Earnings Conference Call

Second Quarter 2008
July 31, 2008

Cautionary Statements And Risk Factors That May Affect Future Results

Any statements made herein about future operating results or other future events are forward-looking statements under the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may include, for example, statements regarding anticipated future financial and operating performance and results, including estimates for growth. Actual results may differ materially from such forward-looking statements. A discussion of factors that could cause actual results or events to vary is contained in the Appendix and in our Securities and Exchange Commission (SEC) filings.

For the second quarter, FPL Group is reporting favorable year-over-year adjusted earnings[1]

Overview – Second Quarter 2008

- **Strong results overall**
- **Economic conditions impacting Florida Power & Light**
- **17% adjusted earnings growth at FPL Energy**
  - New wind development and Point Beach nuclear facility
  - Growth from existing fleet, offset by Seabrook refueling outage
- **Well-positioned through 2012**[2]
  - 2008E: $3.83 - $3.93
  - 2009E: $4.15 - $4.35
  - Growth: At least 10% annually through 2012, using 2006 adjusted earnings per share (EPS) as base

[1] See Appendix for reconciliation of GAAP to adjusted amounts.

[2] Adjusted earnings. Assumes normal weather, excludes the cumulative effect of adopting new accounting standards, the mark-to-market effect of non-qualifying hedges, and other than temporary impairments (OTTI), none of which can be determined at this time. The 2008 and 2009 adjusted earnings expectations are valid as of July 31, 2008 and are subject to and should be viewed together with FPL Group's Cautionary Statements contained in the Appendix to this presentation.

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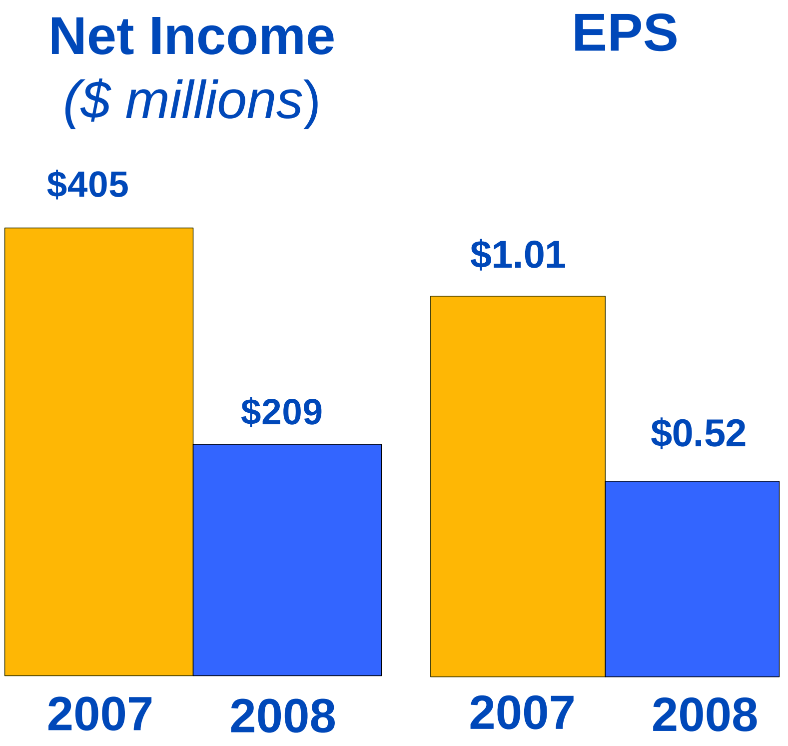
FPL Group's 2008 second quarter adjusted EPS grew 8%

FPL Group Results – Second Quarter

GAAP



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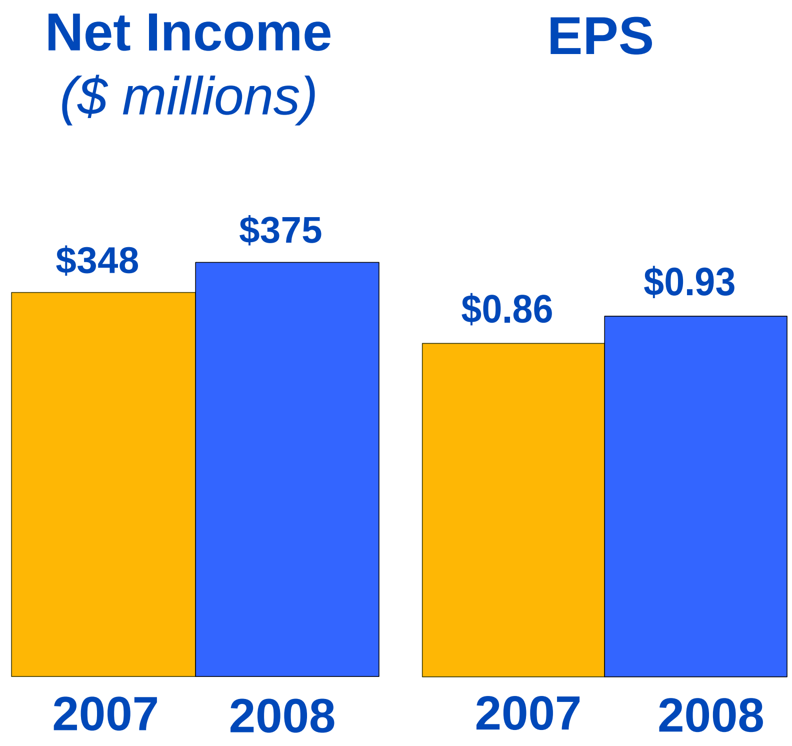


See Appendix for reconciliation of GAAP to adjusted amounts

2007 adjusted amounts revised from previous presentations to reflect the exclusion of the after tax effect of other than temporary impairment losses (OTTI) in securities held in FPL Energy's nuclear decommissioning funds, which resulted in increases in second quarter 2007 adjusted amounts of $1 million or $0.00 per share.

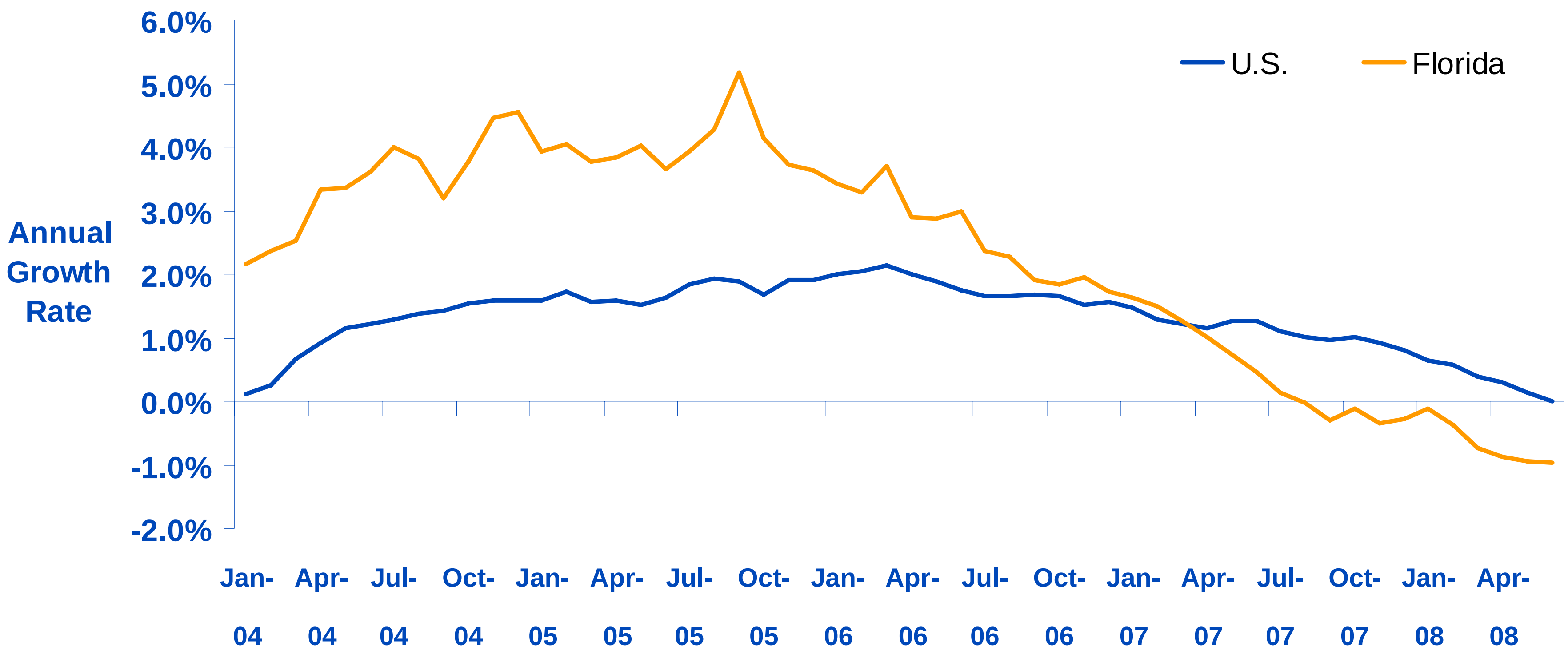
FPL performed well, notwithstanding weak economic conditions

