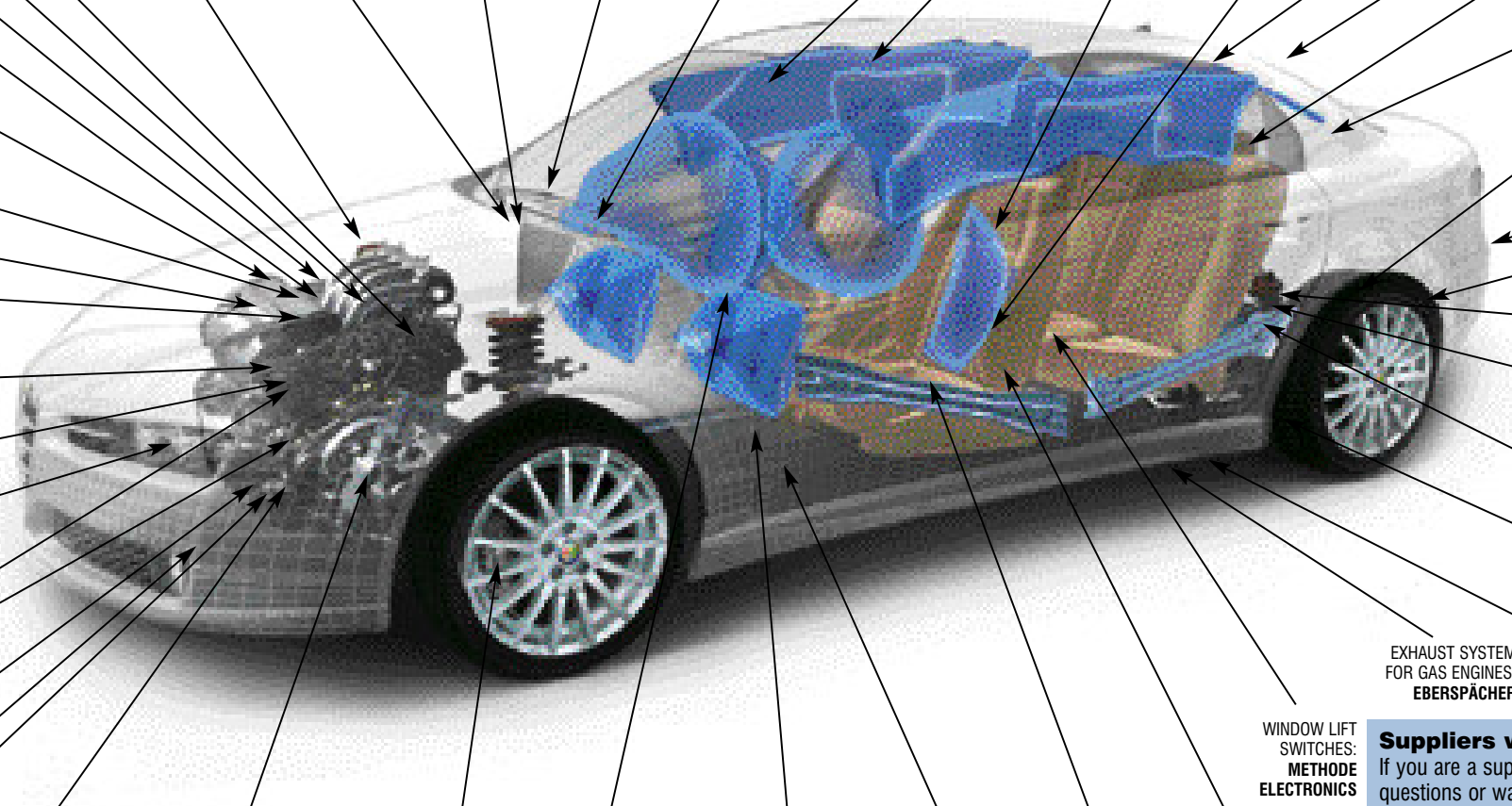
Suppliers to the new Alfa Romeo 159

TRW Automotive supplies the Alfa Romeo 159's standard electronic stability control system, which automatically brakes individual wheels and adjusts throttle to prevent slides and spins. TRW's stability control system also offers two additional features: hill-hold, a function that automatically keeps the brakes applied until the driver gives the right amount of acceleration to start on a slope without rolling backwards; and brake assist, which automatically increases the pressure applied to the brake pedal in the event of an emergency. Alfa Romeo relied upon fellow Fiat subsidiary Magneti Marelli for one of the transmissions in the new lower-premium car. The Selespeed automated manual transmission is an option on the 2.2-liter JTS gasoline version of the 159. The Formula One-inspired transmission made its production debut in 1999 in the 159's predecessor, the 156. Selespeed can now be found in vehicles ranging from the Aston Martin DB9 luxury coupe to the Renault Modus small minivan. **– Alex Graham**



Suppliers wanted
If you are a supplier and have questions or want your information considered for our cutaway features, contact Alex Graham at automotivenews@autobusiness.co.uk

Reliability crucial to Alfa 159 marketing

Carmaker will give 3 years maintenance on 3-series rival

LUCA CIFERRI
AUTOMOTIVE NEWS EUROPE

MUNICH – Alfa Romeo is using reliability as a selling point for its new 159.

