criminal grand jury investigation of Indivior initiated in December 2013 is continuing, and includes marketing and promotion practices, pediatric safety claims, and overprescribing of medication by certain physicians. The U.S. Attorney's Office for the Western District of Virginia has served a number of subpoenas relating to SUBOXONE® Film, SUBOXONE® Tablet, SUBUTEX® Tablet, buprenorphine and our competitors, among other issues. We are in the process of responding by producing documents and other information in connection with this on-going investigation, and in preliminary discussion about a possible resolution of the investigation. It is not possible at this time to predict with any certainty the potential impact of this investigation on us or to quantify the ultimate cost of a resolution. We are cooperating fully with the relevant agencies and prosecutors and will continue to do so.

FTC investigation, Antitrust Litigation, Connecticut Subpoena

- The Judge overseeing the legal privilege dispute in the FTC investigation has appointed a Special Master (an independent external lawyer) to investigate the claims of legal privilege and provide a recommendation to the Court on how the documents at issue should be treated. An initial report and recommendation relating to the first tranche of privileged documents reviewed by the Special Master was finalized in April 2016 and adopted by the Court on August 1st, 2016. Pursuant to this report and the Court's order, Indivior produced certain additional documents. A second tranche of documents remains under review. Following that review, the Court's decision then may be subject to appeal by either party.
- Fact discovery is continuing in the antitrust class action litigation described on our Annual Report ("Class Action Litigation"). Plaintiffs allege, among other things, that Indivior violated federal and state antitrust laws in attempting to delay generic entry of alternatives to SUBOXONE tablets, and plaintiffs further allege that Indivior unlawfully acted to lower the market share of these products.
- Amneal Pharmaceuticals LLC, a manufacturer of generic buprenorphine / naloxone tablets, filed a complaint against the Company in December 2015. This case has been coordinated with the Class Action litigation. Amneal's complaint contains antitrust allegations similar in nature to those set out in the class action complaints, and Amneal has also alleged violations of the Lanham Act.
- On October 12, 2016, the Company was served with a subpoena for records from the state of Connecticut Office of the Attorney General under its Connecticut civil false claims act authority. The subpoena requests documents related to the Company's marketing and promotion of

SUBOXONE® products and its interactions with a non-profit third party organization. The Company is cooperating in this investigation.

ANDA Litigation

- The ruling after trial against Actavis and Par in the lawsuit involving the Orange Book-listed patents for Suboxone® Film issued on June 3rd, 2016. Ruling found the asserted claims of the '514 patent valid and infringed; the asserted claims of the '150 patent valid but not infringed; and the asserted claims of the '832 patent invalid, but found that certain claims would be infringed if they were valid.
- Based on the ruling as to the '514 patent, Actavis and Par are currently enjoined from launching a generic product. Par has appealed and Actavis is expected to appeal this ruling. The generics have also moved to reopen the judgment based on a more stringent claim construction in the Teva case. In light of the motions to reopen, Par's appeal has been deactivated until the District Court rules on the motions, and the deadlines for Actavis to file a notice of appeal has been postponed.
- Trial against Dr. Reddy's, Actavis and Par in the lawsuits involving the process patent (US Patent No. 8,900,497) scheduled for November 16th and 21st-23rd, 2016.
- Trial against Dr. Reddy's in the lawsuit involving the Orange Book-listed patents for Suboxone® Film scheduled for November 7th, 16th, and 21st-23rd, 2016, with Dr. Reddy's 30-month stay of FDA approval on ANDA No. 20-5806 expiring April 17th, 2017. Indivior believes Dr. Reddy's 30-month stay of FDA approval on ANDA No. 20-5299 also expires on April 17th, 2017, however, Dr Reddy's disputes the applicability of the stay to this ANDA.
- Trial against Alvogen in the lawsuit involving the Orange Book-listed patents and the '497 process patent for Suboxone® Film originally scheduled for April 2017 is expected to be rescheduled to a date later in the year, with Alvogen's 30-month stay of FDA approval expiring October 29th, 2017.
- By a Court order dated August 22nd, 2016, Indivior's Suboxone® Film patent litigation against Sandoz has been dismissed without prejudice because Sandoz is no longer pursuing Paragraph IV certifications for its proposed generic formulations of Suboxone® film.
- Trial against Mylan in the lawsuit involving the Orange Book-listed patents for Suboxone® Film is scheduled for September 25th, 2017, with Mylan's stay expiring March 24, 2018.
- Indivior received a Paragraph IV notification from Teva, dated February 8, 2016, indicating that Teva had filed a 505(b)(2) New Drug Application (NDA) for a 16mg/4mg strength of Buprenorphine/naloxone sublingual film. The Indivior Group and Teva agreed that infringement by Teva's 16mg/4mg dosage strength will be governed by the infringement ruling on the accused 8 mg/2 mg dosage strength in its ANDA currently scheduled for trial in November 2016.
- The USPTO declined to institute Teva's petitions for inter partes review of the three Orange Book-listed patents on procedural grounds.
- Dr. Reddy's has filed an inter partes review petition on each of the three Orange Book Patents. These petitions are substantively similar to those filed by Teva.
- Certain claims of the '832 patent were found invalid in an IPR proceeding, a decision that has been affirmed by the Court of Appeals for the Federal Circuit.
- In the event of a ruling in these matters that none of the claims of the asserted patents are valid and infringed by the ANDA-filers, and should there be FDA approval of one or more of the ANDAs and subsequent commercial launch of generic SUBOXONE® film and pipeline of products fail to obtain regulatory approval, there is the likelihood that revenues and operating profits of

the Company will decline. In these circumstances, the Directors believe they would be able to take the required steps to reduce the cost base, however this would result in a significant change to the structure of the business.

