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Motorola to split off mobile business

Separate Moto phone biz will see "product-led recovery"

by Amy-Mae Elliott published on 26 March 2008

Motorola has announced it is to split off its troubled handset business into a separate company creating two different businesses by 2009.

Seen to be caving to the demands investor Carl Icahn, the creation of an independent mobile devices company would leave a Motorola that makes TV set-top boxes, wireless equipment, public-safety radios and bar-code scanners.

Motorola's chief exec Greg Brown said the split "will provide improved flexibility, more tailored capital structures, and increased management focus - as well as more targeted investment opportunities for our shareholders".

"Clearly there's a lot more work to be done", Brown said. "It will be a product-led recovery. We're taking steps now to ensure and solidify that direction."

Motorola shares rose 1.7%, or 17 cents, to \$9.93 on the news.

