

*Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain. In the event of a discrepancy, the Spanish-language version prevails.*

## AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of  
NH Hoteles, S.A.:

1. We have audited the consolidated financial statements of NH HOTELES, S.A. and SUBSIDIARIES comprising the consolidated balance sheets as of December 31, 2004 and 2003, and the related consolidated statements of income and notes to consolidated financial statements for the years then ended. The preparation of these consolidated financial statements is the responsibility of the Parent Company's directors. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with generally accepted auditing standards, which require examination, by means of selective tests, of the documentation supporting the consolidated financial statements and evaluation of their presentation, of the accounting principles applied and of the estimates made. Our work did not include an examination of the financial statements of certain Group companies whose assets represented approximately 27% and 28% of the total consolidated assets in 2004 and 2003, respectively, and whose contribution to consolidated net income in 2004 detailed in Note 29 (in 2003 they contributed losses of approximately €16,681 thousand). The financial statements of these companies were audited by other auditors, as indicated in Exhibit I to the notes to consolidated financial statements referred to above. Our opinion as expressed in this report is based, with respect to the ownership interests in these companies, solely on the reports of the other auditors.
2. In our opinion, based on our audit and on the reports of the other auditors indicated in paragraph 1 above, the consolidated financial statements referred to above present, in all material respects, a true and fair view of the consolidated net worth and consolidated financial position of NH Hoteles, S.A. and its Subsidiaries as of December 31, 2004 and 2003, and of the consolidated results of their operations and of the funds obtained and applied by them in the years then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with generally accepted accounting principles and standards applied on a consistent basis.
3. The accompanying consolidated management report for 2004 contains the explanations which the Parent Company's directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated management report is consistent with that contained in the consolidated financial statements for 2004. Our work as auditors was confined to checking the consolidated management report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of NH Hoteles, S.A. and its Subsidiaries.

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Gustavo Sarmiento

April 4, 2005

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