Exchange Rates

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

	9 Months to September 30, 2016	**9 Months to September 30, 2015**
US $: GB £ period end	1.3023	1.5180
US $: GB £ average rate	1.3945	1.5328
US $: € Euro period end	1.1214	1.1194
US $: € Euro average rate	1.1162	1.1146

Risk Factors

The Directors have reviewed the principal risks and uncertainties for the financial year 2016.

The assumptions in arriving at the Company's financial guidance for the full year are described on page 3 of this release. To the extent that actual market conditions differ from these assumptions, alternative financial outcomes are possible. However, the Company has issued this guidance based on industry analogues and its own estimates at this time.

Therefore, other than in respect of guidance for the full year 2016, the Directors consider that the principal risks and uncertainties which could have a material impact on the Group's performance in the remaining term of 2016 remain the same as described on pages 47 to 51 of the 2015 Annual Report. These include:

Business operations and business continuity

- The Group's revenues are primarily derived from sales of Suboxone® Film and any decrease in sales due to competition or supply or quality issues could significantly affect the results of operations and prospects.
- Competition for qualified personnel in the biotechnology and pharmaceutical industries is intense and high-performing talent in key positions is a business-critical requirement.
- Failures or disruptions to the Group's systems or the systems of third parties on whom the Group relies, due to any number of causes, particularly if prolonged, could result in a loss of key data and/or affect operations.
- The Group's 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.

Product safety, regulation & litigation

- As an innovative pharmaceutical company, the Group seeks to obtain appropriate intellectual property protection for its products. Its ability to obtain and enforce patents and other proprietary rights particularly for its products, drug formulation and delivery technologies and associated manufacturing processes is critical to business strategy and success. Specifically see disclosures on pages 6 and 7 under litigation update referring to the current status of the Department of Justice and Federal Trade Commission investigations, the antitrust litigation, and ANDA litigation and the contingent liabilities disclosures on pages 19-20, note 7.

- The manufacture of the Group's products is highly exacting and complex due in part to strict regulatory and manufacturing requirements. Active Pharmaceutical Ingredients (API) in many of the Group's products and product candidates are controlled substances that are subject to extensive regulation in all the countries in which the Group markets its products.
- The testing, manufacturing, marketing, and 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.

Product development

- The regulatory approval process for new pharmaceutical products and expansion of existing pharmaceutical products is expensive, time-consuming and uncertain. Even if product candidates are approved there is no guarantee that they will be able to achieve expected market acceptance.

Commercial and Governmental payor account, pricing and reimbursement pressure

- The Group's revenues are partly dependent on the availability and level of coverage provided to the Group by private insurance companies and governmental reimbursement schemes for pharmaceutical products, such as Medicare and Medicaid in the US.
- Changes to governmental policy or practices could adversely affect the Group's revenues, financial condition and results of operations. In addition, the reimbursement of treatment established by healthcare providers, private health insurers and other organizations may be reduced.

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. Specifically see disclosures above on page 6-7 under litigation update referring to the current status of the investigative and litigation matters involving the Company, and the contingent liabilities disclosures on pages 19-20, note 7.

Acquisitions and business development

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

The Group's annual report for the 2015 financial year contains additional detail on these principal business risks together with a report on risk appetite.

Forward-Looking Statements

This announcement contains certain statements that are forward-looking and which should be considered, amongst other statutory provisions, in light of the safe harbour provisions of the United States Private Securities Litigation Reform Act of 1995. By their nature, forward-looking statements involve risk and uncertainty as they relate to events or circumstances that will or may occur in the future. Actual results may differ materially from those expressed or implied in such statements because they relate to future events. Forward-looking statements include, among other things, statements regarding the Indivior Group's financial guidance for 2016 and its medium- and long-term growth outlook, its operational goals, its product development pipeline and statements regarding ongoing litigation. Various factors may cause differences between Indivior's expectations and actual results, including: factors affecting sales of Suboxone® Tablet, Suboxone® Film, Subutex Tablet and any future products; the outcome of research and development activities; decisions by regulatory authorities regarding the Indivior Group's drug applications; the speed with which regulatory authorizations, pricing approvals and product launches may be achieved; the outcome of post-approval clinical trials; competitive developments; difficulties or delays in manufacturing; the impact of existing and future legislation and regulatory provisions on product exclusivity; trends toward managed care and healthcare cost containment; legislation or regulatory action affecting pharmaceutical product pricing,

reimbursement or access; claims and concerns that may arise regarding the safety or efficacy of the Indivior Group's products and product candidates; risks related to legal proceedings; the Indivior Group's ability to protect its patents and other intellectual property; the outcome of the Suboxone® Film patent litigation relating to the ongoing ANDA lawsuits; changes in governmental laws and regulations; issues related to the outsourcing of certain operational and staff functions to third parties; uncertainties related to general economic, political, business, industry, regulatory and market conditions; and the impact of acquisitions, divestitures, restructurings, internal reorganizations, product recalls and withdrawals and other unusual items.

