UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 24, 2012

AVI BioPharma, Inc.
(Exact name of registrant as specified in its charter)

Oregon	001-14895	93-0797222
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3450 Monte Villa Parkway, Suite 101
Bothell, WA 98021
(Address of principal executive offices, including zip code)

(425) 354-5038
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On April 24, 2012, the compensation committee of the board of directors (the "Committee") of AVI BioPharma, Inc. (the "Company") approved 2011 performance-based bonuses to our executive officers. The aggregate bonus amounts set forth below were calculated based on achievement of the Company's pre-established corporate goals at the 60% level multiplied by each executive's target bonus for fiscal year 2011 (prorated for the number of days such executive was employed by the Company in fiscal 2011). The Committee provided Mr. Garabedian, the Company's President and Chief Executive Officer, with the choice to receive his entire 2011 performance-based bonus solely in the form of equity awards, both stock options and restricted stock units ("RSUs"). For Dr. Kaye, the Company's Senior Vice President and Chief Medical Officer, half of the aggregate bonus amount is payable in cash and half is payable in the form of an equity award of either stock options or RSUs, at Dr. Kaye's election. Historically, performance-based bonuses have been paid to the Company's executives solely in cash; however, due to the Company's focus on preserving its cash resources, the Committee determined that the 2011 performance-based bonuses would be paid in half cash and half equity, with the exception of Mr. Garabedian who elected to receive no cash consideration and instead received his entire 2011 performance-based bonus solely in equity.

Name	Title	Aggregate Value of 2011 Performance-Based Bonus	Portion of 2011 Performance-Based Bonus Paid in Cash	Stock Option Grant (in shares) (1)	RSU Grant (in shares) (2)
Christopher Garabedian	President and Chief Executive Officer	$ 147,000	N/A	245,000	81,666
Edward Kaye, M.D.	Senior Vice President and Chief Medical Officer	$ 40,866	$ 20,433	68,110	N/A

(1) Each of Mr. Garabedian and Dr. Kaye elected to receive half of the 2011 performance-based bonus in the form of a stock option grant. The number of shares subject to each stock option grant was determined by the following formula: the product of (a) one-half of the executive's 2011 performance-based bonus, *divided by* $0.90, the closing price of the Company's common stock on The NASDAQ Global Market on April 24, 2012 (the "Closing Price"), *multiplied by* (b) three (rounded down to the nearest whole share). The options granted to each executive have an exercise price equal to the Closing Price and a term of ten years. One-fourth of the shares underlying each stock option grant will vest on the first anniversary of the grant date, and 1/48th of the shares underlying each stock option grant will vest on each monthly anniversary thereafter, such that the shares underlying each stock option grant will be fully vested on the fourth anniversary of the grant date, so long as the executive continues to provide services to the Company through each date.

(2) The number of shares subject to Mr. Garabedian's RSU grant was determined by the following formula: one-half of Mr. Garabedian's 2011 performance-based bonus, *divided by* the Closing Price (rounded down to the nearest whole share). Half of the shares underlying the RSU will vest on the first anniversary of the grant date, one-fourth of the shares underlying the RSU will vest on the 18-month anniversary of the grant date and the remaining one-fourth of the shares underlying the RSU will vest on the second anniversary of the grant date, so long as Mr. Garabedian continues to provide services to the Company through each date.

Additional details regarding the Company's policy of granting bonuses to its executive officers will be provided in the Company's Amendment No. 1 to its Annual Report on Form 10-K, which will be filed on or before April 30, 2012.

In connection with the Committee's approval of the 2011 performance-based bonuses, the Committee approved a form of restricted stock unit award agreement (the "RSU Agreement") for use with the Company's 2011 Equity Incentive Plan (the "Plan"). The RSU Agreement sets forth the standard terms and conditions that apply to grants of RSUs pursuant to the Plan. The foregoing description is not a complete summary of the terms of the RSU Agreement and is qualified in its entirety by the terms of the RSU Agreement, which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Item 8.01 Other Events.

On April 25, 2012, the Company issued a press release announcing the presentation of additional data from its Phase IIb study of eteplirsen for the treatment of Duchenne muscular dystrophy at the American Academy of Neurology 64th Annual Meeting. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
10.1	Form of Restricted Stock Unit Award Agreement under the 2011 Equity Incentive Plan.
99.1	Press release dated April 25, 2012.

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 hereunto duly authorized.

AVI BioPharma, Inc.

By: /s/ Christopher Garabedian
Christopher Garabedian
President and Chief Executive Officer

Date: April 25, 2012

EXHIBIT INDEX

Exhibit Number	Description
10.1	Form of Restricted Stock Unit Award Agreement under the 2011 Equity Incentive Plan.
99.1	Press release dated April 25, 2012.

Exhibit 10.1

AVI BIOPHARMA, INC.

