

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

Date of Report (Date of Earliest Event Reported): May 10, 2004

American Real Estate Partners, L.P.

(Exact Name of Registrant as Specified in its Charter)

Delaware	1-9516	13-3398766
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(State of Organization)	(Commission File Number)	(IRS Employer Identification No.)
100 South Bedford Road, Mt. Kisco, NY		10549
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(Address of Principal Executive Offices)		(Zip Code)

Registrant's telephone number, including area code: (914) 242-7700

N/A

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

Item 12. Results of Operations and Financial Condition.

On May 10, 2004, American Real Estate Partners, L.P. ("AREP") announced its results of operations for the three months ended March 31, 2004. A copy of the related press release for the three months ended March 31, 2004 is being furnished as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference in its entirety.

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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: May 11, 2004

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Exhibit Index

99.1 Press Release of AREP dated May 10, 2004.

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

For Immediate Release

American Real Estate Partners, L.P. Reports First Quarter Results

MOUNT KISCO, N.Y., May 10, 2004 -- American Real Estate Partners, L.P. (NYSE:ACP) today reported the following first quarter financial results.

Earnings increased from \$13,252,000 in the first quarter of 2003 to \$58,778,000 in the first quarter of 2004. Of this increase approximately \$29 million was the result of a one-time gain on the sale of certain marketable debt securities and \$13 million resulted from gains on specific real estate asset sales.

For the first quarter, diluted earnings per weighted average limited partnership unit outstanding were \$1.12 in 2004 and \$.18 in 2003.

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

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AMERICAN REAL ESTATE PARTNERS, L.P.
REPORTS FIRST QUARTER RESULTS

CONSOLIDATED RESULTS OF EARNINGS

(In thousands of dollars except per unit data)

First quarter ended March 31,	2004	2003
	(Unaudited)	(Restated)
Revenues	\$ 74,822	\$ 69,030
Operating income.....	\$ 18,789	\$ 14,524
Provision for loss on real estate.....	--	(200)
Write-down of equity securities available for sale.....	--	(961)
Gain on sales and disposition of real estate.....	6,047	1,138
Gain on sales of marketable debt securities.....	28,857	--
Income tax expense.....	(4,302)	(2,878)
Income from continuing operations.....	49,391	11,623
Income from discontinued operations.....	9,387	1,629
Net earnings.....	\$ 58,778	\$ 13,252
Net earnings per L.P. unit:		
Basic:		
Income from continuing operations....	\$ 1.05	\$.17
Income from discontinued operations..	.20	.03
Basic earnings per L.P. unit.....	\$ 1.25	\$.20
Weighted average units outstanding.....	46,098,284	46,098,284
Diluted:		

Income from continuing operations.....	\$.94	\$.15
Income from discontinued operations...	.18	.03
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Diluted earnings per L.P. unit.....	\$ 1.12	\$.18
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Weighted average units and equivalent units outstanding.....	52,499,303	55,641,655
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