



Arbor Realty Trust Reports Second Quarter 2011 Results

August 5, 2011

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Second Quarter Highlights:

- **Net loss attributable to Arbor Realty Trust, Inc. of \$10.4 million, or \$0.41 per diluted common share**
- **FFO loss of \$8.5 million, or \$0.33 per diluted common share(1)**
- **Originated five new loans and investments totaling \$43.6 million and generated \$53.9 million in cash from runoff and participation interests**
- **Adjusted book value per share \$12.15, GAAP book value per share \$8.07(1)**
- **Authorized stock repurchase plan of up to 1.5 million shares**
- **Generated gains of \$1.9 million from the retirement of CDO debt**
- **Recorded \$11.4 million in loan loss reserves and a \$0.8 million impairment loss on real estate owned**
- **Recorded \$0.6 million in cash recoveries of previously recorded reserves**
- **Closed a two-year, \$50 million warehouse facility in July**

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 financial results for the second quarter ended June 30, 2011. Arbor reported net loss attributable to Arbor Realty Trust, Inc. for the quarter of \$10.4 million, or \$0.41 per diluted common share, compared to net income attributable to Arbor Realty Trust, Inc. for the quarter ended June 30, 2010 of \$129.1 million, or \$5.05 per diluted common share. Net loss attributable to Arbor Realty Trust, Inc. for the six months ended June 30, 2011 was \$10.1 million, or \$0.40 per diluted common share, compared to net income attributable to Arbor Realty Trust, Inc. for the six months ended June 30, 2010 of \$155.5 million, or \$6.10 per diluted common share. Funds from operations ("FFO") for the quarter ended June 30, 2011 was a loss of \$8.5 million, or \$0.33 per diluted common share, compared to FFO income for the quarter ended June 30, 2010 of \$129.3 million, or \$5.05 per diluted common share. FFO for the six months ended June 30, 2011 was a loss of \$7.8 million, or \$0.31 per diluted common share, compared to FFO income for the six months ended June 30, 2010 of \$155.7 million, or \$6.11 per diluted common share.(1)

The balance of the Company's loan and investment portfolio, excluding loan loss reserves, at June 30, 2011 remained relatively unchanged compared to March 31, 2011 at approximately \$1.6 billion. The average balance of the Company's loan and investment portfolio during the second quarter of 2011, excluding loan loss reserves, was \$1.6 billion and the average yield on these assets for the quarter was 4.64%, compared to \$1.6 billion and 4.49% for the first quarter of 2011. Excluding the effect of a non-recurring prepayment fee received on one of our loans during the second quarter, the average yield was 4.54% for the quarter, compared to 4.49% for the first quarter.

The balance of debt that finances the Company's loan and investment portfolio at June 30, 2011 remained relatively unchanged compared to March 31, 2011 at approximately \$1.3 billion. The average balance of debt that finances the Company's loan and investment portfolio was also approximately \$1.3 billion for both the first and second quarters. During the second quarter, the Company monetized a portion of one of its loans in the form of a non-recourse participation interest at a discount. This discounted participation was recorded as debt resulting in a \$3.2 million non-cash recovery of a previously recorded reserve and a corresponding non-cash charge of \$3.2 million of additional interest expense representing amortization of the discount. Consequently, this transaction had no net impact on our statement of operations during the second quarter. Excluding the \$3.2 million one-time, non-cash charge to interest expense, the average cost of borrowings was 3.87% for the second quarter, compared to 4.08% for the first quarter. In addition, the first and second quarters of 2011 each included a \$0.3 million increase in interest expense for a change in the market value of certain interest rate swaps. Excluding the effect of these swaps, the average cost of borrowings for the second quarter was 3.79%, compared to 4.00% for the first quarter.

Financing Activity

As of June 30, 2011, Arbor's outstanding borrowings for its loan and investment portfolio totaled approximately \$1.3 billion.

