UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2000

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from_____ to_____

Commission file number 0-22613

AVI BIOPHARMA, INC.

(Exact name of registrant as specified in its charter)

Oregon	93-0797222
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

One SW Columbia Street, Suite 1105, Portland, Oregon	97258
(Address of principal executive offices)	(Zip Code)

Issuer's telephone number, including area code: 503-227-0554

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock with $.0001 par value	18,437,799
(Class)	(Outstanding at July 31, 2000)

AVI BIOPHARMA, INC.

FORM 10-Q

INDEX

AVI BIOPHARMA, INC.
(A Development Stage Company)
BALANCE SHEETS

	June 30, 2000	December 31, 1999
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 6,949,190	$ 8,683,005
Short-term securities--available-for-sale	3,625,000	2,937,500
Other current assets	23,142	31,242
Total Current Assets	10,597,332	11,651,747
Property and Equipment, net of accumulated depreciation and amortization of $2,589,611 and $2,518,494	551,921	403,303
Patent Costs, net of accumulated amortization of $490,768 and $418,268	894,917	844,731
Other Assets	382,595	29,847
Total Assets	$12,426,765	$ 12,929,628
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 839,280	$ 727,673
Accrued liabilities	265,316	312,481
Total Current Liabilities	1,104,596	1,040,154
Shareholders' Equity:		
Preferred Stock, $.0001 par value, 2,000,000 shares authorized; none issued and outstanding	-	-
Common stock, $.0001 par value, 50,000,000 shares authorized; 16,748,167 and 16,236,428 issued and outstanding	1,675	1,624
Additional paid-in capital	65,626,666	62,901,227
Accumulated other comprehensive income	728,000	40,500

Deficit accumulated during the development stage	(55,034,172)	(51,053,877)
Total Shareholders' Equity	11,322,169	11,889,474
Total Liabilities and Shareholders' Equity	$12,426,765	$ 12,929,628

The accompanying notess are an integral part of these balance sheets.

AVI BIOPHARMA, INC.
(A Development Stage Company)
STATEMENTS OF OPERATIONS

	Three months ended June 30, 2000	Three months ended June 30, 1999	Six months ended June 30, 2000	Six months ended June 30, 1999	July 22, 1980 (Inception) to June 30, 2000
Revenues, from license fees, grants and research contracts	$ 18,250	$ 110	$ 1,150,123	$ 4,225	$ 1,991,340
Operating expenses:					
Research and development	2,483,942	1,627,478	4,420,415	2,970,128	29,148,048
General and administrative	490,185	418,868	926,248	836,492	10,124,916
Acquired in-process research and development	--	1,498	--	61,337	19,545,028
	2,974,127	2,047,844	5,346,663	3,867,957	58,817,992
Other Income:					
Interest income, net	115,464	50,549	216,245	127,088	1,695,730
Realized gain on sale of short-term investments	--	--	--	--	96,750
	115,464	50,549	216,245	127,088	1,792,480
Net loss	$(2,840,413)	$ (1,997,185)	$(3,980,295)	$ (3,736,644)	$(55,034,172)
Net loss per share - basic and diluted	$ (0.17)	$ (0.15)	$ (0.24)	$ (0.28)	
Weighted average number of common shares outstanding for computing basic and diluted earnings per share	16,710,194	13,351,206	16,534,932	13,350,287	

The accompanying notes are an integral part of these statements.

AVI BIOPHARMA, INC.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS

	Six months ended June 30, 2000	Six months ended June 30, 1999	For the Period July 22, 1980 (Inception) to June 30, 2000
Cash flows from operating activities:			
Net loss	$(3,980,295)	$(3,736,644)	$(55,034,172)
Adjustments to reconcile net loss to net cash flows used in operating activities:			
Depreciation and amortization	148,692	143,884	3,202,223
Realized gain on sale of short-term investments-available for sale	--	--	(96,750)
Compensation expense on issuance of common stock and partnership units	--	--	251,992
Compensation expense on issuance of options and warrants to purchase common stock or partnership units	--	--	562,353
Conversion of interest accrued to common stock	--	--	7,860
Acquired in-process research and development	--	61,337	19,545,028
(Increase) decrease in:			
Other current assets	8,100	471,156	(23,142)
Other assets	(352,748)	--	(382,595)
Net increase (decrease) in accounts payable and accrued liabilities	64,442	(772,473)	1,104,596

