

AREP

FOR IMMEDIATE RELEASE

AREP COMMENTS ON RECKSON BOARD DECISION

New York, NY/ December 5, 2006 - American Real Estate Partners, L.P. (“AREP”) (NYSE:ACP) stated today that it was disappointed at the lack of consideration given its acquisition proposal by the Board of Directors of Reckson Associates Realty Corp. Carl Icahn, Chairman of AREP’s General Partner, said that he believes that the offer was superior in value to the consideration being offered by S.L. Green Realty Corp. in its proposed merger with Reckson. Mr. Icahn went on to state that “AREP’s bid was a serious one which, in our mind, provided extra value to the Reckson stockholders and was worth pursuing. Obviously, and unfortunately, the Reckson Board disagreed.”

AREP, a master limited partnership, is a diversified holding company engaged in a variety of businesses. AREP’s businesses currently include gaming; real estate and home fashion. To learn more about AREP, please visit www.arep.com.

This release contains certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, many of which are beyond AREP’s ability to control or predict. Forward-looking statements may be identified by words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “will” or words of similar meaning and include, but are not limited to, statements about the expected future business and financial performance of AREP and its subsidiaries. AREP undertakes no obligation to publicly update or review any forward-looking information, whether as a result of new information, future developments or otherwise.

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