For Further Information

Investor Enquiries	Tom Corran	IR Director, Indivior PLC	+44 1753 423965 tom.corran@indivior.com
Media Enquiries	Stephen Malthouse Jonathan Sibun Kathy Vincent	Tulchan Communications Biosector 2	+44 207 353 4200 +1 310 403 8951

Conference call details

There will be a conference call for analysts and investors at 1300hrs UK time (0900hrs Eastern) today hosted by Shaun Thaxter, CEO, and Cary Claiborne, CFO. Dial in details are below. The call will be archived on the company's website at www.indivior.com later today for replay.

Confirmation Code: 7339092

Participants, Local - London, United Kingdom:	+44(0)20 3427 1909
Participants, National free phone - United Kingdom:	0800 279 5004
Participants, Local - New York, United States of America:	+1 646 254 3364
Participants, National free phone - United States of America:	+1 877 280 2342

About Indivior

Indivior is a global specialty pharmaceutical company with a 20-year legacy of leadership in patient advocacy, health policy and evidence-based best practice models that have revolutionized modern addiction treatment. The name is the fusion of the words individual and endeavour, and the tagline "Focus on you" makes the Company's commitment clear. Indivior is dedicated to transforming addiction from a global human crisis to a recognized and treated chronic disease. Building on its robust, global portfolio of opioid dependence treatments featuring SUBOXONE® (buprenorphine and naloxone) Sublingual Film (CIII), SUBOXONE® (buprenorphine and naloxone) Sublingual Tablet, and SUBUTEX® (buprenorphine) Sublingual Tablet, Indivior has a strong pipeline of product candidates designed to both expand on its heritage in this category and address other chronic conditions and co-morbidities of addiction including alcohol use disorder, cocaine intoxication and schizophrenia. Headquartered in the United States in Richmond, VA., Indivior employs more than 900 individuals globally and its portfolio of products is available in over 40 countries worldwide. Visit www.Indivior.com to learn more.

www.indivior.com

Indication

SUBOXONE® (buprenorphine and naloxone) Sublingual Film (CIII) is a prescription medicine indicated for treatment of opioid dependence and should be used as part of a complete treatment plan to include counseling and psychosocial support.

Treatment should be initiated under the direction of physicians qualified under the Drug Addiction Treatment Act.

IMPORTANT SAFETY INFORMATION

Do not take SUBOXONE Film if you are allergic to buprenorphine or naloxone as serious negative effects, including anaphylactic shock, have been reported.

SUBOXONE Film can be abused in a manner similar to other opioids, legal or illicit.

SUBOXONE Film contains buprenorphine, an opioid that can cause physical dependence with chronic use. Physical dependence is not the same as addiction. Your doctor can tell you more about the difference between physical dependence and drug addiction. Do not stop taking SUBOXONE Film suddenly without talking to your doctor. You could become sick with uncomfortable withdrawal symptoms because your body has become used to this medicine.

SUBOXONE Film can cause serious life-threatening breathing problems, overdose and death, particularly when taken by the intravenous (IV) route in combination with benzodiazepines or other medications that act on the nervous system (ie, sedatives, tranquilizers, or alcohol). It is extremely dangerous to take nonprescribed benzodiazepines or other medications that act on the nervous system while taking SUBOXONE Film.

You should not drink alcohol while taking SUBOXONE Film, as this can lead to loss of consciousness or even death.

Death has been reported in those who are not opioid dependent.

Your doctor may monitor liver function before and during treatment.

SUBOXONE Film is not recommended in patients with severe hepatic impairment and may not be appropriate for patients with moderate hepatic impairment. However, SUBOXONE Film may be used with caution for maintenance treatment in patients with moderate hepatic impairment who have initiated treatment on a buprenorphine product without naloxone.

Keep SUBOXONE Film out of the sight and reach of children. Accidental or deliberate ingestion of SUBOXONE Film by a child can cause severe breathing problems and death.

Do not take SUBOXONE Film before the effects of other opioids (eg, heroin, hydrocodone, methadone, morphine, oxycodone) have subsided as you may experience withdrawal symptoms.

Injecting the SUBOXONE Film product may cause serious withdrawal symptoms such as pain, cramps, vomiting, diarrhea, anxiety, sleep problems, and cravings.

Before taking SUBOXONE Film, tell your doctor if you are pregnant or plan to become pregnant. If you are pregnant or become pregnant while taking SUBOXONE Film, alert your doctor immediately and you should report it using the contact information provided below.*

Neonatal opioid withdrawal syndrome (NOWS) is an expected and treatable outcome of prolonged use of opioids during pregnancy, whether that use is medically-authorized or illicit. Unlike opioid withdrawal syndrome in adults, NOWS may be life-threatening if not recognized and treated in the neonate. Healthcare professionals should observe newborns for signs of NOWS and manage accordingly.

Before taking SUBOXONE Film, talk to your doctor if you are breastfeeding or plan to breastfeed your baby. The active ingredients of SUBOXONE Film can pass into your breast milk. You and your doctor should consider the development and health benefits of breastfeeding along with your clinical need for SUBOXONE Film and should also consider any potential adverse effects on the breastfed child from the drug or from the underlying maternal condition.

Do not drive, operate heavy machinery, or perform any other dangerous activities until you know how SUBOXONE Film affects you. Buprenorphine in SUBOXONE Film can cause drowsiness and slow reaction times during dose-adjustment periods.