FPL Overview – Second Quarter 2008

- **Weak Florida economy translated into slower customer growth and lower, non-weather related usage**
- **Warmer weather provided usage benefit**
- **Higher operations and maintenance (O&M) and interest expense largely in line with expectations**
- **Other key second-quarter events:**
  - Florida enacted Omnibus Energy Legislation
  - Solar generation expansion
  - Florida Public Service Commission (PSC) approved mid-year fuel correction

After leading the nation in job growth between 2003-2005, Florida is now losing jobs

Annual Employment Growth: Florida versus U.S.[1]



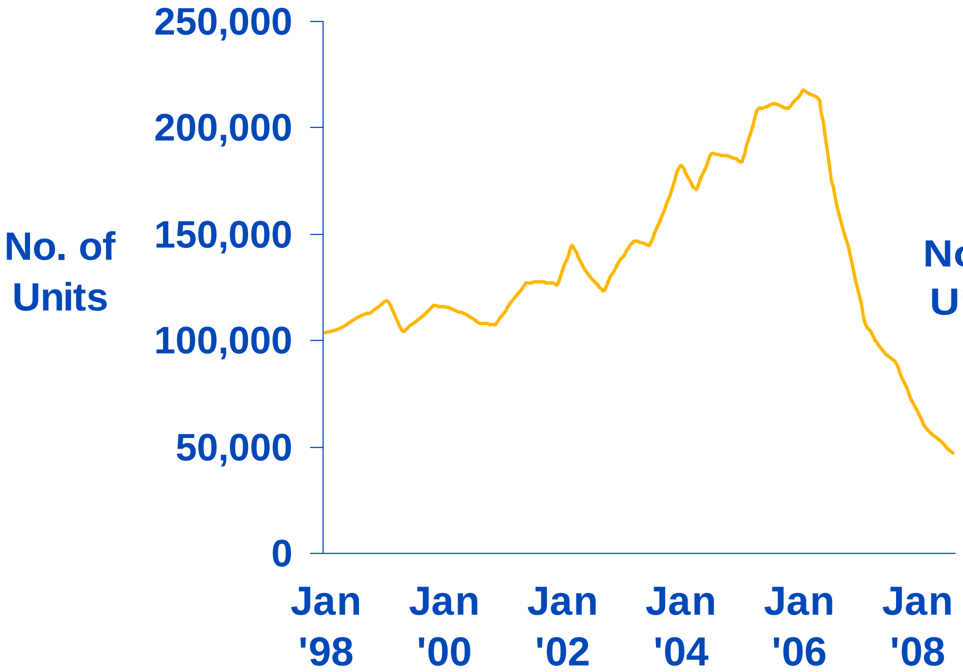
Jobs lost are primarily in the construction sector

[1] Based on yearly change in non-agricultural employment

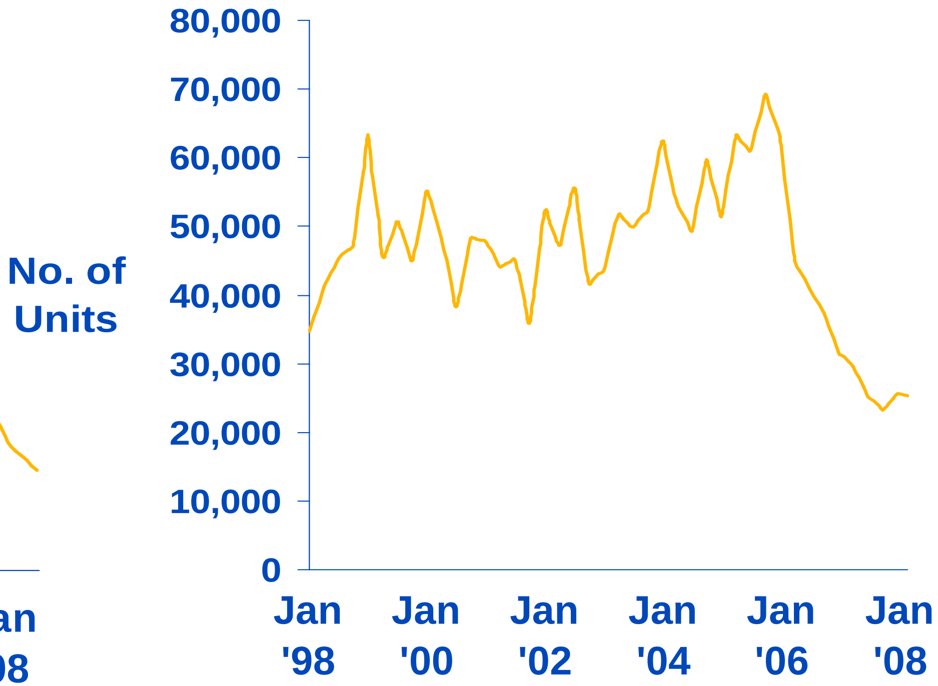
Source: Bureau of Labor Statistics

After above-average gains in 2004-2005, the decline in single-family housing starts has been steep

Single-family housing starts in
FL seasonally adjusted annual rate



Multi-family housing starts in
FL seasonally adjusted annual rate



The build-up in multi-family starts was less dramatic than that experienced in single-family housing starts

Source: Global Insight

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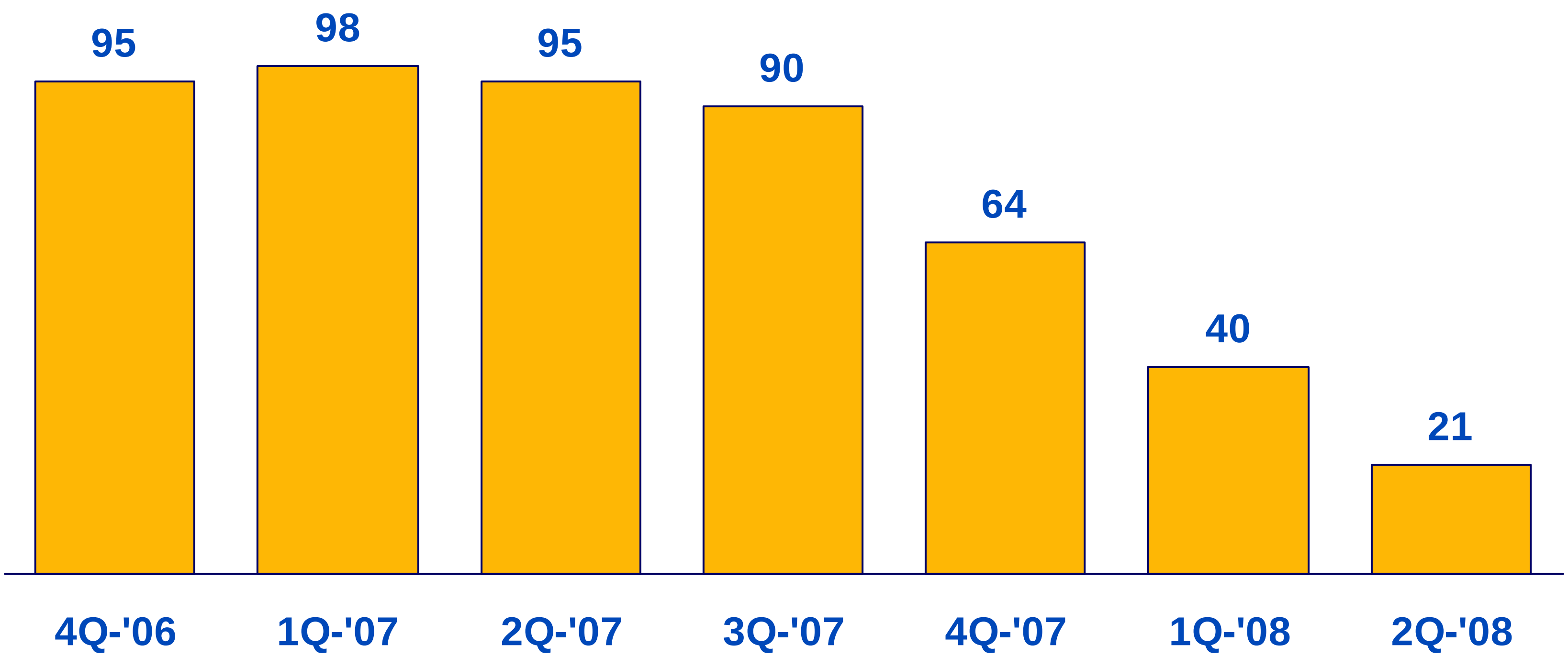
Year-over-year customer growth remained positive in the second quarter

