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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, March 4, 2005 - 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, 2005 to holders of record as of the close of business on March 15, 2005.

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

