



EXECUTIVE COMMENTARY

The Board of Directors of Carlton Savannah REIT (Jamaica) Limited is pleased to present the company's unaudited consolidated financial statements for five (5) months ended September 30, 2008. Following the initial public offer (IPO) of the company, which closed on June 13th 2008, the company was listed on the Jamaica Stock Exchange with the ticker symbol "CREIT". The company raised J\$406.6M from 187 shareholders and introduced the region's first real estate investment trust to the Jamaican capital market.

The company's principal office is located at 7 Stanton Terrace, Kingston 6, Jamaica and the telephone number is (876) 620-4507. The web site is www.carltonsavannahreit.com. The Carlton Savannah REIT (St. Lucia) Ltd., is a St. Lucian IBC and a 100% owned subsidiary of Carlton Savannah REIT (Jamaica) Limited. It is the primary operating entity in the group and it substantially owns all the group's operating assets.

MANAGEMENT DISCUSSION

During the IPO, the Board of Directors indicated that the company would be focused on the Carlton Savannah Hotel located in Port of Spain, Trinidad & Tobago. At its last meeting, the Board of Directors decided to broaden the scope of investments to include a diversified portfolio of real estate properties throughout the wider Caribbean and other selected international markets. Accordingly, we have recently circulated to all shareholders a resolution that seeks their approval to change the name of the company to "Kingston Properties Limited" in order to better reflect the more diversified strategy that the company intends to execute.

BUSINESS STRATEGY

Our primary business objective is to maximize the total returns to shareholders from real estate property investments so as to provide consistently superior long-term yields. Our strategy to achieve this objective is:

Concentrate on a Few Carefully Selected Geographic Markets.

The REIT will focus on selected geographic markets in the wider Caribbean that have solid macro-economic fundamentals and demonstrate a proven hard currency earning capacity.

Opportunistically Acquire Assets.

The Directors of The REIT believe that the company is well positioned to acquire portfolios of real estate assets or individual properties from institutions or individuals if valuations meet our criteria. In addition, it is believed that the relatively low leverage and access to capital may provide The REIT with a competitive advantage when pursuing acquisitions in the current credit-constrained environment.

Explore Joint-Venture Opportunities.

The REIT will explore joint-venture opportunities with existing owners of properties in desirable locations, who seek to benefit from our access to capital, and/or seek joint venture opportunities with strategic institutional partners that have a preference for owning real estate properties via the REIT structure. We may acquire real estate properties for cash, but we are also particularly well-positioned to appeal to sellers wishing to exchange their ownership of property for equity in a diversified real estate operating company that offers liquidity through access to the public equity markets in addition to a quarterly distribution.

Demonstrate Value Creation. We will pursue, on a selective basis, the sale of properties to take advantage of the demand for any of our premier properties.

DIVIDEND POLICY

The company's dividend policy remains unchanged with regards to quarterly dividends. The trigger for the initial dividend payment from the Carlton Savannah Hotel is the declared opening of the Hotel which was anticipated for the end of October, 2008. However, The REIT was subsequently informed by the developers, Balton Properties, that Carillion, the hotel contractor, has had a second delay in their projected completion date as a result of inadequate human resource planning and sub-standard internal finishes. Accordingly, the hotel's completion and hand-over is now scheduled for March, 2009. In the interim, the Board of Directors will recommend at its next monthly board meeting, that the payment of a dividend applicable to shareholders of record as at the end of November and payable in December, 2008 be approved.

INCOME STATEMENT

Revenues
Revenues for the period were J\$23.5 million derived from interest income on escrowed funds and commitment fee income from developer, Balton Properties, specifically negotiated to pay for the formation of the company and fees associated with the IPO.

Expenses
These represent primarily payments for the company's formation and related IPO expenses.

BALANCE SHEET

Construction in progress
This consists of seven (7) Apartment Units in the Carlton Savannah Hotel.

Escrowed funds
Escrowed funds include amounts to be paid on the receipt of effective completion certificates for the Apartment Units in the Carlton Savannah Hotel.

Once again, thanks to our shareholders for their support. Please feel free to send us your comments and questions. We look forward to a long and prosperous relationship with you, our shareholders.