The Company is subject to various financial covenants and restrictions under the terms of the Company's CDO vehicles. The Company believes that it was in compliance with all financial covenants and restrictions as of June 30, 2011.

The Company's CDO vehicles contain interest coverage and asset over collateralization covenants that must be met as of the waterfall distribution date in order for the Company to receive such payments. If the Company fails these covenants in any of its CDOs, all cash flows from the applicable CDO would be diverted to repay principal and interest on the outstanding CDO bonds and the Company would not receive any residual payments until that CDO regained compliance with such covenants. As of the most recent determination dates in July 2011, the Company was in compliance with all CDO covenants. In the event of a breach of the CDO covenants that could not be cured in the near-term, the Company would be required to fund its non-CDO expenses, including management fees and employee costs, distributions required to maintain REIT status, debt costs, and other expenses with (i) cash on hand, (ii) income from any CDO not in breach of a CDO covenant test, (iii) income from real property and loan assets, (iv) sale of assets, (v) or accessing the equity or debt capital markets, if available.

The chart below is a summary of the Company's CDO compliance tests as of the most recent determination dates in July 2011:

Cash Flow Triggers	CDO I (3)	CDO II (3)	CDO III
Overcollateralization (1)			
Current	196.92%	181.74%	109.50%
Limit	184.00%	169.50%	105.60%
Pass / Fail	Pass	Pass	Pass
Interest Coverage (2)			
Current	427.99%	560.41%	534.29%
Limit	160.00%	147.30%	105.60%
Pass / Fail	Pass	Pass	Pass

(1) The overcollateralization ratio divides the total principal balance of all collateral in the CDO by the total principal balance of the bonds associated with the applicable ratio. To the extent an asset is considered a defaulted security, the asset's principal balance for purposes of the overcollateralization test is the lesser of the asset's market value or the principal balance of the defaulted asset multiplied by the asset's recovery rate which is determined by the rating agencies.

(2) The interest coverage ratio divides interest income by interest expense for the classes senior to those retained by the Company.

(3) CDO I and CDO II have reached the end of their replenishment periods. As such, investor capital is repaid quarterly from proceeds received from loan repayments held as collateral in accordance with the terms of the respective CDO.

In July of 2011, the Company closed a two year, \$50 million warehouse facility with a financial institution to finance first mortgage loans on multifamily properties. The facility has an interest rate of 275 basis points over LIBOR, a commitment fee, and warehousing and non-use fees. The facility also has a maximum advance rate of 75% and contains certain financial covenants and restrictions.

Portfolio Activity

During the second quarter of 2011, Arbor originated five bridge loans totaling \$43.6 million.

During the quarter, one loan paid off with an unpaid principal balance of \$19.9 million and one loan had a paydown totaling \$3.2 million. Arbor also monetized a portion of two of its assets, receiving \$30.8 million in cash in the form of two non-recourse junior participation interests. Furthermore, three loans totaling approximately \$112.0 million were either refinanced or modified with Arbor, none of which were scheduled to repay during the quarter.

Additionally, 13 loans totaling approximately \$163 million were extended during the quarter, of which four loans totaling approximately \$36 million were in accordance with their existing extension options.

At June 30, 2011, the loan and investment portfolio unpaid principal balance, excluding loan loss reserves, was approximately \$1.6 billion, with a weighted average current interest pay rate of 4.32%. At the same date, advances on financing facilities pertaining to the loan and investment portfolio totaled approximately \$1.3 billion, with a weighted average interest rate of 3.34% excluding financing costs, interest rate swap costs and changes in the market value of certain interest rate swaps.

As of June 30, 2011, Arbor's loan portfolio consisted of 32% fixed-rate and 68% variable-rate loans.

