

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

February 25, 2004

Date of Report (Date of earliest event reported)

AMERICAN REAL ESTATE PARTNERS, L.P.

(Exact Name of Registrant as Specified in its Charter)

DELAWARE ----- (State of Organization)	1-9516 ----- (Commission File Number)	13-3398766 ----- (IRS Employer Identification Number)
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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)

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ITEM 5. OTHER EVENTS.

On February 25, 2004 the Company issued a press release, a copy of which is filed as Exhibit 99.1.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) Exhibits.

EXHIBIT NO.	DESCRIPTION
99.1	Press Release of American Real Estate Partners, L.P., dated February 25, 2004 - American Real Estate Partners, L.P. Declares Annual Pay-In-Kind Distribution on its Preferred Units Payable Solely in Additional Preferred Units

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

Dated: February 26, 2004

AMERICAN REAL ESTATE PARTNERS, L.P.
100 South Bedford Road
Mount Kisco, New York 10549
914-242-7700
Fax - 914-242-9282

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

FOR IMMEDIATE RELEASE

AMERICAN REAL ESTATE PARTNERS, L.P.

DECLARES ANNUAL PAY-IN-KIND DISTRIBUTION

ON ITS PREFERRED UNITS

PAYABLE SOLELY IN ADDITIONAL PREFERRED UNITS

CUSIP # 029169 20 8

STOCK SYMBOL: ACP PR

Mount Kisco, New York, February 25, 2004 - American Real Estate Partners, L.P. (NYSE: ACP PR) today announced that it has declared its scheduled annual preferred unit distribution, payable solely in additional preferred units, on its 5% cumulative pay-in-kind redeemable preferred units representing limited partnership interests which have a liquidation preference of \$10.00 per unit. The in-kind preferred unit distribution is based upon a rate of 5% of the liquidation preference and is payable on March 31, 2004 to holders of record as of the close of business on March 12, 2004.

American Real Estate Partners, L.P. is a master limited partnership.