Garfield Sinclair
Chairman, Board of Directors

Fayyaz S. Williams
Executive Director

CONSOLIDATED BALANCE SHEET (UNAUDITED)

AS AT SEPTEMBER 30, 2008

	J\$
ASSETS	
Construction in progress	284,170,241
Escrowed funds	122,808,211
Withholding taxes	9,367
Cash and cash equivalents	3,488,876
Total Assets	410,476,695
EQUITY and LIABILITIES	
Issued share capital	406,608,605
Other reserves	210,465
Accumulated profit	3,262,131
	410,081,201
Current Liabilities	
Payables and accruals	395,494
Total Equity and Liabilities	410,476,695

Approved for issue by the Board of Directors on 12 November 2008 and signed on its behalf by:

Garfield Sinclair
Chairman, Board of Directors

Fayyaz S. Williams
Executive Director

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

FIVE (5) MONTHS ENDED SEPTEMBER 30, 2008

	J\$
Revenues	23,508,396
Expenses	(22,896,521)
Profit from operations	611,875
Service charges and interest expense	(8,310)
Unrealized foreign exchange gains	2,658,566
Profit before taxation	3,262,131
Taxation	-
Net profit	3,262,131
Earnings per share	
Number of shares	68,800,102
Earnings per share	0.05

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

FIVE (5) MONTHS ENDED SEPTEMBER 30, 2008

	J\$
OPERATING ACTIVITIES	
Funds from operations	3,262,131
Cash flow from changes in operating assets and operating liabilities	386,127
Cash flow from operating activities	3,648,258
INVESTING ACTIVITIES	
Construction in progress - Carlton Savannah Hotel	(284,170,241)
Escrowed funds	(122,808,211)
Cash used in investing activities	(406,978,452)
FINANCING ACTIVITIES	
Cash received from issue of shares	406,608,605
Cash flow from financing activities	406,608,605
CASH FLOW FOR THE PERIOD	3,278,411
Exchange rate differences	210,465
CLOSING CASH AND CASH EQUIVALENTS	3,488,876

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FIVE (5) MONTHS ENDED SEPTEMBER 30, 2008

	No. of Shares	Share Capital J\$	Other Reserves J\$	Accumulated Profits J\$	Total J\$
Issue of shares	68,800,102	406,608,605	-	-	406,608,605
Exchange rate differences arising in the translation of subsidiary balances	-	-	210,465	-	210,465
Net profit for the period	-	-	-	3,262,131	3,262,131
Balance at 30 September 2008	68,800,102	406,608,605	210,465	3,262,131	410,081,201

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FIVE (5) MONTHS ENDED SEPTEMBER 30, 2008

1. IDENTIFICATION

Carlton Savannah REIT (Jamaica) Limited (the "Company") is a company limited by shares, incorporated and domiciled in Jamaica.

The Company was incorporated on May 8, 2008; and was listed on the Jamaica Stock Exchange on August 5, 2008. The company owns 100% of the issued share capital of Carlton Savannah REIT (St. Lucia) Limited (the "Subsidiary"), a company incorporated and domiciled in St. Lucia.

The primary purpose of the company and its subsidiary is to make accessible to investors the income earned from the property owned at the Carlton Savannah Hotel in Trinidad and Tobago.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated financial statements have been prepared under the historical cost basis and are expressed in Jamaican dollars.

The group's consolidated financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS).

(b) Basis of consolidation

A subsidiary is an entity over which the company, directly or indirectly, has an interest of more than 50% of the voting rights; or is otherwise able to govern and exercise control over the operations.

A subsidiary is fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases. All inter-group transactions, balances and unrealized surpluses and deficits on transactions between group have been eliminated.

(c) Use of estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results could differ from these estimates and any adjustments that may be necessary would be reflected in the year in which actual results are known.

(d) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(e) Foreign currencies

Transactions in foreign currencies are converted to Jamaican dollars at the rate of exchange ruling at the date of each transaction. Assets and liabilities denominated in foreign currencies are translated to Jamaican dollars at the exchange rates ruling at balance sheet date. Exchange differences are recognized in profit or loss for the period in which they arise.

(f) Taxation

Income tax expense represents the sum of the current tax payable and deferred tax. Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that the taxable profits will be available against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

(g) Earnings per stock unit

The calculation of earnings per stock unit is based on the group's net profit for the period and 68,800,102 ordinary stock units in issue.