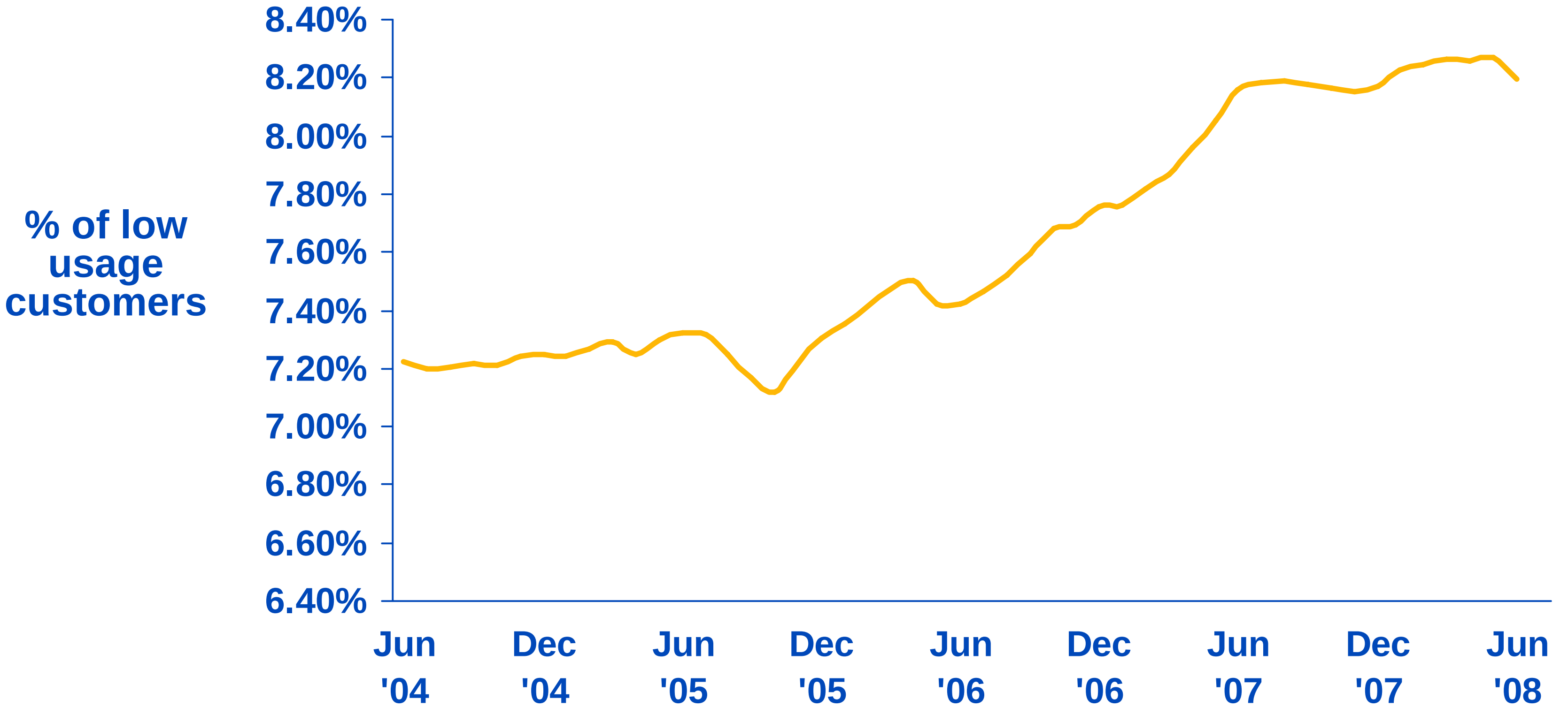
Customer Growth – Second Quarter 2008[1]



[1] Change in average customer accounts from prior year's quarter. Customer figures shown in 000's

An increase in very low usage residential customers has coincided with the housing slump (i.e., empty houses)

Percentage of FPL residential accounts <u>using between 1-200 kWh per month</u>

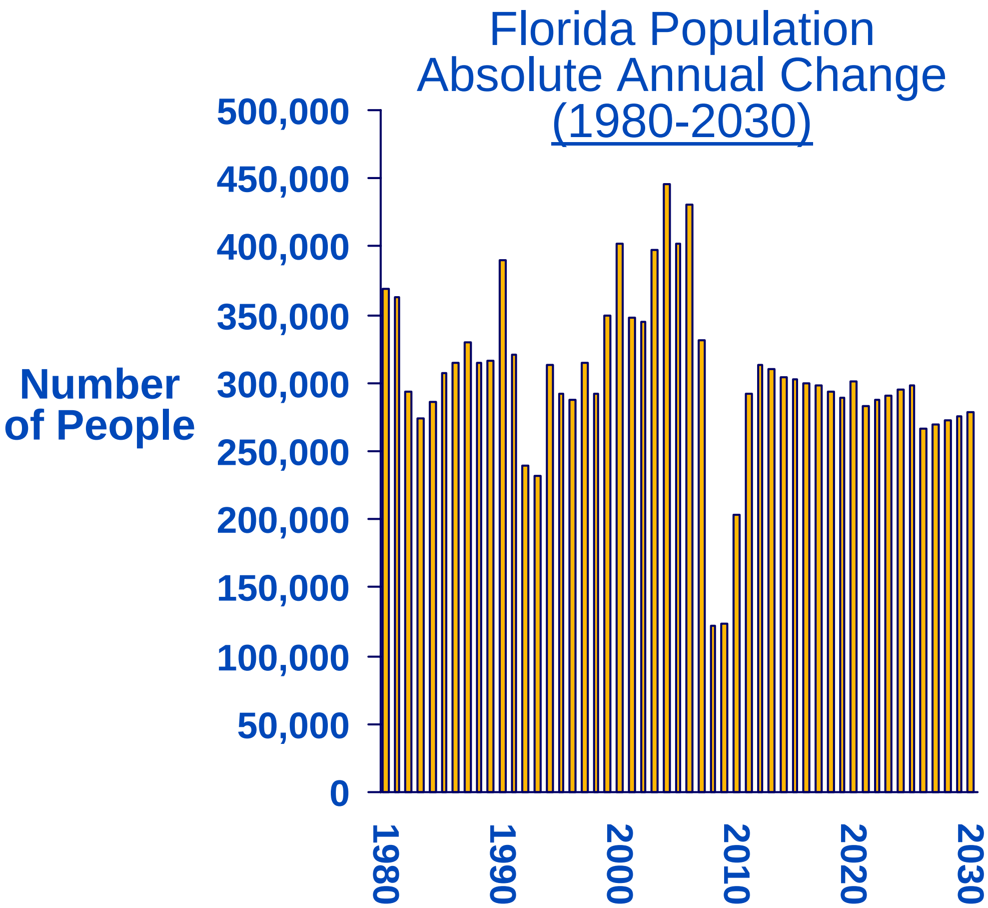


Data represents 12 month rolling average

The current downturn is likely cyclical rather than secular and the long-run fundamentals for Florida remain strong

Long-run outlook for Florida

- **Florida economy**
  - Most economists remain optimistic about Florida's long-run prospects
  - According to the University of Florida, the state's population will expand by 3 million in the next ten years
  - Global Insight is predicting that after 2010 Florida will regain its position as one of the top job producers in the country