2011 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT

Unless otherwise defined herein, the terms defined in the AVI BioPharma, Inc. 2011 Equity Incentive Plan (the "Plan") will have the same defined meanings in this Restricted Stock Unit Award Agreement (the "Award Agreement").

I. NOTICE OF RESTRICTED STOCK UNIT GRANT

Participant Name:

Address:

You have been granted the right to receive an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number	_____
Date of Grant	_____
Vesting Commencement Date	_____
Number of Restricted Stock Units	_____

Vesting Schedule:

Subject to any acceleration provisions contained in the Plan or as otherwise set forth below, the Restricted Stock Units will vest in accordance with the following schedule:

[INSERT VESTING SCHEDULE.]

In the event Participant ceases to be a Service Provider for any or no reason before Participant vests in the Restricted Stock Units, the Restricted Stock Units and Participant's right to acquire any Shares hereunder will immediately terminate.

By Participant's signature and the signature of the representative of AVI BioPharma, Inc. (the "Company") below, Participant and the Company agree that this Award of Restricted Stock Units is granted under and governed by the terms and conditions of the Plan and this Award Agreement, including the Terms and Conditions of Restricted Stock Unit Grant, attached hereto as Exhibit A, all of which are made a part of this document. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement and fully understands all provisions of the Plan and Award Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT:	AVI BIOPHARMA, INC.
Signature	By
Print Name	Title
Address:	

EXHIBIT A

TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT

1. Grant. The Company hereby grants to the individual named in the Notice of Grant attached as Part I of this Award Agreement (the "Participant") under the Plan an Award of Restricted Stock Units, subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 20(c), in the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan will prevail.

2. Company's Obligation to Pay. Each Restricted Stock Unit represents the right to receive a Share on the date it vests. Unless and until the Restricted Stock Units will have vested in the manner set forth in Section 3, Participant will have no right to payment of any such Restricted Stock Units. Prior to actual payment of any vested Restricted Stock Units, such Restricted Stock Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company. Any Restricted Stock Units that vest in accordance with Sections 3 or 4 will be paid to Participant (or in the event of Participant's death, to his or her estate) in whole Shares, subject to Participant satisfying any applicable tax withholding obligations as set forth in Section 7. Subject to the provisions of Section 4, such vested Restricted Stock Units will be paid in Shares as soon as practicable after vesting, but in each such case within the period ending no later than the date that is two and one-half (2 1/2) months from the end of the Company's tax year that includes the vesting date.

3. Vesting Schedule. Except as provided in Section 4, and subject to Section 5, the Restricted Stock Units awarded by this Award Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Restricted Stock Units scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant in accordance with any of the provisions of this Award Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant until the date such vesting occurs.

4. Administrator Discretion. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock Units will be considered as having vested as of the date specified by the Administrator.

Notwithstanding anything in the Plan or this Award Agreement to the contrary, if the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Units is accelerated in connection with Participant's termination as a Service Provider (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Company), other than due to death **,** and if (x) Participant is a "specified employee" within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the payment of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the six (6) month period following Participant's termination as a Service Provider, then the payment of such accelerated Restricted Stock Units will not be made until the date six (6) months and one (1) day following the date of Participant's termination as a Service Provider, unless the Participant dies

following his or her termination as a Service Provider, in which case, the Restricted Stock Units will be paid in Shares to the Participant's estate as soon as practicable following his or her death. It is the intent of this Award Agreement to comply with the requirements of Section 409A so that none of the Restricted Stock Units provided under this Award Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. For purposes of this Award Agreement, "Section 409A" means Section 409A of the Code, and any proposed, temporary or final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

5. Forfeiture upon Termination of Status as a Service Provider. Notwithstanding any contrary provision of this Award Agreement, the balance of the Restricted Stock Units that have not vested as of the time of Participant's termination as a Service Provider for any or no reason and Participant's right to acquire any Shares hereunder will immediately terminate.

6. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7. Withholding of Taxes. Notwithstanding any contrary provision of this Award Agreement, no certificate representing the Shares will be issued to Participant, unless and until satisfactory arrangements (as determined by the Administrator) will have been made by Participant with respect to the payment of income, employment and other taxes which the Company determines must be withheld with respect to such Shares. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit Participant to satisfy such tax withholding obligation, in whole or in part (without limitation) by (a) paying cash, (b) electing to have the Company withhold otherwise deliverable Shares having a Fair Market Value equal to the minimum amount required to be withheld, (c) delivering to the Company already vested and owned Shares having a Fair Market Value equal to the amount required to be withheld, or (d) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld. To the extent determined appropriate by the Company in its discretion, it will have the right (but not the obligation) to satisfy any tax withholding obligations by reducing the number of Shares otherwise deliverable to Participant. If Participant fails to make satisfactory arrangements for the payment of any required tax withholding obligations hereunder at the time any applicable Restricted Stock Units otherwise are scheduled to vest pursuant to Sections 3 or 4, Participant will permanently forfeit such Restricted Stock Units and any right to receive Shares thereunder and the Restricted Stock Units will be returned to the Company at no cost to the Company.

