

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 8-K

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

MARCH 27, 1998  
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Date of Report (Date of earliest event reported)

AMERICAN REAL ESTATE PARTNERS, L.P.  
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(Exact Name of Registrant as Specified in its Charter)

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

100 SOUTH BEDFORD ROAD  
MT. KISCO, NY 10549  
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(Address of Registrant's Principal Executive Office) (Zip Code)

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

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

ITEM 5. OTHER EVENTS.

On March 26, 1998, the Registrant announced 1997 fourth quarter and full year financial results and that no distributions are expected to be made during 1998. Reference is made to the press release, dated March 26, 1998, annexed hereto as Exhibit 20, for information regarding the announcement.

ITEM 7. EXHIBITS.

EXHIBIT NO.  
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DESCRIPTION OF DOCUMENT  
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Press Release, dated March 26, 1998.

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  
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John P. Saldarelli  
Secretary and Treasurer

Date: March 27, 1998

EXHIBIT INDEX  
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EXHIBIT NUMBER -----	DESCRIPTION -----	PAGE NO. -----
20	Press Release, dated March 26, 1998.	5

EXHIBIT 20  
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Contact: John P. Saldarelli  
Secretary and Treasurer  
(914) 242-7700

FOR IMMEDIATE RELEASE  
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AMERICAN REAL ESTATE PARTNERS, L.P.  
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REPORTS FULL YEAR AND FOURTH QUARTER RESULTS  
-----  
AND THAT NO DISTRIBUTIONS ARE EXPECTED TO BE MADE IN 1998  
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Mount Kisco, New York, March 26, 1998 -- American Real Estate Partners, L.P. ("AREP") (NYSE:ACP) today reported the following full year and fourth quarter financial results.

For the year, diluted earnings before property and securities transactions per weighted average limited partnership unit outstanding was \$1.16 in 1997 compared to \$1.20 in 1996, and net gain from property and securities transactions was \$.97 in 1997 compared to \$.82 in 1996.

Earnings for the calendar year 1997 increased by \$17,562,000 as compared to earnings for calendar year 1996, primarily due to the non-recurring gain of \$29,188,000 on the sale of the RJR stock and increased earnings before property and securities transactions, partially offset by decreased gain on sales of real estate and the provisions for loss on mortgages receivable in connection with the investment in Stratosphere.

For the fourth quarter, diluted earnings before property and securities transactions per weighted average limited partnership unit outstanding was \$.28 in 1997 compared to \$.29 in 1996 and net gain (loss) from property and securities transactions was \$(.14) in 1997 compared to \$.16 in 1996.

Earnings from the fourth quarter of 1997 decreased by \$5,234,000 as compared to earnings for the fourth quarter of 1996, primarily due to the provision for loss on mortgages receivable and decreased gain on sales of real estate, partially offset by increased earnings before property and securities transactions.

In addition to the non-recurring RJR gain, AREP has realized substantial gain on sales of real estate which also may be non-recurring.

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AREP also announced that no distributions are expected to be made in 1998. In making its announcement, AREP noted its plans to continue to apply available cash flow toward its operations, repayment of maturing indebtedness, tenant requirements and other capital expenditures and for Partnership contingencies and reserves, including environmental matters and scheduled lease expirations. As previously reported, by the end of the year 2000, net leases representing approximately 18% of AREP's net annual rentals from its portfolio will be due for renewal, and by the end of the year 2002, 32% of such rentals will be due for renewal. No distributions were made to Unitholders during 1997.

AREP further stated it continues to believe that excess cash should be used to

enhance long-term Unitholder value through investment in assets undervalued by the market. AREP believes it should continue to diversify its portfolio and that in the real estate area it should seek to make acquisitions of land for development and land development companies and other real estate operating companies which may have significant assets under development and may enhance its ability to develop and manage these properties, as well as non-performing loans and limited partnership units in thinly traded syndicated real estate partnerships. AREP noted it recently tendered for limited partnership units in as series of such real estate partnerships and has acquired non-performing mortgage notes of companies in the gaming industry undergoing restructuring as well as land it is developing. Likewise, investments by AREP in non-real estate related assets may include debt or equity securities of companies which may be undergoing recapitalization. These types of investments, both real estate and non-real estate related, may involve debt restructuring, capital expenditures and active asset management, and by their nature may not be readily financeable and may not generate immediate positive cash flow. As such, they require AREP to maintain a strong capital base both to react quickly to these market opportunities as well as to allow AREP to rework the assets to enhance their turnaround performance. AREP's investment strategy continues to include the reinvestment of capital transaction proceeds and refinancing proceeds.

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

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 AMERICAN REAL ESTATE PARTNERS, L.P.  
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 REPORTS FOURTH QUARTER AND FULL YEAR RESULTS  
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 AND THAT NO DISTRIBUTIONS ARE EXPECTED TO BE MADE IN 1997  
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Mount Kisco, New York, March 30, 1998 -- American Real Estate Partners, L.P. ("AREP") (NYSE:ACP) today reported the following fourth quarter and full year financial results:

IN THOUSANDS OF DOLLARS PER SHARE DATA  
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YEAR ENDED DECEMBER 31, -----	1997 ----	1996 ----
Revenues	\$ 70,918	\$ 71,774
Earnings before property transactions	\$ 41,020	\$ 34,240
Provision for loss on mortgages receivable	(9,790)	-
Provisions for loss on real estate	(1,085)	(935)

Gain on sale of marketable equity securities	29,188	-
Gain on sales and disposition of real estate	16,051	24,517
	-----	-----
Net earnings	\$ 75,384	\$57,822
	=====	=====
Net earnings per L.P. unit:		
Basic:		
Earnings before property and securities transactions	\$ 1.19	\$ 1.27
Net gain from property and securities transactions	\$ 1.08	\$ .90
	-----	-----
Net earnings	\$ 2.27	\$ 2.17
	=====	=====
Weighted average units outstanding	31,179,246	25,666,640
	-----	-----
Diluted:		
Earnings before property and securities transactions	\$ 1.16	\$ 1.20
Net gain from property and securities transactions	.97	.82
	-----	-----
Net earnings	\$ 2.13	\$ 2.02
	=====	=====
Weighted average units and equivalent units outstanding	34,655,395	28,020,392
	=====	=====

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FOURTH QUARTER ENDED DECEMBER 31, ----- (UNAUDITED)	1997 ----	1996 ----
Revenues	\$ 22,042	\$ 17,446
	=====	=====
Earnings before property and securities transactions	\$ 15,152	\$ 8,325
Provision for loss on mortgage receivable	(9,790)	-
Provision for loss on real estate	(380)	(760)
Gain on sales and disposition of real estate	2,764	5,415
	-----	-----
Net earnings	\$ 7,746	\$ 12,980
	=====	=====
Net earnings per L.P. unit:		
Basic:		
Earnings before property and securities transaction	\$ .30	\$ .31
Net gain (loss) from property and securities transactions	(.16)	.18
	-----	-----
Net earnings	\$ .14	\$ .49
	=====	=====
Weighted average units outstanding	46,198,284	25,666,640
	=====	=====
Diluted:		
Earnings before property and securities transactions	\$ .28	\$ .29
Net gain (loss) from property and securities transactions	(.14)	.16
	-----	-----
Net earnings	\$ .14	\$ .45
	=====	=====
Weighted average units and equivalent units outstanding	53,751,026	28,046,967
	=====	=====

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\*\*\* Text follows \*\*\*

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