During the second quarter of 2011, the Company recorded \$11.4 million in loan loss reserves related to three loans with an aggregate carrying value of approximately \$50.5 million, before loan loss reserves. The loan loss reserves were the result of the Company's regular quarterly risk rating review process, which is based on several factors including current market conditions, real estate values and the operating status of each property. The Company recorded \$3.8 million in recoveries of previously recorded reserves during the second quarter. However, \$3.2 million of these recoveries were non-cash and were the result of the monetization of a portion of one of the Company's loans in the form of a non-recourse participation interest at a discount, as noted earlier. The Company recorded \$0.6 million of net cash recoveries of previously recorded loan loss reserves related to four of the Company's assets during the second quarter of 2011. These recoveries were recorded in provision for loan losses on the Consolidated Statement of Operations. At June 30, 2011, the Company's total loan loss reserves were approximately \$171.2 million relating to 26 loans with an aggregate carrying value before loan loss reserves of approximately \$318.9 million. The Company records interest on impaired loans on an accrual basis to the extent that the impaired loan is contractually current and the cash has been subsequently received.

The Company had 10 non-performing loans with an aggregate carrying value of approximately \$24.6 million, net of related loan loss reserves of \$34.9 million at both June 30, 2011 and March 31, 2011. Income recognition on non-performing loans has been suspended and will resume when the loans become contractually current and performance has recommenced.

The Company had a real estate owned asset with a net carrying value of \$2.7 million at March 31, 2011. During the three months ended June 30, 2011, the Company determined that the investment was impaired and that its estimated fair value was \$0.8 million less than its net carrying value and accordingly, recorded an impairment loss for the corresponding amount which reduced the net carrying value of the investment to \$1.9 million at June 30, 2011.

Stock Repurchase Program

On June 14, 2011, the Board of Directors authorized a stock repurchase plan that enables the Company to buy up to 1.5 million shares of its common stock. At management's discretion, shares may be acquired from time to time on the open market, through privately negotiated transactions or pursuant to a Rule 10b5-1 plan. A Rule 10b5-1 plan permits the Company to repurchase shares at times when it might otherwise be prevented from doing so. There is no guarantee as to the exact number of shares that will be repurchased by the Company. The program may be terminated at any time and will expire on December 15, 2011. As of June 30, 2011, the Company repurchased 34,850 shares of its common stock.

Dividend

Under the restructured terms of the Company's junior subordinated notes, annual dividends are limited to 100% of taxable income to common shareholders and are required to be paid in the form of the Company's common stock to the maximum extent permissible (currently 90%), with the balance payable in cash. The Company will be permitted to pay 100% of taxable income in cash if the Company pays the note holders the original rate of interest upon termination of the restructuring agreement. The Board of Directors has elected not to pay a common stock dividend for the quarter ended June 30, 2011.

Earnings Conference Call

Management will host a conference call today at 10:00 a.m. ET. A live webcast of the conference call will be available online at <http://www.arborrealtytrust.com/> in the investor relations area of the Website. Web participants are encouraged to go to the Web site at least 15 minutes prior to the start of the call to register, download, and install any necessary audio software. Listening to the webcast requires speakers and RealPlayer(TM) software, downloadable free at www.real.com. Those without Web access should access the call telephonically at least ten minutes prior to the conference call. The dial-in numbers are (800) 659-2056 for domestic callers and (617) 614-2714 for international callers. Please use participant passcode 32326691.

After the live webcast, the call will remain available on the Company's Website, www.arborrealtytrust.com, through September 5, 2011. In addition, a telephonic replay of the call will be available until August 12, 2011. The replay dial-in number is (888) 286-8010 for domestic callers and (617) 801-6888 for international callers. Please use passcode 68209439.

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 14 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, 2010 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.

Non-GAAP Financial Measures

During the quarterly earnings conference call, the Company may discuss non-GAAP financial measures as defined by SEC Regulation G. In addition, the Company has used non-GAAP financial measures in this press release. A supplemental schedule of each non-GAAP financial measure and the comparable GAAP financial measure can be found on page 10 and 11 of this release.

(1) See attached supplemental schedule of non-GAAP financial measures.