Common side effects of SUBOXONE Film include nausea, vomiting, drug withdrawal syndrome, headache, sweating, numb mouth, constipation, painful tongue, redness of the mouth, intoxication (feeling lightheaded or drunk), disturbance in attention, irregular heartbeat, decrease in sleep, blurred vision, back pain, fainting, dizziness, and sleepiness.

This is not a complete list of potential adverse events associated with SUBOXONE Film. Please see full Prescribing Information for a complete list.

*To report negative side effects associated with taking SUBOXONE Film, please call 1-877-782-6966. You are encouraged to report negative side effects of prescription drugs to the FDA. Visit www.fda.gov/medwatch or call 1-800-FDA-1088.

For more information about SUBOXONE Film, SUBOXONE® (buprenorphine and naloxone) Sublingual Tablets (CIII), or SUBUTEX® (buprenorphine) Sublingual Tablets (CIII), please see the respective full Prescribing Information and Medication Guide at www.suboxoneREMS.com.

Condensed consolidated interim income statement

	Notes	**Unaudited Q3 2016 $m**	Unaudited Q3 2015 $m	**Unaudited 9 Months 2016 $m**	Unaudited 9 Months 2015 $m
Net Revenues	2	**268**	249	**799**	766
Cost of Sales		**(25)**	(24)	**(78)**	(72)
Gross Profit		**243**	225	**721**	694
Selling, distribution and administrative expenses	3	**(335)**	(111)	**(556)**	(295)
Research and development expenses	3	**(29)**	(36)	**(87)**	(91)
Operating (Loss)/Profit		**(121)**	78	**78**	308
Operating profit before exceptional items		**102**	80	**315**	315
Exceptional items	3	**(223)**	(2)	**(237)**	(7)
Operating (loss)/profit		**(121)**	78	**78**	308
Finance expense		**(12)**	(16)	**(39)**	(47)
Net finance expense		**(12)**	(16)	**(39)**	(47)
(Loss)/Profit before taxation		**(133)**	62	**39**	261
Taxation	4	**(19)**	(14)	**(71)**	(72)
Exceptional items within taxation	4	**3**	-	**(11)**	2
Net (loss)/income		**(149)**	48	**(43)**	191
(Loss)/Earnings per ordinary share (cents)					
Basic (loss)/earnings per share	5	**(21)**	7	**(6)**	27
Diluted (loss)/earnings per share	5	**(20)**	7	**(6)**	26

Condensed consolidated interim statement of comprehensive income

	Unaudited Q3 2016 $m	Unaudited Q3 2015 $m	**Unaudited 9 Months 2016 $m**	Unaudited 9 Months 2015 $m
Net (loss)/income	**(149)**	**48**	**(43)**	191
Other comprehensive income				
Items that may be reclassified to profit or loss in subsequent years:				
Net exchange adjustments on foreign currency translation	**3**	**(5)**	**3**	(9)
Other comprehensive income	**3**	**(5)**	**3**	(9)
Total comprehensive income	**(146)**	43	**(40)**	182

The notes on pages 16 to 21 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim balance sheet

	Notes	**Unaudited Sep 30, 2016 $m**	Audited Dec 31, 2015 $m
ASSETS			
Non-current assets			
Intangible assets		**48**	62
Property, plant and equipment		**53**	32
Deferred tax assets		**112**	122
		213	216
Current assets			
Inventories		**48**	48
Trade and other receivables		**242**	206
Cash and cash equivalents	6	**586**	467
		876	721
Total assets		**1,089**	937
LIABILITIES			
Current liabilities			
Borrowings	6	**(55)**	(34)
Provisions for liabilities and charges		**(220)**	-
Trade and other payables	8	**(593)**	(528)
Current tax liabilities		**(70)**	(41)
		(938)	(603)
Non-current liabilities			
Borrowings	6	**(491)**	(571)
Provisions for liabilities and charges		**(42)**	(42)
		(533)	(613)
Total liabilities		**(1,471)**	(1,216)
Net liabilities		**(382)**	(279)
EQUITY			
Capital and reserves			
Share capital	9	**72**	72
Other Reserves		**(1,295)**	(1,295)
Foreign currency translation reserve		**(20)**	(23)
Retained Earnings		**861**	967
Total equity		**(382)**	(279)

The notes on pages 16 to 21 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity

Unaudited	Share capital $m	Share Premium $m	Other Reserve $m	Foreign Currency Translation reserve $m	Retained earnings $m	**Total equity $m**
At January 1, 2015	**1,437**	**-**	**(1,295)**	**(16)**	**(601)**	**(475)**
Comprehensive income						
Net income	-	-	-	-	191	191
Other comprehensive income	-	-	-	(2)	(7)	(9)
Total comprehensive income	**-**	**-**	**-**	**(2)**	**184**	**182**
Transactions recognised directly in equity						
Share awards	-	-	-	-	4	4
Capital reduction	(1,365)	-	-	-	1,365	-
Balance at September 30, 2015	**72**	**-**	**(1,295)**	**(18)**	**952**	**(289)**
At January 1, 2016	**72**	**-**	**(1,295)**	**(23)**	**967**	**(279)**
Comprehensive income						
Net (loss)/income	**-**	**-**	-	-	(43)	(43)
Other comprehensive income	**-**	**-**	**-**	3	-	3
Total comprehensive income	**-**	**-**	**-**	**3**	**(43)**	**(40)**
Transactions recognised directly in equity						
Share-based plans	**-**	**-**	-	-	9	9
Deferred taxation on share-based plans	**-**	**-**	-	-	(3)	(3)
Dividends paid	**-**	**-**	-	-	(69)	(69)
Total transactions recognised directly in equity	**-**	**-**	**-**	**-**	**(63)**	**(63)**
Balance at September 30, 2016	**72**	**-**	**(1,295)**	**(20)**	**861**	**(382)**

