

## Renault boss hails 'great year'

Strong sales outside western Europe helped Renault boost its profits by more than 40% in 2004 although the firm warned of lower margins this year.

France's second largest carmaker enjoyed a healthy 43% rise in net profits to 2.4bn euros (\$3.1bn; £2.9bn) as sales rose 8% to 40.7bn euros. The firm said strong demand outside western Europe and the good performance of its Megane range lifted its results. Chairman Louis Schweitzer said 2004 had been a "great year" for the firm.

Renault sold more than 2.4 million vehicles in 2004, an increase of 4% on the previous year. Growth came mainly from outside western Europe, with particularly strong sales in Turkey, Russia and North Africa.

In total, sales outside western Europe - Renault's core market - rose 16.5%. Japanese carmaker Nissan - in which Renault owns a 44% stake - contributed 1.7bn euros in net income over the year. Nissan chairman Carlos Ghosn is to succeed Mr Schweitzer at the head of Renault later this year.

Renault said the outlook for the industry in Europe this year was "stable", with small growth forecast in other regions. The firm will benefit from the launch of a new Clio model in the coming year and the roll-out of the Logan in many markets. However, the firm said it expected operating margins to be lower in 2005, at 4% of sales as opposed to 5%. "In a sluggish market and an environment impacted by the rise in raw material prices, Renault intends to continue to grow its global sales," the company said in a statement.