

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

-----  
FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15 (d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

MARCH 31, 2003  
-----

Date of Report (Date of earliest event reported)

AMERICAN REAL ESTATE PARTNERS, L.P.  
-----

(Exact Name of Registrant as Specified in its Charter)

DELAWARE  
-----

1-9516  
-----

13-3398766  
-----

(State of Organization)

(Commission File Number)

(IRS Employer Identification Number)

100 SOUTH BEDFORD ROAD  
MT. KISCO, NY 10549  
-----

(Address of Registrant's Principal Executive Office (Zip Code))

(914) 242-7700  
-----

(Registrant's telephone number, including area code)

-----  
(Former Name or Former Address, if Changed Since Last Report)

ITEM 5. OTHER EVENTS

On March 31, 2003, the Registrant announced its 2002 fourth quarter and full year financial results and that no distributions are expected to be made during 2003. Reference is made to the press release, dated March 31, 2003, annexed hereto as Exhibit 99.2, for information regarding the announcement.

ITEM 7. EXHIBITS

Description of Document

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Exhibit No.

99.2 - Press Release, dated March 31, 2003

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.

AMERICAN REAL ESTATE PARTNERS, L.P.

(Registrant)

By: American Property Investors, Inc.  
General Partner

By: /s/ John P. Saldarelli  
-----  
John P. Saldarelli  
Chief Financial Officer, Secretary and Treasurer

Date: April 7, 2003

EXHIBIT INDEX

Exhibit Number -----	Description -----	Page No. -----
99.2	Press Release dated March 31, 2003	3

Contact: John P. Saldarelli  
Secretary and Treasurer  
(914) 242-7700

FOR IMMEDIATE RELEASE

AMERICAN REAL ESTATE PARTNERS, L.P.  
REPORTS FULL YEAR AND FOURTH QUARTER RESULTS  
AND THAT NO DISTRIBUTIONS ARE EXPECTED TO BE MADE IN 2003

Mount Kisco, New York, March 31, 2003 - American Real Estate Partners, L.P. ("AREP") (NYSE:ACP) today reported the following full year and fourth quarter financial results:

For the year ended December 31, 2002, diluted earnings per weighted average limited partnership unit outstanding decreased from \$1.19 in 2001 to \$1.12 in 2002.

For the year ended December 31, 2002, earnings decreased by \$3,083,000 to \$64,451,000 as compared to earnings for the year ended December 31, 2001, primarily due to a write-down of equity securities available for sale, decreased gain on sale of securities and the write-down of a limited partnership investment partially offset by increased earnings from land, house and condominium operations and increased gain on sale of real estate.

For the fourth quarter of 2002, diluted earnings per weighted average limited partnership unit outstanding decreased from \$.31 in 2001 to \$.25 in 2002.

For the fourth quarter of 2002, earnings decreased by \$2,969,000 to \$14,748,000 as compared to earnings for the fourth quarter of 2001, primarily due to decreased gain on sale of securities, a write-down of a limited partnership investment and decreased interest and other income partially offset by increased earnings from land, house and condominium operations and increased gain on sale of real estate.

Continued.....

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AREP also announced that no distributions on the Depositary Units are expected to be made in 2003. AREP plans to continue to apply available cash flow toward its operations, repayment of maturing indebtedness, tenant requirements, investments, acquisitions, and other capital expenditures and for Partnership contingencies and reserves, including environmental matters and scheduled lease expirations. By the end of the year 2005, net leases representing approximately 23% of AREP's net annual rentals from its portfolio will be due for renewal, and by the end of the year 2007, approximately 35% of such rentals will be due for

renewal. AREP believes that it should continue to hold and invest rather than distribute cash. No distributions were made to Unitholders during 2002.

American Real Estate Partners, L.P. is a master limited partnership primarily engaged in acquiring and managing real estate investments with a primary focus on office, retail, industrial, hotel, gaming, and residential properties.

Continued.....

\*\*\*Tables Follow\*\*\*

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AMERICAN REAL ESTATE PARTNERS, L.P.  
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AND THAT NO DISTRIBUTIONS ARE EXPECTED TO BE MADE IN 2003

CONSOLIDATED RESULTS OF EARNINGS  
In thousands of dollars except per unit data

Year Ended December 31, -----	2002 ----	2001 ----
Revenues	\$ 326,916 =====	\$ 297,323 =====
Earnings before property and securities transactions	\$ 70,899	\$ 62,232
Provision for loss on real estate	(3,212)	(3,184)
Write-down of marketable equity securities	(8,476)	--
Gain on sale of marketable equity and debt securities	--	6,749
Loss on limited partnership interests	(3,750)	--
Gain on sales and disposition of real estate	8,990 -----	1,737 -----
Net earnings	\$ 64,451 =====	\$ 67,534 =====
Net earnings per L.P. unit:		

Basic:		
Net earnings	\$ 1.27	\$ 1.34
	=====	=====
Weighted average units outstanding	46,098,284	46,098,284
	=====	=====
Diluted:		
Net earnings	\$ 1.12	\$ 1.19
	=====	=====
Weighted average units and equivalent units outstanding	56,466,698	55,599,112
	=====	=====

Continued.....

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CONSOLIDATED RESULTS OF EARNINGS  
 In thousands of dollars except per unit data

Fourth Quarter ended December 31, ----- (unaudited)	2002 ----	2001 ----
Revenues	\$ 88,011	\$ 76,594
	=====	=====
Earnings before property and securities transactions	\$ 16,324	\$ 15,111
Provision for loss on real estate	(2,286)	(3,184)
Loss on limited partnership interests	(3,750)	--
Gain on sale of marketable equity and debt securities	--	5,415
Gain on sales and disposition of real estate	4,460	375
	-----	-----
Net earnings	\$ 14,748	\$ 17,717
	=====	=====
Net earnings per L.P. unit:		
Basic:		
Net earnings	\$ .29	\$ .35
	=====	=====
Weighted average units outstanding	46,098,284	46,098,284
	=====	=====
Diluted:		
Net earnings	\$ .25	\$ .31
	=====	=====
Weighted average units and equivalent units outstanding	57,087,165	56,125,996
	=====	=====