The notes on pages 16 to 21 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim cash flow statement

For the nine months to September 30	Unaudited 2016 $m	Unaudited 2015 $m
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Profit	**78**	308
Depreciation and amortization	**12**	18
Share-based payments	**9**	4
Impact from foreign exchange movements	**5**	(1)
(Increase)/decrease in trade and other receivables	**(38)**	(2)
Decrease/(increase) in inventories	**-**	(12)
Increase in trade and other payables	**72**	131
Increase in provisions	**221**	-
Cash generated from operations	**359**	446
Net financing costs	**(33)**	(40)
Transaction costs related to loan	**-**	(23)
Taxes paid	**(46)**	(109)
Net cash inflow from operating activities	**280**	274
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(23)**	(12)
Purchase of intangible assets	**-**	(4)
Net cash (outflow) from investing activities	**(23)**	(16)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash movements on overdraft	**-**	(9)
Cash movements in borrowings	**(69)**	(28)
Dividends paid	**(69)**	-
Net cash (outflow) from financing activities	**(138)**	(37)
Net increase in cash and cash equivalents	**119**	221
Cash and cash equivalents at beginning of the period	**467**	331
Cash and cash equivalents at end of the period	**586**	552

The notes on pages 16 to 21 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated Interim Financial Statements

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

These interim financial statements have been prepared in conformity with IAS 34 *Interim Financial Reporting.* The financial information herein has been prepared in the basis of the accounting policies set out in the annual accounts of the Group for the year ended December 31, 2015 and should be read in conjunction with those annual accounts. The Group prepares its annual accounts in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and the Companies Act 2006 (the Act) applicable to companies reporting under IFRS. In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2015, with the exception of changes in estimates that are required in determining the provision for income taxes.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2015. These interim condensed consolidated financial statements have been reviewed and not audited. These interim condensed consolidated financial statements have been approved for issue as at November 1, 2016.

As disclosed in Note 7 relating to the Department of Justice and Federal Trade Commission investigations and antitrust litigation an amount of $220m has been established as a reserve for all of these matters. The final amount might be materially different from this reserve. This could impact the Group's ability to operate, which would be further adversely impacted should revenues decline and pipeline products fail to obtain regulatory approval, all of which could mean the Group cannot continue in business without taking necessary measures to reduce its cost base and improve its cash flow. As such, this indicates a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. However, the Directors believe they have the ability to carry out the necessary measures and that the Group can continue as a going concern for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis for accounting in preparing these financial statements, which do not include any adjustments that might result from the outcome of this uncertainty.

The financial information contained in this document does not constitute statutory accounts as defined in section 434 and 435 of the Companies Act 2006. The auditors issued an unqualified opinion and did not contain a statement under section 498 of the Companies Act 2006 on the Group's statutory financial statements for the year ended December 31, 2015. The Group's statutory financial statements for the year ended December 31, 2015 were approved by the Board of Directors on March 8, 2016 and has been delivered to the Registrar of Companies.

2. SEGMENT INFORMATION

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

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

Revenues

Revenues are attributed to countries based on the country where the sale originates. The following table represents revenue from continuing operations attributed to countries based on the country where the sale originates and non-current assets, net of accumulated depreciation and amortisation, by country. Non-current assets for this purpose consist of property, plant and equipment and intangible assets. Revenues for the three and nine months to September 30, 2016 and 2015 were as follows:

Revenues from sale of goods:

	Q3 2016 $m	Q3 2015 $m	**9 Months 2016 $m**	9 Months 2015 $m
United States	**219**	201	**651**	613
ROW	**49**	48	**148**	153
Total	**268**	249	**799**	766

Non-current assets at September 30, 2016 and December 31, 2015 were:

	September 30 2016 $m	December 31 2015 $m
United States	**91**	80
ROW	**10**	14
Total	**101**	94

3. OPERATING COSTS AND EXPENSES

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

	Q3 2016 $m	Q3 2015 $m	9 Months 2016 $m	9 Months 2015 $m
Research and development expenses	**(29)**	(36)	**(87)**	(91)
Marketing, selling and distribution expenses	**(39)**	(43)	**(102)**	(122)
Administrative expenses	**(294)**	(60)	**(439)**	(150)
Depreciation and amortisation	**(1)**	(6)	**(12)**	(18)
Operating lease rentals	**(1)**	(2)	**(3)**	(5)
Total	**(335)**	(111)	**(556)**	(295)

Exceptional Items

	Q3 2016 $m	Q3 2015 $m	9 Months 2016 $m	9 Months 2015 $m
Cost of Sales	**(1)**	-	**(11)**	-
Reconfiguration and separation costs	**-**	(2)	**-**	(7)
Consulting costs	**(2)**	-	**(6)**	-
Legal Provisions	**(220)**	-	**(220)**	-
Total Exceptional items	**(223)**	(2)	**(237)**	**(7)**

$237m (2015: $7m) of exceptional items include legal provisions, write offs of manufacturing costs and legal and advisory costs related to the exploration of strategic initiatives for the event of a potential negative ANDA ruling. The Company has recorded a charge of $220m in the third quarter of 2016 for the investigative and antitrust litigation matters set out in note 7 below. Because these matters are in various stages, the Company cannot predict with any certainty the ultimate resolution or cost of all of the matters, and may in the future take additional charges. These have been included within operating expenses and Costs of Sales.