Retail kWh sales growth in the second quarter was largely a function of weather but was adversely impacted by underlying growth and usage

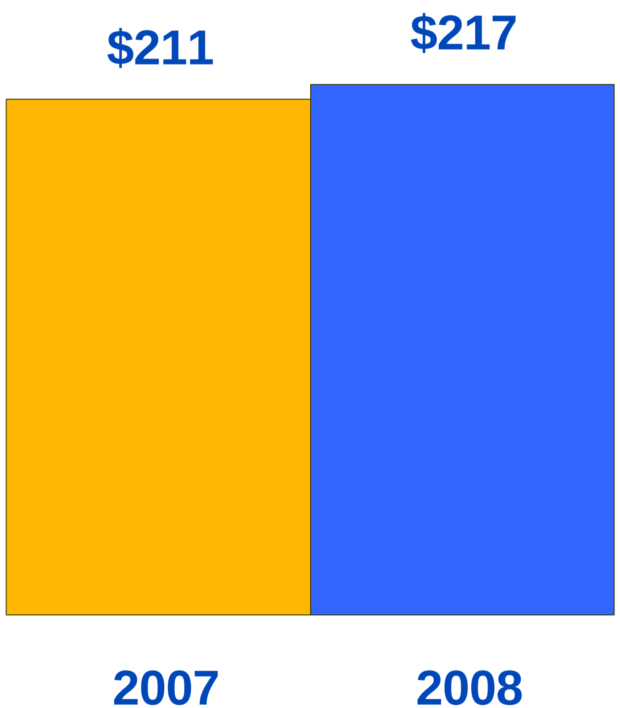
FPL Retail kWh Sales

	Customer growth	0.5%
+	Usage growth due to weather	3.8%
+	Underlying usage growth, mix and other	(1.1%)
=	Retail kWh sales growth	3.2%

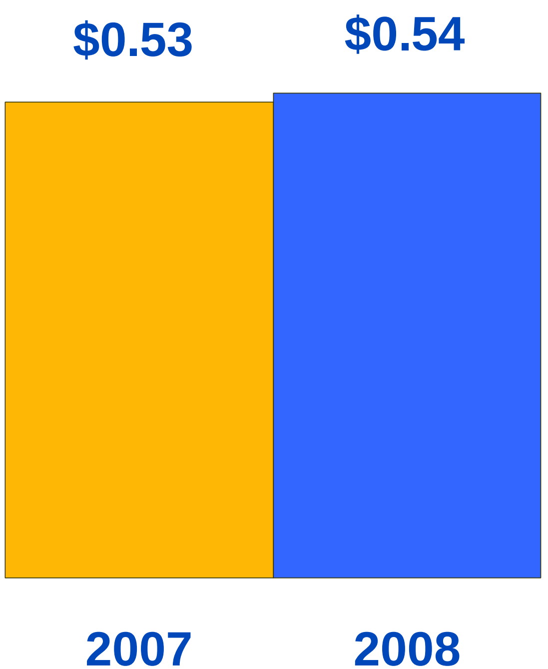
FPL EPS contribution improved 2% year-over-year despite the economic slowdown

Florida Power & Light Earnings – Second Quarter 2008

Net Income
($ millions)

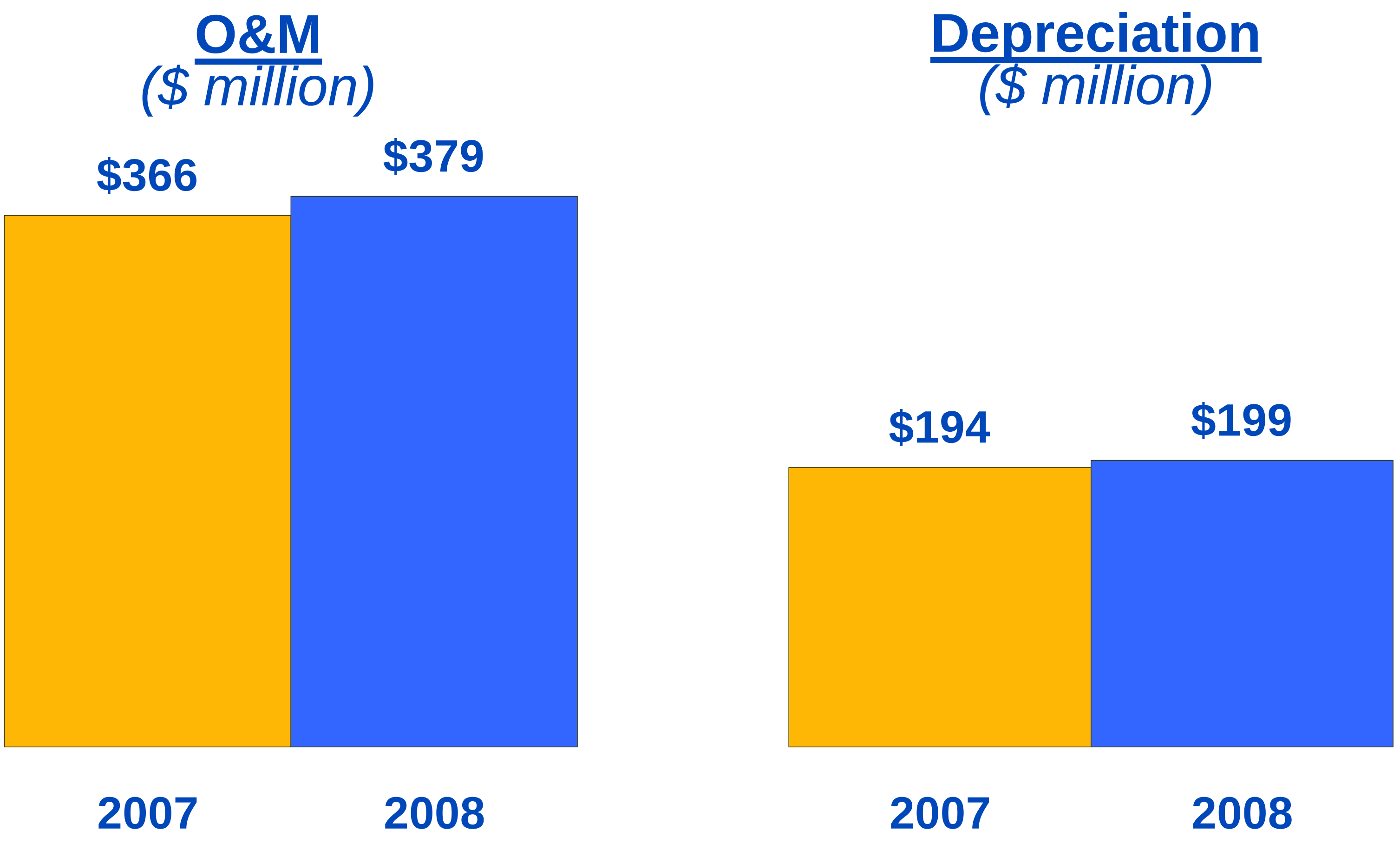


EPS



The year-over-year increase in O&M was well within our expectations

O&M and Depreciation



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Slowing revenue trend limited EPS growth

FPL EPS Contribution Drivers – Second Quarter 2008

	($/share)
FPL – 2007 EPS	**$0.53**
Drivers:	
Customer growth	$0.01
Usage growth, weather	$0.06
Usage growth, underlying	($0.02)
O&M	($0.01)
Depreciation	($0.01)
Other[1]	($0.02)
FPL – 2008 EPS	**$0.54**

[1] Including AFUDC, interest expense, share dilution, and rounding

FPL Energy had a strong second quarter

FPL Energy Overview – Second Quarter 2008

- **Strong financial performance continues**
  - Adjusted EPS grew nearly 17%
- **Key drivers**
  - New project additions (wind, Point Beach)
  - Strong contributions from existing assets:
    - Higher pricing
    - Strong wind resource
    - Partially offset by Seabrook refueling outage
- **Well hedged for 2008 and 2009**
- **Wind development plans on track**
  - 7,000 to 9,000 MW of new wind over 2008-2012
- **Closed Canadian wind acquisition (85 MW)**

