

Siemens Spins Off Light Bulb Maker Osram

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FRANKFURT, Germany (AP) — Industrial engineering company Siemens AG said Tuesday it is shaking up its organizational chart, spinning off light bulb maker Osram and forging a new division that will focus on energy-efficient infrastructure projects in the world's cities.

Osram GmbH will be sold off to investors in an initial public offering of shares later this year, said Munich-based Siemens, which makes a wide range of industrial equipment such as trains, power plants and medical diagnostic machines.

The company said it is also adding a fourth major division — dubbed infrastructure and cities — that will bundle the company's businesses in power distribution and transport equipment and take advantage of growth in the world's cities. It will also include the company's building technology operation, which makes building automation, lighting, fire-safety and security equipment.

The new division will pursue what the company says is a potential market worth €300 billion (\$420 billion) for energy-efficient projects in both the rich and emerging world.

Many of the changes, including the Osram IPO, had been expected by markets and Siemens shares traded little changed, down 0.2 percent at €94.10.

The reorganization leaves Siemens's mainstay industry division — where transport had previously been located — to focus on industrial customers while the new cities division pursues public infrastructure. The other two divisions are energy, which includes power plants and wind farms; and healthcare, which makes equipment such as diagnostic imaging machines.

Osram, which makes light bulbs, light fixtures and car headlights, has around 40,000 employees worldwide, including 9,000 in Germany and 7,400 in the United States. It includes Osram Sylvania, headquartered in Danvers, Massachusetts.

Siemens said Osram needs entrepreneurial flexibility to cope with a lighting market that increasingly is dominated by new technologies.

Siemens said it will remain a long-term anchor shareholder in Osram.

"With the IPO, we want to give Osram complete entrepreneurial freedom to comprehensively further develop its leading competitive position in a lighting market being swept by technological changes," said Siemens President and CEO Peter Loescher.

Siemens had revenue of €76 billion (\$107 billion) last year and has 405,000

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