4. TAXATION

In the nine months ended September 30, 2016, tax on total profits amounted to $82m and represented a nine-month effective tax rate of 210% (9 Month 2015: 27%); $16m of these relate to the tax effect on the movement of assets within the Group and additional provisions for unresolved tax matters and prior year adjustments, and are considered to be exceptional. ($5m) relate to the tax effect of exceptional items within SD&A and Cost of Sales. No deferred tax has been recognized on the litigation charge in the period as it is uncertain whether the charge will be available for tax relief. Adjustments will be made once a final determination of the litigation charges has been made. Excluding the impact of exceptional items the effective tax rate for the nine months ended September 30, 2016 is 26% (2015: 27%).

The Group's balance sheet at September 30, 2016 included a tax payable liability of $70m and deferred tax asset of $112m.

5. EARNINGS PER SHARE

	Q3 2016 cents	Q3 2015 cents	9 Months 2016 cents	9 Months 2015 cents
Basic (loss)/earnings per share	**(21)**	7	**(6)**	27
Diluted (loss)/earnings per share	**(20)**	7	**(6)**	26
Adjusted basic earnings per share	**10**	7	**28**	27
Adjusted diluted earnings per share	**10**	7	**28**	27

Basic

Basic earnings per share ("EPS") is calculated by dividing profit/(loss) for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period. 720,597,566 shares were in issue at the reporting date.

Diluted

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

	2016 Average number of shares	2015 Average number of shares
On a basic basis	**720,597,566**	718,577,618
Dilution for Long Term Incentive Plan (LTIP)	**22,614,143**	14,459,717
Adjusted diluted shares	**743,211,709**	733,037,335

Adjusted Earnings

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

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

	Q3 2016 $m	Q3 2015 $m	**9 Months 2016 $m**	9 Months 2015 $m
Net (loss)/income	**(149)**	48	**(43)**	191
Exceptional items	**223**	2	**237**	7
Tax effect of exceptional items	**-**	-	**(5)**	(2)
Exceptional items within taxation	**(3)**	-	**16**	-
Adjusted net income	**71**	50	**205**	196

6. FINANCIAL LIABILITIES – BORROWINGS

Current	**September 30 2016 $m**	December 31 2015 $m
Bank loans	**(55)**	(34)
	(55)	(34)

Non-current	**September 30 2016 $m**	December 31 2015 $m
Bank loans	**(491)**	(571)
	(491)	(571)

Analysis of net debt	**September 30 2016 $m**	December 31 2015 $m
Cash and cash equivalents	**586**	467
Borrowings*	**(575)**	(641)
	11	(174)

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

Reconciliation of net debt	**September 30 2016 $m**	December 31 2015 $m
The movements in the period were as follows:		
Net debt at beginning of period	**(174)**	(428)
Increase in cash and cash equivalents	**119**	136
Net repayment of borrowings and overdraft	**69**	121
Exchange adjustment	**(3)**	(3)
Net debt at end of period	**11**	(174)

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

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

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

*For years 1 and 2 only; 10% thereafter

Also included within the terms of the loan were:

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

7. CONTINGENT LIABILITIES

The Indivior Group is currently subject to other legal proceedings and investigations, including through subpoenas and other information requests, by various governmental authorities. It is not possible at this time to predict with any certainty the potential impact of these matters on the Company, or to quantify the ultimate cost of a resolution of these matters. The Board of Indivior has recorded a charge of $220m in the third quarter of 2016 for the investigative and antitrust litigation matters noted below. Because these matters are in various stages, Indivior cannot predict with any certainty the ultimate resolution or cost of all of the matters, and the final amount might be materially different from this reserve.

The Indivior business (previously Reckitt Benckiser Pharmaceuticals (RBP)) was demerged from Reckitt Benckiser Group plc (RB) on December 23rd 2014 and Indivior PLC became the new ultimate holding company of the group.

Department of Justice Investigation

- A federal criminal grand jury investigation of Indivior initiated in December 2013 is continuing, and includes marketing and promotion practices, paediatric safety claims, and overprescribing of medication by certain physicians. The U.S. Attorney's Office for the Western District of Virginia has served a number of subpoenas relating to SUBOXONE® Film, SUBOXONE® Tablet, SUBUTEX® Tablet, buprenorphine and our competitors, among other issues. We are in the process of responding by producing documents and other information in connection with this on-going investigation, and in preliminary discussion about a possible resolution of the investigation. We are cooperating fully with the relevant agencies and prosecutors and will continue to do so.