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

Quarter Ended
June 30,

Six Months Ended
June 30,

	2011	2010	2011	2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	\$ 18,572,772	\$ 25,866,947	\$ 36,580,339	\$ 50,085,372
Interest expense	15,792,751	16,177,468	28,833,700	34,264,728
Net interest income	<u>2,780,021</u>	<u>9,689,479</u>	<u>7,746,639</u>	<u>15,820,644</u>
Other revenues:				
Property operating income	8,264,317	815,110	13,684,503	1,028,593
Other income	41,556	224,577	63,432	1,022,624
Total other revenues	<u>8,305,873</u>	<u>1,039,687</u>	<u>13,747,935</u>	<u>2,051,217</u>
Other expenses:				
Employee compensation and benefits	2,285,433	1,995,469	4,373,487	3,900,422
Selling and administrative	1,583,793	2,250,402	2,781,618	3,528,397
Property operating expenses	7,210,374	1,085,143	11,011,595	1,443,573
Depreciation and amortization	1,898,034	134,542	2,330,499	146,710
Other-than-temporary impairment	-	7,004,800	-	7,004,800
Impairment loss on real estate owned	750,000	-	750,000	-
Provision for loan losses (net of recoveries)	7,560,263	24,830,000	8,095,398	49,830,000
Loss on restructured loans	-	825,239	1,000,000	825,239
Management fee - related party	2,050,000	2,000,000	4,000,000	3,900,000
Total other expenses	<u>23,337,897</u>	<u>40,125,595</u>	<u>34,342,597</u>	<u>70,579,141</u>
Loss from continuing operations before gain on extinguishment of debt, loss on sale of securities, net, income (loss) from equity affiliates and provision for income taxes	(12,252,003)	(29,396,429)	(12,848,023)	(52,707,280)
Gain on extinguishment of debt	1,926,700	171,032,651	2,819,200	217,531,130
Loss on sale of securities, net	-	(10,293,063)	-	(6,989,583)
Income (loss) from equity affiliates	24,446	(27,348)	48,811	(72,923)
(Loss) income before provision for income taxes	<u>(10,300,857)</u>	<u>131,315,811</u>	<u>(9,980,012)</u>	<u>157,761,344</u>
Provision for income taxes	-	(1,800,000)	-	(1,800,000)
(Loss) income from continuing operations	<u>(10,300,857)</u>	<u>129,515,811</u>	<u>(9,980,012)</u>	<u>155,961,344</u>
Loss on operations of real estate held-for-sale	-	(373,914)	-	(391,937)
Loss from discontinued operations	-	(373,914)	-	(391,937)
Net (loss) income	<u>(10,300,857)</u>	<u>129,141,897</u>	<u>(9,980,012)</u>	<u>155,569,407</u>
Net income attributable to noncontrolling interest	<u>53,878</u>	<u>53,898</u>	<u>107,574</u>	<u>107,615</u>
Net (loss) income attributable to Arbor Realty Trust, Inc.	<u><u>\$(10,354,735)</u></u>	<u><u>\$129,087,999</u></u>	<u><u>\$(10,087,586)</u></u>	<u><u>\$155,461,792</u></u>
Basic (loss) earnings per common share:				
Net (loss) income from continuing operations, net of noncontrolling interest	\$ (0.41)	\$ 5.08	\$ (0.40)	\$ 6.13
Loss from discontinued operations	-	(0.01)	-	(0.02)
Net (loss) income attributable to Arbor Realty Trust, Inc.	<u><u>\$(0.41)</u></u>	<u><u>\$ 5.07</u></u>	<u><u>\$(0.40)</u></u>	<u><u>\$ 6.11</u></u>
Diluted (loss) earnings per common share:				
Net (loss) income from continuing operations, net of noncontrolling interest	\$ (0.41)	\$ 5.06	\$ (0.40)	\$ 6.12
Loss from discontinued operations	-	(0.01)	-	(0.02)
Net (loss) income attributable to Arbor Realty Trust, Inc.	<u><u>\$(0.41)</u></u>	<u><u>\$ 5.05</u></u>	<u><u>\$(0.40)</u></u>	<u><u>\$ 6.10</u></u>
Dividends declared per common share	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Weighted average number of shares
of common stock outstanding:

Basic	<u>25,440,380</u>	<u>25,477,410</u>	<u>25,202,248</u>	<u>25,432,659</u>
Diluted	<u>25,440,380</u>	<u>25,574,203</u>	<u>25,202,248</u>	<u>25,481,323</u>

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	June 30, 2011	December 31, 2010
	(Unaudited)	
Assets:		
Cash and cash equivalents	\$ 42,396,026	\$ 101,124,564
Restricted cash (includes \$63,885,608 and \$21,085,664 from consolidated VIEs, respectively)	65,590,163	21,085,664
Loans and investments, net (includes \$1,144,334,679 and \$1,301,435,584 from consolidated VIEs, respectively)	1,322,526,435	1,414,225,388
Loan held-for-sale	6,160,000	-
Available-for-sale securities, at fair value (includes \$2,000,000 and \$1,000,000 from consolidated VIEs, respectively)	4,246,973	3,298,418
Investment in equity affiliates	65,789,451	65,838,885
Real estate owned, net (includes \$86,349,540 and \$2,707,479 from consolidated VIEs, respectively)	151,904,031	22,839,480
Real estate held-for-sale, net	41,440,000	41,440,000
Due from related party (includes \$160,275 and \$335,048 from consolidated VIEs, respectively)	1,994,647	335,048
Prepaid management fee - related party	19,047,949	19,047,949
Other assets (includes \$11,777,724 and \$13,645,594 from consolidated VIEs, respectively)	42,538,558	41,972,532
Total assets	<u>\$1,763,634,233</u>	<u>\$1,731,207,928</u>
Liabilities and Equity:		
Repurchase agreements	\$ -	\$ 990,997
Collateralized debt obligations (includes \$1,038,328,166 and \$1,070,852,555 from consolidated VIEs, respectively)	1,038,328,166	1,070,852,555
Junior subordinated notes to subsidiary trust issuing preferred securities	158,027,900	157,806,238
Notes payable	85,457,708	51,457,708
Mortgage notes payable - real estate owned	74,501,004	20,750,000
Mortgage note payable - held-for-sale	41,440,000	41,440,000
Due to related party	1,583,030	17,436,986
Due to borrowers (includes \$1,019,292 and \$1,155,095 from consolidated VIEs, respectively)	1,746,348	2,559,388
Deferred revenue	77,123,133	77,123,133
Other liabilities (includes \$29,654,129 and \$34,940,192 from consolidated VIEs, respectively)	78,367,295	84,375,680
Total liabilities	<u>1,556,574,584</u>	<u>1,524,792,685</u>
Commitments and contingencies	-	-
Equity:		
Arbor Realty Trust, Inc. stockholders' equity:		
Preferred stock, \$0.01 par value: 100,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock, \$0.01 par value: 500,000,000 shares authorized; 26,423,737 shares issued, 25,408,290 shares outstanding at June 30, 2011 and 25,756,810 shares issued, 24,776,213 shares outstanding at December 31, 2010	264,237	257,568
Additional paid-in capital	454,654,595	450,686,382
Treasury stock, at cost - 1,015,447 shares at June 30, 2011 and 980,597 shares at December 31, 2010	(10,825,582)	(10,669,585)
Accumulated deficit	(190,784,443)	(180,689,667)
Accumulated other comprehensive loss	(48,184,229)	(55,169,317)
Total Arbor Realty Trust, Inc. stockholders' equity	<u>205,124,578</u>	<u>204,415,381</u>
Noncontrolling interest in consolidated entity	1,935,071	1,999,862

