

Brewer to leisure group Whitbread Plc can expect to raise about 100 million stg from the sale of its underperforming retail sites in 1997/98, said chief executive Peter Jarvis in an interview on Friday.

"We now have such a wide range of retail brands and a fast and sizeable programme of new openings, that we are able to dispose of older premises that simply cannot be upgraded," said Jarvis.

Recession in the early 1990's has made consumers more discerning so that they now pick their favoured restaurants and pubs more carefully, he said.

The company's 1,700 strong Whitbread Inns, which forms about 40 percent of group profits, added 80 sites this financial year and sold 50, with the modern sites generally much bigger and often designed to include a Travel Inn.

Some of the company's Beefeater restaurant-pubs are too old in design to be upgraded and other outlets are unlikely to prove economic over the medium term where for instance the local economy has turned down.

"We are constantly trying to improve the average within the portfolio," said Jarvis.

The advent of a more flexible property market -- in terms of lease back sale arrangements and fewer freeholds -- and much improved property prices will also enable Jarvis' successor David Thomas to accelerate the disposal and upgrade programme.

"He (Thomas) will be able to churn sites faster than I have been able to."

"He is likely to dispose of more in the next five years than myself."

Thomas will take over as chief executive in the summer when Jarvis steps down.

- Tim Farrand, London Newsroom +44 171 542 6437