Net cash used in operating activities	(4,111,809)	(3,832,740)	(30,862,607)
Cash flows from investing activities:			
Proceeds from sale or redemption of short-term investments	--	--	247,750
Purchase of property and equipment	(224,810)	(109,808)	(3,206,696)
Patent costs	(122,686)	(135,537)	(1,442,365)
Acquisition costs	--	(61,337)	(2,377,616)
Net cash used in investing activities	(347,496)	(306,682)	(6,778,927)
Cash flows from financing activities:			
Proceeds from sale of common stock, warrants, and partnership units, net of offering costs, and exercise of options	2,725,490	15,000	44,976,161
Buyback of common stock pursuant to rescission offering	--	--	(288,795)
Withdrawal of partnership net assets	--	--	(176,642)
Issuance of convertible debt	--	--	80,000
Net cash provided by financing activities	2,725,490	15,000	44,590,724
Increase (decrease) in cash and cash equivalents	(1,733,815)	(4,124,422)	6,949,190
Cash and cash equivalents:			
Beginning of period	8,683,005	8,510,020	--
End of period	$ 6,949,190	$ 4,385,598	$ 6,949,190
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING ACTIVITIES AND FINANCING ACTIVITIES:			
Short-term securities--available-for-sale received in connection with the private offering	$ --	$ --	$ 2,897,000
Unrealized gain on short-term securities--available-for-sale	$ 687,500	$ --	$ 728,000

The accompanying notes are an integral part of these statements.

AVI BIOPHARMA, INC.
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1. BASIS OF PRESENTATION

The financial information included herein for the three and six-month periods ended June 30, 2000 and 1999 and the financial information as of June 30, 2000 is unaudited; however, such information reflects all adjustments consisting only of normal recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods. The financial information as of December 31, 1999 is derived from AVI BioPharma, Inc.'s (the Company's) Form 10-K. The interim financial statements should be read in conjunction with the financial statements and the notes thereto included in the Company's Form 10-K. The results of operations for the interim periods presented are not necessarily indicative of the results to be expected for the full year.

NOTE 2. EARNINGS PER SHARE

Basic EPS is calculated using the weighted average number of common shares outstanding for the period and diluted EPS is computed using the weighted average number of common shares and dilutive common equivalent shares outstanding. Given that the Company is in a loss position, there is no difference between basic EPS and diluted EPS since the common stock equivalents would be antidilutive.

Three Months Ended June 30,	2000	1999
Net loss	$ (2,840,413)	$(1,997,185)
Weighted average number of shares of common stock and common stock equivalents outstanding:		
Weighted average number of common shares outstanding for computing basic earnings per share	16,710,194	13,351,206
Dilutive effect of warrants and stock options after application of the treasury stock method	*	*
Weighted average number of common shares outstanding for computing diluted earnings per share	16,710,194	13,351,206
Net loss per share - basic and diluted	$(0.17)	$(0.15)

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Six Months Ended June 30,	2000	1999
Net loss	$ (3,980,295)	$ (3,736,644)
Weighted average number of shares of common stock and common stock equivalents outstanding:		
Weighted average number of common shares outstanding for computing basic earnings per share	16,534,932	13,350,287
Dilutive effect of warrants and stock options after application of the treasury stock method	*	*
Weighted average number of common shares outstanding for computing diluted earnings per share	16,534,932	13,350,287
Net loss per share - basic and diluted	$(0.24)	$(0.28)

* The following common stock equivalents are excluded from earnings per share calculation as their effect would have been antidilutive:

Three Months Ended June 30,	2000	1999
Warrants and stock options	7,907,987	7,077,082

Six Months Ended June 30,	2000	1999
Warrants and stock options	7,907,987	7,077,082

NOTE 3. SUBSEQUENT EVENTS

In April 2000, the Company entered into an alliance with SuperGen, Inc. for shared development and marketing rights for Avicine. Under the terms of the agreement, AVI and SuperGen will equally share in future clinical development and FDA registration costs as well as in profits from product sales in the United States. Upon closing the Company will receive from SuperGen, Inc. $5,000,000 in cash and 347,826 shares of SuperGen, Inc. common stock in exchange for 1,684,211 shares of AVI common stock and a warrant to purchase 1,665,878 shares of AVI common stock, subject to anti-dilution provisions. Closing of the transaction will occur during the third quarter of 2000.

In July 2000, the Company completed a secondary offering for 3,000,000 shares of common stock at $7.25 per share. Closing occurred in August 2000. Net proceeds were approximately $20,000,000. In addition, the Company has granted the underwriters an over-allotment option to purchase up to 450,000 additional shares within 45 days from the date of the prospectus. If this over-allotment option is exercised in full, net proceeds from the sale of 3,450,000 shares of common stock are expected to be approximately $23,000,000.

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TEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS

FORWARD-LOOKING INFORMATION

The Financial Statements and Notes thereto should be read in conjunction with the following discussion. The discussion in this Form 10-Q contains certain forward-looking statements that involve risks and uncertainties, including, but not limited to, the results of research and development efforts, the results of pre-clinical and clinical testing, the effect of regulation by FDA and other agencies, the impact of competitive products, product development, commercialization and technological difficulties, and other risks detailed in the Company's Securities and Exchange Commission filings.