Total equity	207,059,649	206,415,243
Total liabilities and equity	<u>\$1,763,634,233</u>	<u>\$1,731,207,928</u>

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES

SUPPLEMENTAL SCHEDULE OF NON-GAAP FINANCIAL MEASURES
(Unaudited)

	<u>June 30, 2011</u>
GAAP Arbor Realty Trust, Inc. Stockholders' Equity	\$205,124,578
Add: 450 West 33rd Street transaction - deferred revenue	77,123,133
Unrealized loss on derivative instruments	45,564,826
Subtract: 450 West 33rd Street transaction - prepaid management fee	<u>(19,047,949)</u>
Adjusted Arbor Realty Trust, Inc. Stockholders' Equity	<u>\$308,764,588</u>
Adjusted book value per share	<u>\$ 12.15</u>
GAAP book value per share	<u>\$ 8.07</u>
Common shares outstanding	<u>25,408,290</u>

Given the magnitude and the deferral structure of the 450 West 33rd Street transaction combined with the change in the fair value of certain derivative instruments, Arbor has elected to report adjusted book value per share for the affected period to currently reflect the future impact of the 450 West 33rd Street transaction on the Company's financial condition as well as the evaluation of Arbor without the effects of unrealized losses from certain of the Company's derivative instruments. Management considers this non-GAAP financial measure to be an effective indicator, for both management and investors, of Arbor's financial performance. Arbor's management does not advocate that investors consider this non-GAAP financial measure in isolation from, or as a substitute for, financial measures prepared in accordance with GAAP.

GAAP book value per share and adjusted book value per share calculations do not take into account any dilution from the potential exercise of the warrants issued to Wachovia as part of the 2009 debt restructuring.

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES

SUPPLEMENTAL SCHEDULE OF NON-GAAP FINANCIAL MEASURES - Continued
(Unaudited)

	Quarter Ended		Six Months Ended	
	June 30,		June 30,	
	2011	2010	2011	2010
Net (loss) income attributable to Arbor Realty Trust, Inc., GAAP basis	\$(10,354,735)	\$129,087,999	\$(10,087,586)	\$155,461,792
Add:				
Depreciation - real estate owned	1,898,034	134,542	2,330,499	146,710
Depreciation - discontinued operations	-	31,572	-	63,143

Funds from operations ("FFO")	<u>\$ (8,456,701)</u>	<u>\$129,254,113</u>	<u>\$ (7,757,087)</u>	<u>\$155,671,645</u>
Diluted FFO per common share	<u>\$ (0.33)</u>	<u>\$ 5.05</u>	<u>\$ (0.31)</u>	<u>\$ 6.11</u>
Diluted weighted average shares outstanding	<u>25,440,380</u>	<u>25,574,203</u>	<u>25,202,248</u>	<u>25,481,323</u>

Arbor is presenting funds from operations, or FFO, because management believes it to be an important supplemental measure of the Company's operating performance in that it is frequently used by analysts, investors and other parties in the evaluation of real estate investment trusts (REITs). The revised White Paper on FFO approved by the Board of Governors of the National Association of Real Estate Investment Trusts, or NAREIT, in April 2002 defines FFO as net income (loss) attributable to Arbor Realty Trust, Inc. (computed in accordance with generally accepted accounting principles (GAAP)), excluding gains (losses) from sales of depreciated real properties, plus real estate related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. The Company considers gains and losses on the sales of undepreciated real estate investments to be a normal part of its recurring operating activities in accordance with GAAP and should not be excluded when calculating FFO. To date, the Company has not sold any previously depreciated operating properties, which would be excluded from the FFO calculation. Losses from discontinued operations are not excluded when calculating FFO.

FFO is not intended to be an indication of our cash flow from operating activities (determined in accordance with GAAP) or a measure of our liquidity, nor is it entirely indicative of funding our cash needs, including our ability to make cash distributions. Arbor's calculation of FFO may be different from the calculation used by other companies and, therefore, comparability may be limited.

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