



Arbor Realty Trust Receives Sixth Distribution From Equity Investment in Prime

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UNIONDALE, N.Y., Sept. 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 \$10 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 proceeds from the sale of certain assets in its portfolio. All \$10 million of the proceeds received will be included in income for the quarter ended September 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 very pleased to have received another distribution from our investment in Prime, which continues to demonstrate the off balance sheet value we have created from our equity kickers," said Ivan Kaufman, Chairman and Chief Executive Officer of Arbor. "This is the sixth distribution we've received from Prime totaling approximately \$60 million and we believe this investment has additional value. This \$10 million distribution was structured in a tax-deferred manner, which allows us to retain the capital to fund new loans and investments. We continue to generate liquidity from our equity kickers; a feature we believe is unique to our business model. We have received over \$170 million in cash distributions from our equity kickers since transitioning to a public company, which has added over \$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.

SOURCE Arbor Realty Trust, Inc.

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