

Hanging Up: Motorola to Spinoff Phone Biz

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SCHAUMBURG, IL – Motorola Inc. will separate its struggling handset business from other operations, forming two separate publicly traded companies. The company said the handset business will make up one unit, while home and networks products, and enterprise mobility solutions will be bundled into a separate business. Pending shareholder approval, the moves would take place next year.

The move is seen as a response to heavy pressure from its second-leading shareholder, Carl Icahn, to revamp the business.

"Our priorities have not changed with today's announcement," said chief executive Greg Brown said in a statement. "We remain committed to improving the performance of our Mobile Devices business by delivering compelling products that meet the needs of customers and consumers around the world."

Motorola will seek a new chief executive for the Mobile Devices business, which has suffered heavy fiscal and market share losses during the past two years.