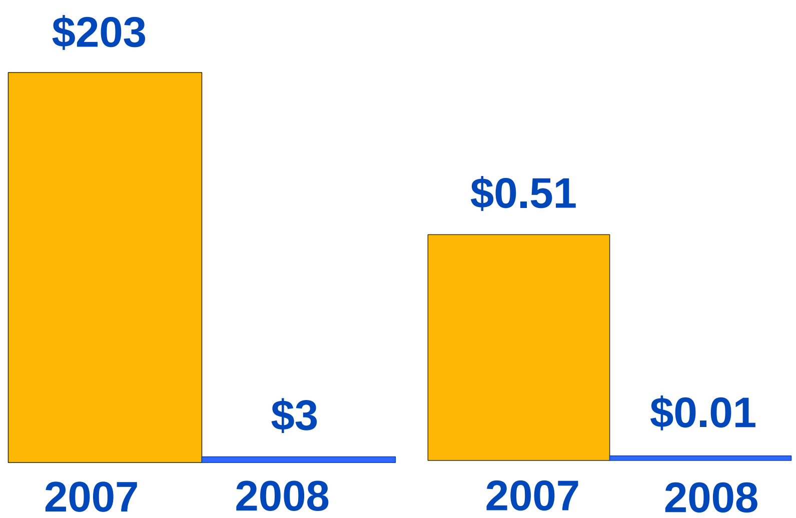
FPL Energy's second quarter adjusted EPS grew 17%

FPL Energy Results – Second Quarter 2008

GAAP

Net Income *($ millions)*

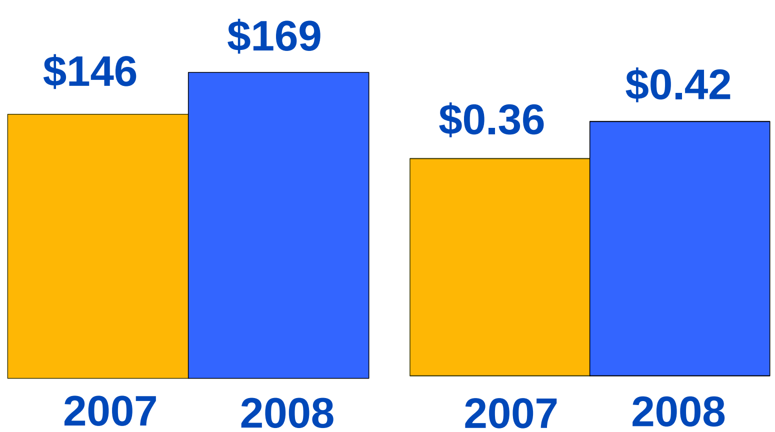
EPS



Adjusted

Net Income *($ millions)*

EPS



See Appendix for reconciliation of GAAP to adjusted amounts

2007 adjusted amounts revised from previous presentations to reflect the exclusion of the after tax effect of other than temporary impairment losses (OTTI) in securities held in FPL Energy's nuclear decommissioning funds, which resulted in increases in second quarter 2007 adjusted amounts of $1 million or $0.00 per share.

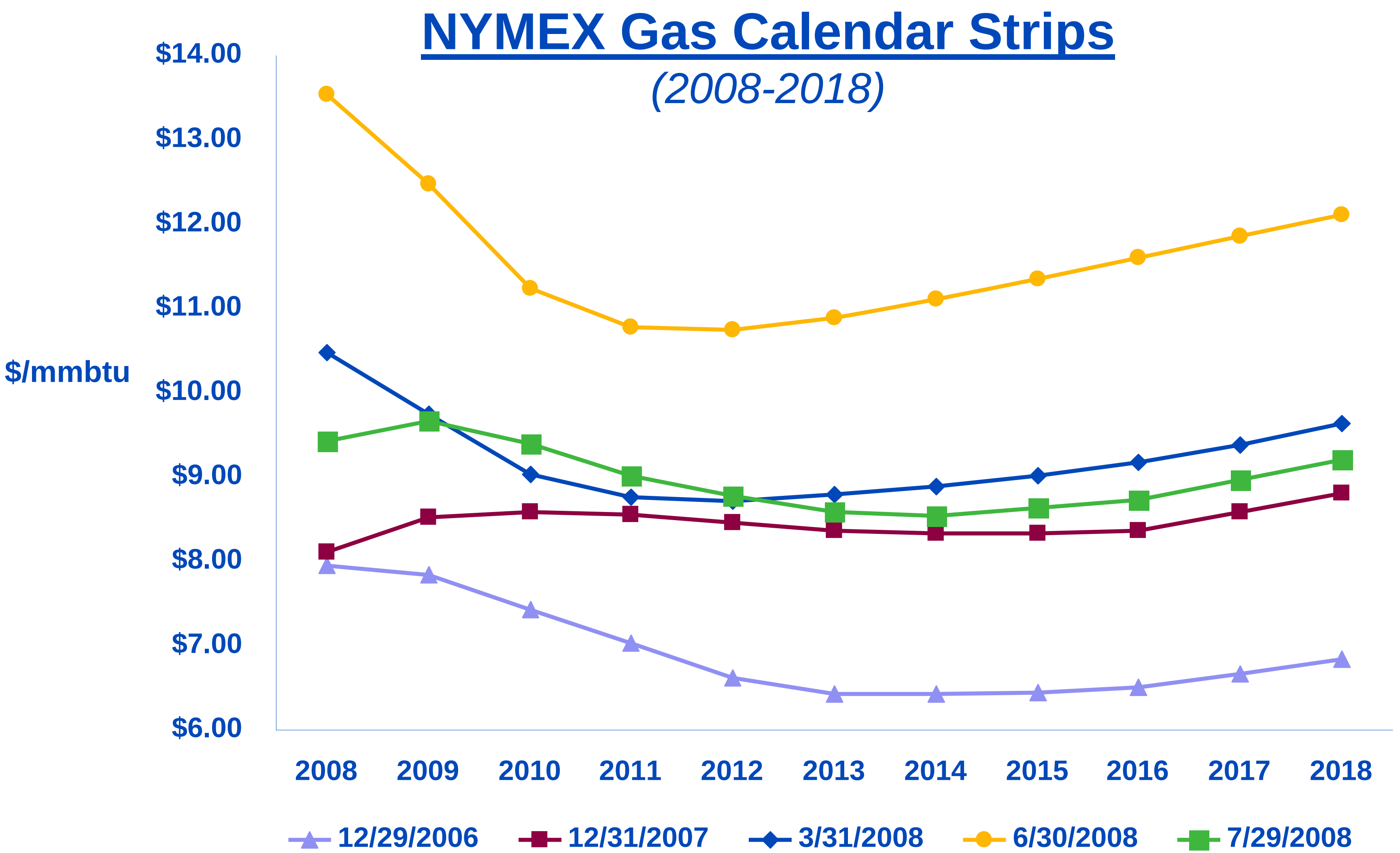
FPL Energy's growth was led by new investments

FPL Energy EPS Contribution Drivers
Second Quarter 2008

	($/share)
FPL Energy – 2007 Adjusted EPS	**$0.36**
Drivers:	
New investments	$0.11
Existing assets[1]	$0.00
Asset optimization and trading	($0.04)
Other[2]	($0.01)
FPL Energy – 2008 Adjusted EPS	**$0.42**

[1] Includes ($0.10) per share for scheduled Seabrook refueling outage
[2] Including G&A, interest expense, differential partnership costs, share dilution, and rounding
See Appendix for reconciliation of GAAP to adjusted amounts

Increases in the 10-year natural gas strip support future earnings growth for FPL Energy's existing and future assets



New transmission in Texas should allow renewable energy to be transported into the load zones

Texas Transmission Update

- Texas PUC approves Competitive Energy Renewable Zone (CREZ) plan to add 2,300 miles of transmission lines at a cost of $4.9 billion
- Building transmission to renewable energy zones will allow the state of Texas to tap into its vast wind resource supply
- The transmission investment is expected to provide a favorable economic return for consumers as well as a favorable environmental impact

FPL Energy has secured significant amounts of land for its wind development

FPL Energy Secured Land

	Acres	
New Build	200,000	Greater than 80% outside of Texas
Advanced Stage	450,000	
Mid Stage	530,000	
Early Stage	970,000	
	2,150,000	
Land being pursued	3,850,000	
Total Land	6,000,000	

FPL Energy drove very good second quarter results

FPL Group EPS Contributions – Second Quarter 2008

GAAP	2007	2008	Change
FPL	$0.53	$0.54	$0.01
FPL Energy	$0.51	$0.01	($0.50)
Corporate and Other	($0.03)	($0.03)	$0.00
Total	$1.01	$0.52	($0.49)

Adjusted	2007	2008	Change
FPL	$0.53	$0.54	$0.01
FPL Energy	$0.36	$0.42	$0.06
Corporate and Other	($0.03)	($0.03)	$0.00
Total	$0.86	$0.93	$0.07

See Appendix for reconciliation of GAAP to adjusted amounts

2007 adjusted amounts revised from previous presentations to reflect the exclusion of the after tax effect of other than temporary impairment losses (OTTI) in securities held in FPL Energy's nuclear decommissioning funds, which resulted in increases in second quarter 2007 adjusted amounts of $1 million or $0.00 per share.