OVERVIEW

From its inception in July 1980, the Company has devoted its resources primarily to fund its research and development efforts. The Company has been unprofitable since inception and, other than limited interest, license fees and grants, has had no material revenues from the sale of products or other sources, and does not expect material revenues for at least the next 12 months. The Company expects to continue to incur losses for the foreseeable future as it expands its research and development efforts. As of June 30, 2000, the Company's accumulated deficit was $55,034,172.

RESULTS OF OPERATIONS

Revenues, from license fees, grants and research contracts, increased to $18,250 in the second quarter of 2000 from $110 in the second quarter of 1999. Revenues, from license fees, grants and research contracts, increased to $1,150,123 for the six months ended June 30, 2000 from $4,225 for the comparable period of 1999 due primarily to the receipt of a $1,000,000 fee for expansion of a license for diagnostic applications. During the first quarter of 2000, the Company modified an existing agreement with AGDG. Under the previous agreement between the Company and AGDG, AGDG had a non-exclusive, royalty bearing right to use certain technology in the development of diagnostics and an obligation to pay royalties to the Company on any sales resulting from this development. The agreement modification resulted in AGDG having an exclusive right to the technology and having no future royalty obligation to the Company. In consideration for this modification, the Company received a $1 million license fee and a reduction in future royalties to be paid to AGDG resulting from the sale of therapeutic products. The $1 million was recognized as license fee revenue during the first quarter of 2000.

Operating expenses increased to $2,974,127 in the second quarter of 2000 from $2,047,844 in the second quarter of 1999 and to $5,346,663 for the six months ended June 30, 2000 from $3,867,957 for the comparable period of 1999 due to increases in research and development staffing and increased expenses associated with outside collaborations and pre-clinical and clinical testing of the Company's technologies. Additionally, increased general and administrative costs were incurred to support the research expansion, and to continue to broaden the Company's investor and public relations efforts. Net interest income increased to $115,464 in the second quarter of 2000 from $50,549 in the second quarter of 1999 and to $216,245 for the six months ended June 30, 2000 from $127,088 for the comparable period in 1999 due to earnings on increased cash balances.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents were $6,949,190 at June 30, 2000, compared with $8,683,005 at December 31, 1999. The decrease of $1,733,815 was primarily due to increases in research and development staffing and increased expenses associated with clinical programs, outside collaborations, and pre-clinical testing of the Company's technologies, partially offset by the exercise of options and warrants during the six months ended June 30, 2000 and the $1,000,000 license fee. In addition the Company's short-term securities increased $687,500 to $3,625,000 at June 30, 2000 due to unrealized gains in the value of these securities.

In April 2000, the Company entered into an alliance with SuperGen, Inc. for shared development and marketing rights for Avicine. Under the terms of the agreement, AVI and SuperGen will equally share in future clinical development and FDA registration costs as well as in profits from product sales in the United States. Upon closing the Company will receive from SuperGen, Inc. $5,000,000 in cash and 347,826 shares of SuperGen, Inc. common stock in exchange

for 1,684,211 shares of AVI common stock and a warrant to purchase 1,665,878 shares of AVI common stock, subject to anti-dilution provisions. Closing of the transaction will occur during the third quarter of 2000.

In July 2000, the Company completed a secondary offering for 3,000,000 shares of common stock at $7.25 per share. Closing occurred in August 2000. Net proceeds were approximately $20,000,000. In addition, the Company has granted the underwriters an over-allotment option to purchase up to 450,000 additional shares within 45 days from the date of the prospectus. If this over-allotment option is exercised in full, net proceeds from the sale of 3,450,000 shares of common stock are expected to be approximately $23,000,000.

The Company's future expenditures and capital requirements will depend on numerous factors, including without limitation, the progress of its research and development programs, the progress of its pre-clinical and clinical trials, the time and costs involved in obtaining regulatory approvals, the cost of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights, competing technological and market developments, the ability of the Company to establish collaborative arrangements and the terms of any such arrangements, and the costs associated with commercialization of its products. The Company's cash requirements are expected to continue to increase significantly each year as it expands its activities and operations. There can be no assurance, however, that the Company will ever be able to generate product revenues or achieve or sustain profitability.

The Company expects that its cash requirements over the next twenty-four months will be satisfied by existing cash resources.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) The exhibit filed as a part of this report is listed below and this list constitutes the exhibit index.

Exhibit No.	
27	Financial Data Schedule

(b) Reports on Form 8-K

The Company did not file any Reports on Form 8-K during the quarter ended June 30, 2000.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 4, 2000

AVI BIOPHARMA, INC.

By: /s/ DENIS R. BURGER, PH.D.

Denis R. Burger, Ph.D.
Chief Executive Officer

and Chairman (of the Board of Directors)
(Principal Executive Officer)

By: /s/ MARK M. WEBBER

Mark M. Webber
Chief Financial Officer
(Principal Financial and Accounting Officer)

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