FTC Investigation Antitrust Litigation, Connecticut Subpoena

- The Judge overseeing the legal privilege dispute in the FTC investigation has appointed a Special Master (an independent external lawyer) to investigate the claims of legal privilege and provide a recommendation to the Court on how the documents at issue should be treated. An initial report and recommendation relating to the first tranche of privileged documents reviewed by the Special Master was finalized in April 2016 and adopted by the Court on August 1st, 2016. Pursuant to this report and the Court's order, Indivior produced certain additional documents. A second tranche of documents remains under review. Following that review, the Court's decision then may be subject to appeal by either party.
- Fact discovery is continuing in the antitrust class action litigation described on our Annual Report ("Class Action Litigation"). Plaintiffs allege, among other things, that Indivior violated federal and state antitrust laws by attempting to delay generic entry of alternatives to SUBOXONE tablets, and plaintiffs further allege that Indivior unlawfully acted to lower the market share of these generic products.
- Amneal Pharmaceuticals LLC, a manufacturer of generic buprenorphine / naloxone tablets, filed a complaint against the Company in December 2015. This case has been coordinated with the Class Action litigation. Amneal's complaint contains antitrust allegations similar in nature to those set out in the class action complaints, and Amneal has also alleged violations of the Lanham Act.
- On September 22, 2016, 35 states and the District of Columbia filed a complaint against the Company in the same district where the Class Action and *Amneal* litigation is pending. The States' complaint is similar to the other pending complaints, and alleges violations of state and federal antitrust and consumer protection laws. On October 25, 2016, the Company was informed that the States plan to amend their complaint to add six additional states as plaintiffs. This lawsuit relates to the investigation conducted by various states, as discussed in previous filings.
- On October 12, 2016, the Company was served with a subpoena for records from the state of Connecticut Office of the Attorney General under its Connecticut civil false claims act authority. The subpoena requests documents related to the Company's marketing and promotion of SUBOXONE® products and its interactions with a non-profit third party organization. The Company is cooperating in this investigation.

ANDA Litigation

- The ruling after trial against Actavis and Par in the lawsuit involving the Orange Book-listed patents for Suboxone® Film issued on June 3rd, 2016. Ruling found the asserted claims of the '514 patent valid and infringed; the asserted claims of the '150 patent valid but not infringed; and the asserted claims of the '832 patent invalid, but found that certain claims would be infringed if they were valid.
- Based on the ruling as to the '514 patent, Actavis and Par are currently enjoined from launching a generic product. Par has appealed and Actavis is expected to appeal this ruling. The generics have also moved to reopen the judgment based on a more stringent claim construction in the Teva case. In light of the motions to reopen, Par's appeal has been deactivated until the District Court rules on the motions, and the deadline for Actavis to file a notice of appeal has been postponed.
- Trial against Dr. Reddy's, Actavis and Par in the lawsuits involving the process patent (US Patent No. 8,900,497) scheduled for November 16th and 21st-23rd, 2016.
- Trial against Dr. Reddy's in the lawsuit involving the Orange Book-listed patents for Suboxone® Film scheduled for November 7th, 16th, and 21st-23rd, 2016, with Dr. Reddy's 30-month stay of FDA approval on ANDA No. 20-5806 expiring April 17th, 2017. Indivior believes Dr. Reddy's 30-month stay of FDA approval on ANDA No. 20-5299 also expires on April 17th, 2017, however, Dr Reddy's disputes the applicability of the stay to this ANDA.
- Trial against Alvogen in the lawsuit involving the Orange Book-listed patents and the '497 process patent for Suboxone® Film originally scheduled for April 2017 is expected to be rescheduled to a date later in the year, with Alvogen's 30-month stay of FDA approval expiring October 29th, 2017.
- By a Court order dated August 22nd, 2016, Indivior's Suboxone® Film patent litigation against Sandoz has been dismissed without prejudice because Sandoz is no longer pursuing Paragraph IV certifications for its proposed generic formulations of Suboxone® film.
- Trial against Mylan in the lawsuit involving the Orange Book-listed patents for Suboxone® Film is scheduled for September 25th, 2017, with Mylan's stay expiring March 24, 2018.
- Indivior received a Paragraph IV notification from Teva, dated February 8, 2016, indicating that Teva had filed a 505(b)(2) New Drug Application (NDA) for a 16mg/4mg strength of Buprenorphine/naloxone sublingual film. The Indivior Group and Teva agreed that infringement by Teva's 16 mg/4 mg dosage strength will be governed by the infringement ruling on the accused 8 mg/2 mg dosage strength in its ANDA currently scheduled for trial in November 2016.
- The USPTO declined to institute Teva's petitions for inter partes review of the three Orange Book-listed patents on procedural grounds.
- Dr. Reddy's has filed an inter partes review petition on each of the three Orange Book Patents. These petitions are substantively similar to those filed by Teva.
- Certain claims of the '832 patent were found invalid in an IPR proceeding, a decision that has been affirmed by the Court of Appeals for the Federal Circuit.
- In the event of a ruling in these matters that none of the claims of the asserted patents are valid and infringed by the ANDA-filers, and should there be FDA approval of one or more of the ANDAs and subsequent commercial launch of generic SUBOXONE® film, and pipeline products fail to obtain regulatory approval, there is the likelihood that revenues and operating profits of the Company will decline. In these circumstances the Directors believe they would be able to take the required steps to reduce the cost base, however this would result in a significant change to the structure of the business.

IRS Notice on Manufacturing Deductions

In August 2015 the IRS issued notices of a proposed adjustment for the disallowance of certain manufacturing deductions claimed by the Company following its audit of 2011 and 2012 income tax years. During the 4th quarter of 2015, the Company was notified by the IRS of their intention to audit 2013 and 2014 income tax years and have since been notified that the IRS intend to disallow these claims in 2013 and 2014 audit cycle. The Company will appeal the proposed disallowance. The Company has evaluated its positions with respect to these claims and has provided $19m tax reserve for amounts claimed on all open periods as its best estimate of its expected settlement position for this issue.