The Italian carmaker will offer a three-year warranty plus three years of free maintenance on the car in a bid to win lower-premium customers away from the top three sellers in the segment – the Audi A4, BMW 3 series and Mercedes-Benz C class.

The three German rivals, all known for the quality and reliability of their cars, offer two-year warranties. None of the Germans currently offers free maintenance.

Alfa estimates the three years of maintenance is worth E1,400 to the customer. European sales of the car start in September.

The maintenance incentive plus the decision by Alfa to do its 159 press launch here, in BMW's home town and just 80km south of Audi headquarters, were clear signals from Alfa that it wants to be a more serious competitor in a segment dominated by the Germans.

The person behind the bold initiatives is Alfa Romeo CEO Karl-Heinz Kalbfell, who joined the company in January after serving at BMW for almost 30 years.

He said he wants Alfa to be the Italian alternative to the German brands in the lower-premium segment.

Winning customers with quality assurances might be difficult, especially in Europe's largest market for new-car sales.

Alfa scored 25th out of 28 brands in the 2004 J.D. Power and Associates German Customer Satisfaction Index Study.

Alfa hopes its maintenance incentive will not only win it private customers but also fleet buyers by reducing their ownership costs. About 40 percent of lower-premium sales go to fleet buyers.

Keep it fresh

The 159's predecessor, the 156, was successful in its first three full years of production, but volume tumbled to less than 50,000 units last year (See graphic).

The 156 slipped because Alfa was slow to replace the car, which was on the market eight years compared with six years for the German brands.

Alfa also didn't keep customers interested in the 156 by continually introducing new options – something that the German brands do well.

"We want to keep the 159 volume stable at over 110,000 units a year as long as possible by using an aggressive product life cycle management," Kalbfell said.

To do so Alfa will add a six-speed automatic transmission, supplied by Aisin of Japan, and a Formula One-inspired Selespeed automated manual transmission early next year. The sportier GTA version of the car arrives later.

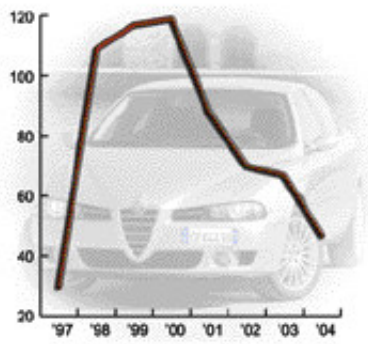
Alfa is the first carmaker to offer direct injection only on all of its gasoline engines. The technology, called JTS for Jet Thrust Stoichiometric, does more to improve the car's power and torque than to reduce fuel consumption.

The 1.9-liter engine delivers 190hp, the 2.2-liter 185hp and the 3.2-liter V-6 260hp. These three engine blocks come from General Motors' Australian subsidiary Holden. They feature Alfa-specific alloy cylinder heads, including double hydraulic variable camshafts.

Another way Alfa aims to vary its lineup is by offering four-wheel-drive versions of models like the 159. ANE

Rise and fall

Production of the Alfa 156 slumped badly toward the end of the car's life cycle.



Source: ANFIA, company

Key facts



Name: Alfa Romeo 159
Code-name: 939
Launch: September 23 in France, Italy, Germany and Spain; October 7 in rest of continental Europe; December UK and Ireland
Platform: Premium platform that was developed with Saab, which later withdrew from the program. Alfa will use it also on the Brera coupe, debuting in November; on the 159 Sportwagon, coming in January 2006; and on the new Spider, planned for next spring. Alfa could also use it for the Kamal SUV and the 166 replacement. Maserati could base an entry-level spider and the Kubang crossover on the premium platform.
Segment: lower premium
Main competitors: Audi A4 and BMW 3 series
Price: E28,000-E40,000 (preliminary)
Investment: E900 million
Plant: Pomigliano d'Arco, Naples, Italy
Production: 30,000 by the end of the year, over 110,000 in a full year
CO2: From 159g/km (1.9-liter diesel) to 270g/km (3.2-liter gasoline)
Euro NCAP: not tested



Kalbfell: Alfa remains in red.

Alfa will shrink losses in 2005

MUNICH – Alfa Romeo CEO Karl-Heinz Kalbfell said he wants to make the brand "financially more solid." He declined to be more specific, but admitted that Alfa will not break even this year.

Kalbfell made the comments during the press launch of the Alfa Romeo 159 here.

Analyst Philippe Houchois of J.P. Morgan in London forecasts that Alfa will shrink its operating loss to E100 million this year from E180 million in 2004.

The company last broke even in 2002.

During the press event Kalbfell reconfirmed Alfa's goal to produce 300,000 units a year before the end of the decade. Last year, Alfa made 162,166 cars, down 11.3 percent from 182,773 the previous year.

– Luca Ciferri