



Arbor Realty Trust Receives Fifth Distribution From Equity Investment in Prime

27 Jun 2007

UNIONDALE, N.Y., June 27 /PRNewswire-FirstCall/ -- Arbor Realty Trust, Inc. (NYSE: ABR), a real estate investment trust focused on the business of investing in real estate related bridge and mezzanine loans, preferred and direct equity investments, mortgage-related securities and other real estate related assets, today announced that it received a distribution of approximately \$6 million from Prime Outlets Acquisition Company LLC ("Prime"), an entity in which Arbor owns an equity and profits interest.

The Prime distribution was a result of excess proceeds from refinancing activities on certain assets in its portfolio. All \$6 million of the proceeds received will be included in income for the quarter ended June 30, 2007, subject to incentive compensation per Arbor's management agreement. Arbor believes the majority of these proceeds are not subject to taxation and intends to retain these proceeds to fund additional business and increase shareholders' equity.

"We are extremely pleased with the return on our investment in Prime which continues to demonstrate the significant value we have created for our shareholders by investing in equity and profits interests," said Ivan Kaufman, Chairman and Chief Executive Officer of Arbor. "To date, we have received five distributions totaling approximately \$50 million from Prime and we believe this investment has additional off balance sheet value. We have had a phenomenal second quarter, which included the monetization of equity kickers in one of the Toy Center assets, the 450 West 33rd Street property and Prime. The monetization of these three kickers totaled approximately \$74 million, net of estimated taxes and management fees, and contributed nearly \$4 per share to our economic book value. Cumulatively, since transitioning to a public company in April 2004, our equity kickers have added approximately \$6 per share to our economic book value."

About Arbor Realty Trust, Inc.

Arbor Realty Trust, Inc. is a real estate investment trust which invests in a diversified portfolio of multi-family and commercial real estate related bridge and mezzanine loans, preferred equity investments, mortgage related securities and other real estate related assets. Arbor commenced operations in July 2003 and conducts substantially all of its operations through its operating partnership, Arbor Realty Limited Partnership and its subsidiaries. Arbor is externally managed and advised by Arbor Commercial Mortgage, LLC, a national commercial real estate finance company operating through 11 sales and origination support offices in the US that specializes in debt and equity financing for multi-family and commercial real estate.

Safe Harbor Statement

Certain items in this press release may constitute forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Arbor can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from Arbor's expectations include, but are not limited to, continued ability to source new investments, changes in interest rates and/or credit spreads, changes in the real estate markets, and other risks detailed in Arbor's Annual Report on Form 10-K for the year ended December 31, 2006 and its other reports filed with the SEC. Such forward-looking statements speak only as of the date of this press release. Arbor expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Arbor's expectations with regard thereto or change in events, conditions, or circumstances on which any such statement is based.

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