



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

**FOR IMMEDIATE RELEASE**

**AMERICAN REAL ESTATE PARTNERS, L.P.'s**  
**SUBSIDIARY PRICES DEBT OFFERING**

**MOUNT KISCO, N.Y., January 16, 2004**--American Real Estate Partners, L.P. (NYSE:ACP) announced today that American Casino & Entertainment Properties LLC, an indirect wholly-owned subsidiary, has priced its previously announced offering of senior secured notes due 2012. The notes, in the aggregate principal amount of \$215 million, will bear interest at a rate of 7.85% per annum. Closing of the offering is expected to occur on or about January 29, 2004.

The notes have not been registered under the Securities Act of 1933 or applicable state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act of 1933 and applicable state securities laws.

This release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, many of which are beyond our ability to control or predict. Among these risks and uncertainties are changes in general economic conditions, market and competitive conditions, the extent, duration and strength of any economic recovery and other risks and uncertainties detailed from time to time in our filings with the SEC, including our 2002 Form 10-K, Form 10-Qs and Form 8-Ks.

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