8. Rights as Shareholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a shareholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares will have been issued, recorded on the records of the Company or its transfer agents or registrars,

and delivered to Participant. After such issuance, recordation and delivery, Participant will have all the rights of a shareholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

9. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OF RESTRICTED STOCK UNITS OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

10. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company, in care of Stock Administration at AVI BioPharma, Inc., at 3450 Monte Villa Parkway, Suite 101, Bothell, WA 98021, or at such other address as the Company may hereafter designate in writing.

11. Grant is Not Transferable. Except to the limited extent provided in Section 6, this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

12. Binding Agreement. Subject to the limitation on the transferability of this grant contained herein, this Award Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

13. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate), such issuance will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained free of any conditions not acceptable to the Company. Where the Company determines that the delivery of the payment of any Shares will violate federal securities laws or other applicable laws, the Company will defer delivery until the earliest date at which the Company reasonably anticipates

that the delivery of Shares will no longer cause such violation. The Company will make all reasonable efforts to meet the requirements of any such state or federal law or securities exchange and to obtain any such consent or approval of any such governmental authority.

14. Plan Governs. This Award Agreement is subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Award Agreement and one or more provisions of the Plan, the provisions of the Plan will govern. Capitalized terms used and not defined in this Award Agreement will have the meaning set forth in the Plan.

15. Administrator Authority. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. No member of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

16. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

17. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

18. Agreement Severable. In the event that any provision in this Award Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement.

19. Modifications to the Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection to this Award of Restricted Stock Units.

20. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock Units under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

21. Governing Law. This Award Agreement will be governed by the laws of the State of Oregon, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Restricted Stock Unit or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Oregon, and agree that such litigation will be conducted in the state courts of Oregon, or the federal courts for the United States for the District of Oregon, and no other courts, where this Restricted Stock Unit is made and/or to be performed.

Exhibit 99.1

AVI Media and Investor Contact:
Erin Cox
425.354.5140
ecox@avibio.com

AVI Media Contact:
David Schull
212.845.4271
David.schull@russopartners.com

AVI BioPharma to Present Additional Data From the Phase IIb Study of Eteplirsen for the Treatment of Duchenne Muscular Dystrophy at the 2012 AAN Annual Meeting

Previously Reported Data Demonstrated Study Met Primary Endpoint

BOTHELL, WA, April 25, 2012 – AVI BioPharma, Inc. (NASDAQ: AVII), a developer of RNA-based therapeutics, announced that data from a Phase IIb study evaluating eteplirsen as a treatment for boys with Duchenne muscular dystrophy (DMD) will be presented today at the American Academy of Neurology 64th Annual Meeting in New Orleans, Louisiana. Principal investigator, Jerry R. Mendell, M.D. of Nationwide Children's Hospital, will describe the data via a brief oral presentation of the abstract titled "A Phase IIb Placebo-Controlled Study of the Exon-Skipping Drug Eteplirsen in Subjects with Duchenne Muscular Dystrophy" during the AAN Emerging Science Session (abstract #004 at 5:54 pm CDT), followed by a more detailed poster presentation (6:30 to 7:00 pm CDT).

The abstract will describe new and previously reported efficacy and safety data from the Phase IIb study examining 24 weeks of treatment with eteplirsen in boys with DMD. Results from the randomized, double-blind, placebo-controlled study confirm that the trial met its primary endpoint, demonstrating a significant increase in dystrophin at 24 weeks compared to placebo. Data showed that eteplirsen, administered once weekly at 30mg/kg over 24 weeks, resulted in a statistically significant ($p \leq 0.002$) increase in novel dystrophin (22.5% dystrophin-positive fibers as a percentage of normal) compared to no increase in the placebo group.

Additional data to be presented today include:

- Individual patient data on the primary endpoint of change in dystrophin-positive fibers from baseline;
- Biochemical findings across the 24-week treatment cohort (30 mg/kg/wk dose) including RT-PCR and western blot images for each individual patient in this cohort;
- An exploratory analysis of performance on the 6-minute walk test comparing eteplirsen-treated patients compared to placebo. Two patients in the 30 mg/kg cohort showed rapidly progressive decline on the 6-minute walk test and were excluded from the

analysis. Of the remaining patients, the eteplirsen-treated patients demonstrated a 17.8 meter benefit versus placebo over 24 weeks (-3.2 meter decline from baseline vs. -21.0 decline, respectively). This was an exploratory analysis and not a statistically significant finding.