Q&A Session

Appendix

The 2008 Florida Legislature enacted, and Governor Crist signed, an Omnibus Energy Bill

Key Provisions of the 2008 Energy Bill

- **Energy Efficiency and Load Control: Florida Public Service Commission authorized to**
  - provide incentives and penalties to a company based on its performance relative to energy efficiency and load control program goals
  - award additional 50 basis points to a company's ROE when energy efficiency and load control efforts offset more than 20% of annual load growth
- **Climate Change: Department of Environmental Protection directed to develop a cap and trade rule**
  - Rule expected to
    - -- impose a statewide limit or cap on the amount of greenhouse gas emissions electric utilities can emit
    - -- provide processes for issuing emissions allowances and for trading CO_2 allowances
  - Rule must be ratified by the Florida legislature in the 2010 session before implementation

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The 2008 Florida Legislature enacted, and Governor Crist signed, an Omnibus Energy Bill

Key Provisions of the 2008 Energy Bill *(continued)*

- **Renewable Portfolio Standard**
  - Mandated FPSC to develop a Renewable Portfolio Standard
  - Proposal to be submitted to Florida legislature in the 2009 session for approval
- **Renewables**
  - Provides for cost recovery of newly constructed renewable generation up to a statewide total of 110 MW
- **Nuclear Energy**
  - Facilitates permitting requirements and cost recovery of transmission facilities associated with new nuclear plants
- **Governance**
  - Created the Florida Energy and Climate Commission to recommend state energy policy
  - Changes screening method for nominating FPSC Commissioners

FPL Energy – 2008 Hedging[1,4]

($ millions)

		Nameplate MWs	Exp. Equiv. Gross Margin[3]			% Gross Margin Hedged
Existing Assets	**Asset-Based Businesses**					
	Contracted Wind	3,874	$700	-	$700	100%
	Contracted Other	3,542	$825	-	$835	100%
	Merchant:					
	NEPOOL					
	Spark Spread	1,294	$95	-	$105	98%
	Other	1,459	$620	-	$630	100%
	ERCOT					
	Spark Spread	2,789	$315	-	$345	88%
	Other	1,298	$320	-	$340	94%
	Other – Spark Spread	1,472	$100	-	$110	91%
	Total Existing Assets					98%
[2] New Assets	New Asset Additions	1,235	$100	-	$120	58%
Non-asset based activity	**Non-Asset Based Businesses**					**% Margin in Backlog**
	Total	N/A	$175	-	$220	73%

1 Represents an approximation of gross margin exposure to commodity price risk. This analysis does not include other risk factors such as energy or fuel basis, weather including wind, hydro, and solar resource, operational performance, and development and construction timing and success.
2 Includes new wind development of 1,150MWs and the 85MW Canadian acquisition in 2008.
3 Includes FPL Energy share of revenues, pre-tax effect of production tax credits and fuel expense for consolidated and equity method investments.
4 Expected equivalent gross margin and % hedged are valid as of June 30, 2008.

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FPL Energy – 2009 Hedging[1,4]

($ millions)

		Nameplate MWs	Exp. Equiv. Gross Margin[3]			% Gross Margin Hedged
Existing Assets	**Asset-Based Businesses**					
	Contracted Wind	3,874	$700	-	$700	100%
	Contracted Other	3,542	$815	-	$825	99%
	Merchant:					
	NEPOOL					
	Spark Spread	1,294	$110	-	$140	52%
	Other	1,459	$685	-	$715	95%
	ERCOT					
	Spark Spread	2,789	$225	-	$315	30%
	Other	1,298	$250	-	$280	89%
	Other – Spark Spread	1,472	$140	-	$170	57%
	Total Existing Assets					87%
[2] New Assets	New Asset Additions		$500	-	$575	62%
Non-asset based activity	**Non-Asset Based Businesses**					**% Margin in Backlog**
	Total	N/A	$240	-	$350	16%

1 Represents an approximation of gross margin exposure to commodity price risk. This analysis does not include other risk factors such as energy or fuel basis, weather including wind, hydro, and solar resource, operational performance, and development and construction timing and success.
2 Includes new wind development for 2008 and 2009
3 Includes FPL Energy share of revenues, pre-tax effect of production tax credits and fuel expense for consolidated and equity method investments.
4 Expected equivalent gross margin and % hedged are valid as of June 30, 2008.

Non-Qualifying Hedges[1] – Summary of Activity

($ millions, after-tax)

Asset/(Liability) Balance as of 3/31/08	$(136.3)
Amounts Realized During 2nd Quarter	(7.9)
Change in Forward Prices (all positions)	(149.0)
Subtotal	(156.9)
Asset/(Liability) Balance as of 6/30/08	$ (293.2)

Primary Drivers:

Revenue Hedges – Gas & Power Prices	$(183.5)
All Other - Net	34.5
	$(149.0)

[1] Includes contracts of FPL Energy's consolidated projects plus its share of the contracts of equity method investees

Non-Qualifying Hedges[1] – Summary of Activity

($ thousands, after-tax)

Description	Asset / (Liability) Balance 3/31/08	2nd Quarter: Amounts Realized	2nd Quarter: Change in Forward Prices	2nd Quarter: Deals Executed During Period (1)	2nd Quarter: Total Unrealized MTM	Asset / (Liability) Balance 6/30/08
Natural gas related positions (1)	**$ (92,034)**	$ (15,152)	$ (133,321)	$ 5,699	$ (142,774)	**$ (234,808)**
Spark spread related positions (2)	**(21,507)**	838	(2,619)	(1,966)	(3,747)	**(25,254)**
Other - net (3)	**(22,789)**	6,445	(16,545)	(293)	(10,393)	**(33,182)**
Total	**$ (136,330)**	**$ (7,869)**	**$ (152,485)**	**$ 3,440**	**$ (156,914)**	**$ (293,244)**

[1] Includes contracts of FPL Energy's consolidated projects plus its share of the contracts of equity method investees

[2] Amount represents the change in value of deals executed during the quarter from the execution date through quarter end

[3] Primarily represents power basis positions

Non-Qualifying Hedges[1] – Summary of Forward Maturity

($ thousands, after-tax)

Description	Asset / (Liability) Balance 6/30/08	Gain / (Loss) (1) 2008	2009	2010	2011	2012 - 2016	Total 2008 - 2016
Natural gas related positions	**$ (234,808)**	$ (21,869)	$ 29,986	$ 53,405	$ 37,521	$ 135,765	$ 234,808
Spark spread related positions	**(25,254)**	25,773	1,297	(1,816)	-	-	25,254
Other - net	**(33,182)**	22,609	6,514	2,532	11	1,516	33,182
Total	**$ (293,244)**	**$ 26,513**	**$ 37,797**	**$ 54,121**	**$ 37,532**	**$ 137,281**	**$ 293,244**

2008 Forward Maturity by Quarter

	1Q 2008	2Q 2008	3Q 2008	4Q 2008	Total 2008
Natural gas related positions	$ -	$ -	$ (13,262)	$ (8,607)	$ (21,869)
Spark spread related positions	-	-	54,874	(29,101)	25,773
Other - net	-	-	10,147	12,462	22,609
Total	**$ -**	**$ -**	**$ 51,759**	**$ (25,246)**	**$ 26,513**

