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Its splitsville for 123-year-old Philips!

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This dramatic split of Netherland-based Philips into two separate entities - HealthTech-Lifestyle business and Lighting business is expected to allow the company to focus more into healthcare and consumer goods.

"To become the global leader in HealthTech and shape the future of the industry, we will combine our vibrant healthcare and consumer lifestyle businesses into one company," said Mr Frans van Houten, CEO, Royal Philips.

The new operating structure will help the company save â‚¬100 million in 2015, and about â‚¬200 million in 2016.

Philips said that both the companies will continue to use the same brand name and will be based in the Netherlands.

The company, however, said that it would be difficult to comment on anything further now, especially queries related to the number of job cuts as a result of this mammoth decision. Globally, Philips employs 112,000 professionals.

In 2013, its HealthTech business recorded a sales of â‚¬15 billion and the lighting business touched â‚¬7 billion, said Philips in a statement.

Independence to lighting solutions business will enable the company to expand its global leadership position and venture into adjacent market opportunities.

Both companies will make appropriate investments to boost growth and drive profitability, generating more value for its customers, employees and shareholders.

Shares of Philips India were trading at Rs 104.05, up by Rs 4.30 or 4.31 percent on September 24, 2014 at 19.20 hrs.

It is also noteworthy that in a similar move in May 2013 by Philips' rival, Siemens AG, a German electrical equipment manufacturer, also spun-off its lighting business Osram.

Industrial analysts and experts now have their eyes fixed on the next-in-line candidate's move, General Electric (GE), which also owns similar businesses in healthcare and lighting.

This September, speculations rose surrounding the acquisition of GE's appliance business by Swedish-based Electrolux for $2.5 billion.