- A summary of treatment-emergent adverse events comparing eteplirsen-treated patients versus placebo, which demonstrated that eteplirsen was well tolerated through 24 weeks of treatment. No treatment-related adverse events, serious adverse events, and treatment discontinuations related to eteplirsen were observed. In addition, no treatment related changes were detected on any safety laboratory parameters, including several biomarkers for renal function.

Dr. Mendell's presentation will be posted on the AVI BioPharma web site in the "Events & Presentations" section after the session is completed.

About Duchenne Muscular Dystrophy

DMD is one of the most common fatal genetic disorders to affect children around the world. Approximately one in every 3,500 boys worldwide is affected with DMD. A devastating and incurable muscle-wasting disease, DMD is associated with specific inborn errors in the gene that codes for dystrophin, a protein that plays a key structural role in muscle fiber function. Progressive muscle weakness eventually spreads to the arms, neck and other areas. Eventually, this progresses to complete paralysis and increasing difficulty in breathing due to respiratory muscle dysfunction requiring ventilatory support as well as cardiac muscle dysfunction leading to heart failure. The condition is terminal, and death usually occurs before the age of 30.

About Study 201 (Eteplirsen Phase IIb Study)

Study 4658-US-201 was conducted at Nationwide Children's Hospital in Columbus, Ohio. Twelve boys meeting the inclusion criteria being between 7 and 13 years of age with appropriate deletions of the dystrophin gene that confirm eligibility for treatment with an exon-51 skipping drug received double-blind IV infusions of placebo (n=4), 30 mg/kg of eteplirsen (n=4), or 50 mg/kg of eteplirsen once weekly for 24 weeks (n=4). Muscle biopsies for evaluation of dystrophin were obtained at baseline for all subjects and after 12 weeks for patients in the 50 mg/kg cohort and after 24 weeks for patients in the 30 mg/kg cohort. Two placebo patients were randomized to the 30 mg/kg cohort and two placebo patients were randomized to the 50 mg/kg cohort. This study design allowed AVI to investigate the relationship of dose and duration of eteplirsen treatment on the production of dystrophin over the course of the 24 week study.

About Eteplirsen

Eteplirsen is AVI's lead drug candidate that is systemically delivered for the treatment of a substantial subgroup of patients with DMD. Data from clinical studies of eteplirsen in DMD patients have demonstrated a broadly favorable safety and tolerability profile and restoration of dystrophin protein expression.

Eteplirsen uses AVI's novel phosphorodiamidate morpholino oligomer (PMO)-based chemistry and proprietary exon-skipping technology to skip exon 51 of the dystrophin gene. By skipping exon 51, eteplirsen may restore the gene's ability to make a shorter, but still functional, form of dystrophin from mRNA. Promoting the synthesis of a truncated dystrophin protein is intended to improve, stabilize or significantly slow the disease process and prolong and improve the quality of life for patients with DMD.

AVI is also developing other PMO-based exon-skipping drug candidates intended to treat additional patients with DMD.

About AVI BioPharma

AVI BioPharma is focused on the discovery and development of novel RNA-based therapeutics for rare and infectious diseases, as well as other select disease targets. Applying pioneering technologies developed and optimized by AVI, the Company is able to target a broad range of diseases and disorders through distinct RNA-based mechanisms of action. Unlike other RNA-based approaches, AVI's technologies can be used to directly target both messenger RNA (mRNA) and precursor messenger RNA (pre-mRNA) to either down-regulate (inhibit) or up-regulate (promote) the expression of targeted genes or proteins. By leveraging its highly differentiated RNA-based technology platform, AVI has built a pipeline of potentially transformative therapeutic agents, including eteplirsen, which is in clinical development for the treatment of Duchenne muscular dystrophy, and multiple drug candidates that are in clinical development for the treatment of infectious disease. For more information, please visit www.avibio.com.

Forward-Looking Statements and Information

In order to provide AVI's investors with an understanding of its current results and future prospects, this press release contains statements that are forward-looking. Any statements contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Words such as "believes," "anticipates," "plans," "expects," "will," "intends," "potential," "possible" and similar expressions are intended to identify forward-looking statements. These forward-looking statements include statements about the development of eteplirsen and its efficacy, potency and utility in the treatment of DMD.

These forward-looking statements involve risks and uncertainties, many of which are beyond AVI's control. Known risk factors include, among others: clinical trials may not demonstrate safety and efficacy of eteplirsen and/or AVI's antisense-based technology platform; and any of AVI's drug candidates, including eteplirsen, may fail in development, may not receive required regulatory approvals, or be delayed to a point where they do not become commercially viable.

Any of the foregoing risks could materially and adversely affect AVI's business, results of operations and the trading price of AVI's common stock. For a detailed description of risks and uncertainties AVI faces, you are encouraged to review the official corporate documents filed with the Securities and Exchange Commission. AVI does not undertake any obligation to publicly update its forward-looking statements based on events or circumstances after the date hereof.