[1] Gain/(loss) based on existing contracts and forward prices as of 6/30/08

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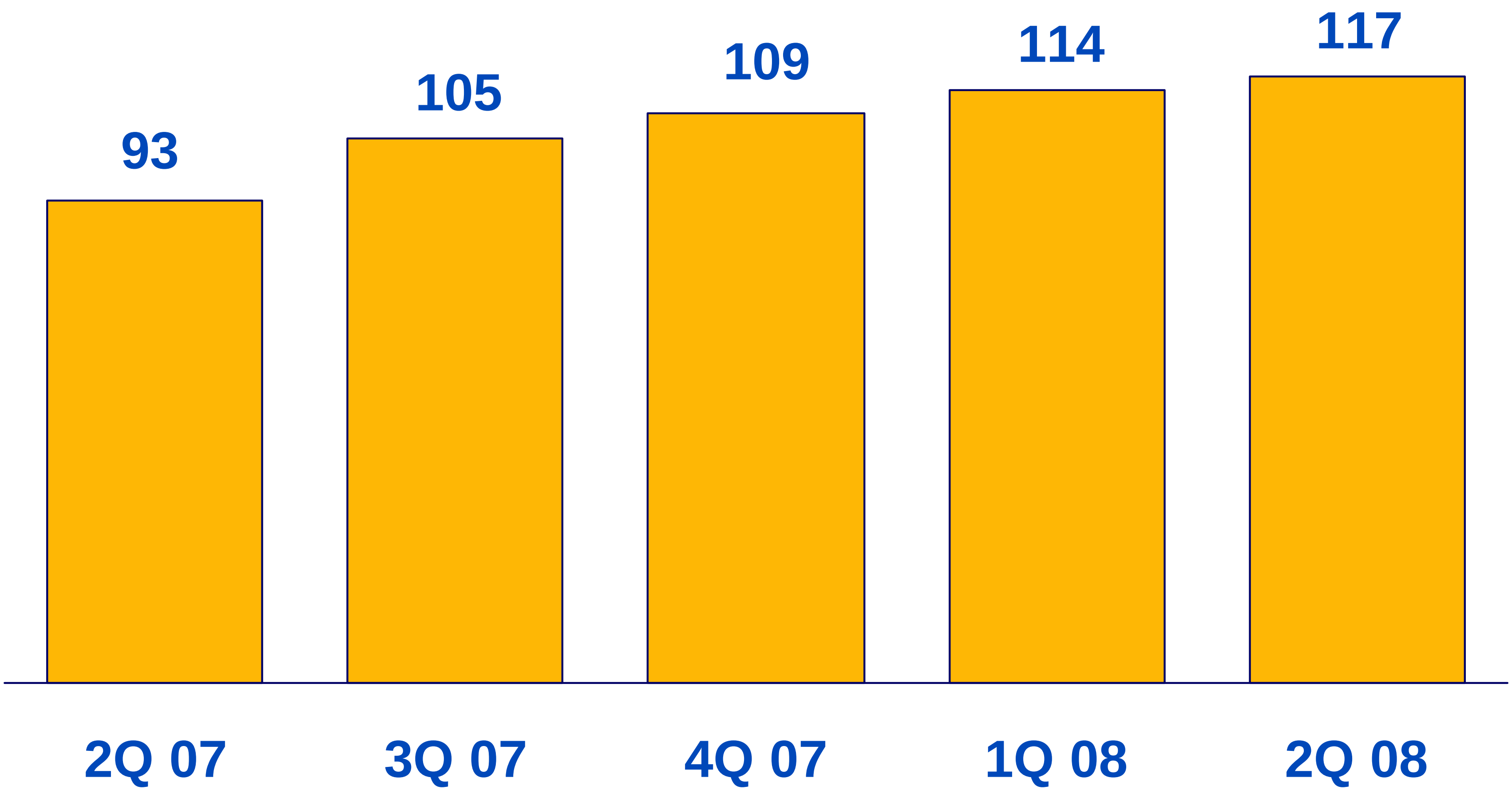
FPL Energy Wind Index

(Rolling 5 quarters, current portfolio[1])



[1] Average wind speed for the period from those reference towers chosen to represent FPL Energy's portfolio - weighted index based on FPL Energy's portfolio as of 6/30/08. 100 = long-term historic annual weighted mean.

Bridging Reference Tower Wind Speed to Earnings Impact

Reference Tower Wind Speed

Correlation Factor Effect (Reference Tower to Site)
Wind Shear Derivation (Convert Lower Level Measured Wind to Predicted)

Hub Height Wind Speed

Air Density Assumption
Turbine Specific Performance (Power Curve)

Theoretical Wind Turbine Output

Availability
Reliability
Curtailments
Wake Effects

Actual Wind Turbine Output

Power Price Paid By Buyer

Earnings Contribution

Translating reference tower wind speed into potential earnings requires assessments of numerous variables

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Reconciliation of GAAP Net Income to Adjusted Earnings

(Three Months Ended June 30, 2007)

(millions, except per share amounts)	Florida Power & Light	FPL Energy	Corporate & Other	FPL Group, Inc.
Net Income (Loss)	$ 211	$ 203	$ (9)	$ 405
Adjustments, net of income taxes:				
Net unrealized mark-to-market (gains) losses associated with non-qualifying hedges		(58)		(58)
Other than temporary impairment losses - net		1		1
Adjusted Earnings (Loss)	**$ 211**	**$ 146**	**$ (9)**	**$ 348**
Earnings (Loss) Per Share (assuming dilution)	**$ 0.53**	**$ 0.51**	**$ (0.03)**	**$ 1.01**
Net unrealized mark-to-market (gains) losses associated with non-qualifying hedges		(0.15)		(0.15)
Other than temporary impairment losses - net		-		-
Adjusted Earnings (Loss) Per Share	**$ 0.53**	**$ 0.36**	**$ (0.03)**	**$ 0.86**

Reconciliation of GAAP Net Income to Adjusted Earnings

(Three Months Ended June 30, 2008)

(millions, except per share amounts)	Florida Power & Light		FPL Energy		Corporate & Other		FPL Group, Inc.	
Net Income (Loss)	$	217	$	3	$	(11)	$	209
Adjustments, net of income taxes:								
Net unrealized mark-to-market (gains) losses associated with non-qualifying hedges				157				157
Other than temporary impairment losses - net				9				9
Adjusted Earnings (Loss)	**$**	**217**	**$**	**169**	**$**	**(11)**	**$**	**375**
Earnings (Loss) Per Share (assuming dilution)	**$**	**0.54**	**$**	**0.01**	**$**	**(0.03)**	**$**	**0.52**
Net unrealized mark-to-market (gains) losses associated with non-qualifying hedges				0.39				0.39
Other than temporary impairment losses - net				0.02				0.02
Adjusted Earnings (Loss) Per Share	**$**	**0.54**	**$**	**0.42**	**$**	**(0.03)**	**$**	**0.93**

Cautionary Statements And Risk Factors That May Affect Future Results

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (Reform Act), FPL Group, Inc. (FPL Group) and Florida Power & Light Company (FPL) are hereby providing cautionary statements identifying important factors that could cause FPL Group's or FPL's actual results to differ materially from those projected in forward-looking statements (as such term is defined in the Reform Act) made by or on behalf of FPL Group and FPL in this presentation, on their respective websites, in response to questions or otherwise. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, future events or performance, climate change strategy or growth strategies (often, but not always, through the use of words or phrases such as will likely result, are expected to, will continue, is anticipated, aim, believe, could, estimated, may, plan, potential, projection, target, outlook, predict, intend) are not statements of historical facts and may be forward-looking. Forward-looking statements involve estimates, assumptions and uncertainties. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the following important factors (in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements) that could cause FPL Group's or FPL's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL Group and FPL.

Any forward-looking statement speaks only as of the date on which such statement is made, and FPL Group and FPL undertake no obligation to update any forward-looking statement to reflect events or circumstances, including unanticipated events, after the date on which such statement is made. New factors emerge from time to time and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

The following are some important factors that could have a significant impact on FPL Group's and FPL's operations and financial results, and could cause FPL Group's and FPL's actual results or outcomes to differ materially from those discussed in the forward-looking statements:

FPL Group and FPL are subject to complex laws and regulations and to changes in laws and regulations as well as changing governmental policies and regulatory actions, including, but not limited to, initiatives regarding deregulation and restructuring of the energy industry and environmental matters, including, but not limited to, matters related to the effects of climate change. FPL holds franchise agreements with local municipalities and counties, and must renegotiate expiring agreements. These factors may have a negative impact on the business and results of operations of FPL Group and FPL.