8. TRADE AND OTHER PAYABLES

	September 30 2016 $m	December 31 2015 $m*
Sales returns and rebates	**(335)**	(287)
Trade payables	**(19)**	(27)
Accruals	**(212)**	(202)
Other tax and social security payables	**(27)**	(12)
Total	**(593)**	(528)

**The December 31 2015 balances have been adjusted to correct a prior period classification between Trade payables and Accruals.*

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

9. SHARE CAPITAL

	Equity Ordinary Shares	Issue price	Nominal value $m
Issued and fully paid			
At January 1, 2016	**718,577,618**	**$0.10**	**72**
Allotments	2,019,948	$0.10	-
At September 30, 2016	**720,597,566**	**$0.10**	**72**

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

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

The initial shareholders resolved, by a special resolution, passed on October 30, 2015, to reduce Indivior PLC's share capital by decreasing the nominal value of each Indivior Ordinary Share from $2.00 to $0.10. This created distributable reserves on the balance sheet that will provide Indivior with, among other things, capacity for the payment of future dividends.

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

Allotment of ordinary shares

During the year, 2,019,948 ordinary shares (2015: nil) were allotted to satisfy vestings/exercises under the Group's Long Term Incentive Plan.

10. RELATED PARTIES

Subsequent to the demerger from former parent, RB, on December 23, 2014, Indivior continues to receive certain services like office space rental and other operational services on commercial terms and on an arm's length basis. Adrian Hennah, the RB CFO, served on the Indivior PLC Board of Directors until the AGM on May 11th, 2016. The amount included within SD&A in respect of these services is $5m.

11. POST BALANCE SHEET EVENTS

There have been no material post balance sheet events.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

Indivior's Directors are listed in the Annual Report and Accounts for 2015; with the following exceptions:

Adrian Hennah, who stepped down as a Director on May 11, 2016
Rupert Bondy, who stepped down as a Director on September 30, 2016,
Lizabeth Zlatkus, who joined the Board as a Director on September 1, 2016

There have been no other changes in the period.

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

By order of the Board

Shaun Thaxter
Chef Executive Officer

Cary J. Claiborne
Chief Financial Officer

November 1, 2016

Independent review report to Indivior PLC

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Indivior PLC's condensed consolidated interim financial statements (the "interim financial statements") in the quarterly financial report of Indivior PLC for the 3 and 9 month period ended 30 September 2016. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Emphasis of Matter – going concern

In forming our conclusion on the interim financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the interim financial statements concerning the Group's ability to continue as a going concern. As more fully stated in note 7 the Group is involved in investigations by the Department of Justice and the Federal Trade Commission as well as antitrust litigation. An amount of $220m has been established as a reserve for potential settlement for all of these matters . The amount accepted in the final agreed settlement might be materially different from this reserve. This could impact the Group's ability to operate, which would be further adversely impacted should revenues decline and pipeline products fail to obtain regulatory approval, all of which could mean the Group cannot continue in business without taking necessary measures to reduce its cost base and improve its cash flow. As such, this indicates a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. However, the Directors believe that they are able to carry out the necessary measures and that that the Group can continue as a going concern for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis for accounting in preparing these financial statements which do not include any adjustments that might result from the outcome of this uncertainty.

Emphasis of matter – outcome of litigation

Without modifying our conclusion on the interim financial statements, we draw your attention to note 1 that describes the uncertain outcome of the ongoing ANDA patent litigation over Suboxone Film. In the event of a negative ruling against the Group, and should there be a regulatory approval and subsequent commercial launch of generic Suboxone Film, and pipeline products fail to obtain regulatory approval there is the likelihood that revenues and operating profits may decline. In these circumstances the Directors believe they would be able to take the required steps to reduce the cost base, however this would result in a significant change to the structure of the business. As a result of this decline and extent of its impact, the Directors would consider a change in the structure of the business and methods to reduce its cost base, as also described in note 7.

What we have reviewed

The interim financial statements comprise:

- the condensed consolidated interim balance sheet as at 30 September 2016;
- the condensed consolidated interim income statement and condensed consolidated statement of comprehensive income for the three and nine month periods then ended;
- the condensed consolidated interim statement of cash flows for the nine month period then ended;
- the condensed consolidated interim statement of changes in equity for the nine month period then ended; and
- the explanatory notes to the interim financial statements.

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

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

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The quarterly financial report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the quarterly financial report in accordance with the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

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

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the quarterly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
November 2016

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

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

Condensed cons. interim income statement (Adjusted)

ADJUSTED	Notes	**Unaudited Q3 2016 $m**	Unaudited Q3 2015 $m	**Unaudited 9 Months 2016 $m**	Unaudited 9 Months 2015 $m
Net Revenues	2	**268**	249	**799**	766
Cost of Sales		**(24)**	(24)	**(67)**	(72)
Gross Profit		**244**	225	**732**	694
Selling, distribution and administrative expenses	3	**(113)**	(109)	**(330)**	(288)
Research and development expenses	3	**(29)**	(36)	**(87)**	(91)
Operating Profit		**102**	80	**315**	315
Finance expense		**(12)**	(16)	**(39)**	(47)
Net finance expense		**(12)**	(16)	**(39)**	(47)
Profit before taxation		**90**	64	276	268
Taxation	4	**(19)**	(14)	**(71)**	(72)
Net income		**71**	50	205	196