

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 15, 2004  
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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 ----- (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 March 15, 2004, the Registrant announced its 2004 full year and fourth quarter financial results and that no distributions are expected to be made in 2004. Reference is made to the press release, dated March 15, 2004, annexed hereto as Exhibit 99.1 for information regarding the announcement.

ITEM 7. EXHIBITS

Description of Document

Exhibit No.  
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99.1- Press release, dated March 15, 2004 - American Real Estate  
Partners, L.P., Reports Full Year and Fourth Quarter Results And

That No Distributions Are Expected To Be Made In 2004.

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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

Date: March 16, 2004

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EXHIBIT INDEX

Exhibit Number -----	Description -----	Page No. -----
99.1	Press Release dated March 15, 2004	3

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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 2004

Mount Kisco, New York, March 15, 2004 - American Real Estate Partners, L.P. (NYSE:ACP) today reported the following full year and fourth quarter financial results:

For the year ended December 31, 2003, revenues decreased to \$283,773,000 from \$353,502,000 in 2002. Operating income decreased to \$65,615,000 from \$84,262,000 in 2002 and diluted earnings from continuing operations per weighted average limited partnership unit outstanding decreased to \$1.01 from \$1.06 in 2002.

Earnings decreased to \$68,097,000 for the year ended December 31, 2003 from \$73,866,000 in the year ended December 31, 2002 primarily due to a write-down of mortgages and notes receivable, decreased earnings from land, house and condominium operations and decreased interest income. This was partially offset by increased income tax benefit, a decrease in write-down of equity securities and limited partnership interests, an increase in income from discontinued operations, an increase in gain on sale of marketable equity securities and a decreased provision for loss on real estate.

For the fourth quarter ended December 31, 2003, revenues decreased to \$70,741,000 from \$95,250,000 in 2002. Operating income decreased to \$17,464,000 from \$20,295,000 in 2002. Diluted earnings from continuing operations per weighted average limited partnership unit outstanding increased from \$.23 in 2002 to \$.71 in 2003, and earnings for the fourth quarter ended December 31, 2003 increased to \$38,160,000 from \$17,602,000 in the fourth quarter ended December 31, 2002. These increases were primarily due to increased income tax benefits derived from its subsidiaries Stratosphere Corporation and National Energy Group, Inc.

In accordance with newly adopted accounting standards, effective July 1, 2003, Limited Partnership Preferred Units are treated as a liability rather than as equity and therefore the preferred pay-in-kind distribution for the year ended December 31, 2003 (\$2.4 million), has been recorded as interest expense for the year ended December 31, 2003. However, because these units are considered to be equivalent units for the computation of diluted earnings per weighted average limited partnership unit, this interest expense is added back to earnings for the year ended December 31, 2003.

The Company's consolidated financial statements for 2002 and 2001 have been restated to reflect the acquisition of 50.1% of the outstanding stock of National Energy Group, Inc.

On March 15, 2004, AREP announced that no distributions on its Depositary Units are expected to be made in 2004. AREP continues to believe that it should hold and utilize in its business, rather than distribute, cash. No distributions were made in 2003, 2002 or 2001. AREP intends to continue to apply available cash flow toward its operations, repayment of maturing indebtedness, tenant

requirements, investments, acquisitions and other capital expenditures. Proceeds from the Company's marketing of its rental real estate assets will be utilized to attempt to further diversify its business operations outside of real estate, including but not limited to sectors such as insurance and oil and gas and gaming, as well as in real estate if opportunities to do so at favorable prices are found. AREP will seek investments that provide rates of return in excess of AREP's cost of capital. There can be no assurance that AREP will successfully market its rental real estate assets, successfully make acquisitions from any proceeds it obtains from the sale of such assets or achieve the returns it would seek in making such acquisitions.

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

AMERICAN REAL ESTATE PARTNERS, L.P.  
 REPORTS FULL YEAR AND FOURTH QUARTER RESULTS AND THAT NO  
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CONSOLIDATED RESULTS OF EARNINGS  
 In thousands of dollars except per unit data

Year Ended December 31, ----- (unaudited)	2003 ----	2002 ---- (Restated)
Revenues	\$ 283,773 =====	\$ 353,502 =====
Operating income	\$ 65,615	\$ 84,262
Provision for loss on real estate	(750)	(3,212)
Write-down of equity securities available for sale	(961)	(8,476)
Write-down of mortgages and notes receivable	(18,798)	--
Gain on sales and disposition of real estate	7,121	8,990
Loss on limited partnership interests	--	(3,750)
Gain on sale of marketable equity securities	2,607	--
Income tax benefit (expense)	6,495	(7,480)
	-----	-----
Income from continuing operations	61,329	70,334
Income from discontinued operations	6,768	3,532
	-----	-----
Net earnings	\$ 68,097 =====	\$ 73,866 =====
Net earnings per L.P. unit:		
Basic:		
Income from continuing operations	\$ 1.09	\$ 1.20
Income from discontinued operations	.14	.07
	-----	-----
Basic earnings per L.P. unit	\$ 1.23 =====	\$ 1.27 =====
Weighted average units		
outstanding	46,098,284 =====	46,098,284 =====
Diluted:		
Income from continuing operations	\$ 1.01	\$ 1.06
Income from discontinued operations	.12	.06
	-----	-----

Diluted earnings per L.P. unit	\$ 1.13	\$ 1.12
	=====	=====
Weighted average units and equivalent units outstanding	54,489,943	56,466,698
	=====	=====

AMERICAN REAL ESTATE PARTNERS, L.P.  
REPORTS FULL YEAR AND FOURTH QUARTER RESULTS AND THAT NO  
DISTRIBUTIONS ARE EXPECTED TO BE MADE IN 2004

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

Fourth Quarter Ended December 31, ----- (unaudited)	2003 ----	2002 ---- (Restated)
Revenues	\$ 70,741	\$ 95,250
	=====	=====
Operating income	\$ 17,464	\$ 20,295
Provision for loss on real estate	(450)	(2,286)
Gain on sales and disposition of real estate	5,754	4,460
Loss on limited partnership interests	--	(3,750)
Gain on sales of marketable equity securities	439	--
Income tax benefit (expense)	14,099	(2,000)
	-----	-----
Income from continuing operations	37,306	16,719
Income from discontinued operations	854	883
	-----	-----
Net earnings	\$ 38,160	\$ 17,602
	=====	=====
Net earnings per L.P. unit:		
Basic:		
Income from continuing operations	\$ .79	\$ .27
Income from discontinued operations	.02	.02
	-----	-----
Basic earnings per L.P. unit	\$ .81	\$ .29
	=====	=====
Weighted average units outstanding	46,098,284	46,098,284
	=====	=====
Diluted:		
Income from continuing operations	\$ .71	\$ .23
Income from discontinued operations	.02	.02
	-----	-----
Diluted earnings per L.P. unit	\$ .73	\$ .25
	=====	=====
Weighted average units and equivalent units outstanding	53,420,895	57,087,165
	=====	=====