- FPL Group and FPL are subject to complex laws and regulations, and to changes in laws or regulations, including, but not limited to, the PURPA, the Holding Company Act, the Federal Power Act, the Atomic Energy Act of 1954, as amended, the 2005 Energy Act and certain sections of the Florida statutes relating to public utilities, changing governmental policies and regulatory actions, including, but not limited to, those of the FERC, the FPSC and the legislatures and utility commissions of other states in which FPL Group has operations, and the NRC, with respect to, among other things, allowed rates of return, industry and rate structure, operation of nuclear power facilities, construction and operation of plant facilities, construction and operation of transmission and distribution facilities, acquisition, disposal, depreciation and amortization of assets and facilities, recovery of fuel and purchased power costs, decommissioning costs, ROE and equity ratio limits, and present or prospective wholesale and retail competition (including, but not limited to, retail wheeling and transmission costs). The FPSC has the authority to disallow recovery by FPL of any and all costs that it considers excessive or imprudently incurred. The regulatory process generally restricts FPL's ability to grow earnings and does not provide any assurance as to achievement of earnings levels.

(continued...)

- FPL Group and FPL are subject to extensive federal, state and local environmental statutes, rules and regulations, as well as the effect of changes in or additions to applicable statutes, rules and regulations relating to air quality, water quality, climate change, waste management, marine and wildlife mortality, natural resources and health and safety that could, among other things, restrict or limit the output of certain facilities or the use of certain fuels required for the production of electricity and/or require additional pollution control equipment and otherwise increase costs. There are significant capital, operating and other costs associated with compliance with these environmental statutes, rules and regulations, and those costs could be even more significant in the future.

- FPL Group and FPL operate in a changing market environment influenced by various legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the energy industry, including, but not limited to, deregulation or restructuring of the production and sale of electricity, as well as increased focus on renewable energy sources. FPL Group and its subsidiaries will need to adapt to these changes and may face increasing competitive pressure.

- FPL Group's and FPL's results of operations could be affected by FPL's ability to renegotiate franchise agreements with municipalities and counties in Florida.

The operation and maintenance of transmission, distribution and power generation facilities, including nuclear facilities, involve significant risks that could adversely affect the results of operations and financial condition of FPL Group and FPL.

- The operation and maintenance of transmission, distribution and power generation facilities involve many risks, including, but not limited to, start up risks, breakdown or failure of equipment, transmission and distribution lines or pipelines, the inability to properly manage or mitigate known equipment defects throughout FPL Group's and FPL's generation fleets and transmission and distribution systems unless and until such defects are remediated, use of new technology, the dependence on a specific fuel source, including the supply and transportation of fuel, or the impact of unusual or adverse weather conditions (including, but not limited to, natural disasters such as hurricanes and droughts), as well as the risk of performance below expected or contracted levels of output or efficiency. This could result in lost revenues and/or increased expenses, including, but not limited to, the requirement to purchase power in the market at potentially higher prices to meet contractual obligations. Insurance, warranties or performance guarantees may not cover any or all of the lost revenues or increased expenses, including, but not limited to, the cost of replacement power. In addition to these risks, FPL Group's and FPL's nuclear units face certain risks that are unique to the nuclear industry including, but not limited to, the ability to store and/or dispose of spent nuclear fuel and the potential payment of significant retrospective insurance premiums, as well as additional regulatory actions up to and including shutdown of the units stemming from public safety concerns, whether at FPL Group's and FPL's plants, or at the plants of other nuclear operators. Breakdown or failure of an operating facility of FPL Energy may prevent the facility from performing under applicable power sales agreements which, in certain situations, could result in termination of the agreement or incurring a liability for liquidated damages.

The construction of, and capital improvements to, power generation facilities, including nuclear facilities, involve substantial risks. Should construction or capital improvement efforts be unsuccessful, the results of operations and financial condition of FPL Group and FPL could be adversely affected.

- FPL Group's and FPL's ability to successfully and timely complete their power generation facilities currently under construction, those projects yet to begin construction or capital improvements to existing facilities within established budgets is contingent upon many variables, including, but not limited to, transmission interconnection issues and escalating costs for materials, labor and environmental compliance, and subject to substantial risks. Should any such efforts be unsuccessful, FPL Group and FPL could be subject to additional costs, termination payments under committed contracts, and/or the write-off of their investment in the project or improvement.

(…continued…)

The use of derivative contracts by FPL Group and FPL in the normal course of business could result in financial losses that negatively impact the results of operations of FPL Group and FPL.

- FPL Group and FPL use derivative instruments, such as swaps, options and forwards to manage their commodity and financial market risks. FPL Group provides full energy and capacity requirements services primarily to distribution utilities and engages in energy trading activities. FPL Group could recognize financial losses as a result of volatility in the market values of these derivative instruments, or if a counterparty fails to perform. In the absence of actively quoted market prices and pricing information from external sources, the valuation of these derivative instruments involves management's judgment or use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these derivative instruments. In addition, FPL's use of such instruments could be subject to prudency challenges and if found imprudent, cost recovery could be disallowed by the FPSC.

FPL Group's competitive energy business is subject to risks, many of which are beyond the control of FPL Group, that may reduce the revenues and adversely impact the results of operations and financial condition of FPL Group.

- There are other risks associated with FPL Group's competitive energy business. In addition to risks discussed elsewhere, risk factors specifically affecting FPL Energy's success in competitive wholesale markets include, but are not limited to, the ability to efficiently develop and operate generating assets, the successful and timely completion of project restructuring activities, maintenance of the qualifying facility status of certain projects, the price and supply of fuel (including transportation), transmission constraints, competition from new sources of generation, excess generation capacity and demand for power. There can be significant volatility in market prices for fuel and electricity, and there are other financial, counterparty and market risks that are beyond the control of FPL Energy. FPL Energy's inability or failure to effectively hedge its assets or positions against changes in commodity prices, interest rates, counterparty credit risk or other risk measures could significantly impair FPL Group's future financial results. In keeping with industry trends, a portion of FPL Energy's power generation facilities operate wholly or partially without long-term power purchase agreements. As a result, power from these facilities is sold on the spot market or on a short-term contractual basis, which may affect the volatility of FPL Group's financial results. In addition, FPL Energy's business depends upon transmission facilities owned and operated by others; if transmission is disrupted or capacity is inadequate or unavailable, FPL Energy's ability to sell and deliver its wholesale power may be limited.

FPL Group's ability to successfully identify, complete and integrate acquisitions is subject to significant risks, including, but not limited to, the effect of increased competition for acquisitions resulting from the consolidation of the power industry.

- FPL Group is likely to encounter significant competition for acquisition opportunities that may become available as a result of the consolidation of the power industry, in general, as well as the passage of the 2005 Energy Act. In addition, FPL Group may be unable to identify attractive acquisition opportunities at favorable prices and to complete and integrate them successfully and in a timely manner.

Because FPL Group and FPL rely on access to capital markets, the inability to maintain current credit ratings and to access capital markets on favorable terms may limit the ability of FPL Group and FPL to grow their businesses and would likely increase interest costs.

- FPL Group and FPL rely on access to capital markets as a significant source of liquidity for capital requirements not satisfied by operating cash flows. The inability of FPL Group, FPL Group Capital and FPL to maintain their current credit ratings, as well as significant volatility in the financial markets, could affect their ability to raise capital on favorable terms, which, in turn, could impact FPL Group's and FPL's ability to grow their businesses and would likely increase their interest costs.

(…continued…)

Customer growth in FPL's service area affects FPL Group's and FPL's results of operations.

- FPL Group's and FPL's results of operations are affected by the growth in customer accounts in FPL's service area. Customer growth can be affected by population growth as well as economic factors in Florida, including, but not limited, to job and income growth, housing starts and new home prices. Customer growth directly influences the demand for electricity and the need for additional power generation and power delivery facilities at FPL.

Weather affects FPL Group's and FPL's results of operations..

- FPL Group's and FPL's results of operations are affected by changes in the weather. Weather conditions directly influence the demand for electricity and natural gas, affect the price of energy commodities, and can affect the production of electricity at power generating facilities, including, but not limited to, wind, solar and hydro-powered facilities. FPL Group's and FPL's results of operations can be affected by the impact of severe weather which can be destructive, causing outages and/or property damage, may affect fuel supply, and could require additional costs to be incurred. At FPL, recovery of these costs is subject to FPSC approval.

FPL Group and FPL are subject to costs and other effects of legal proceedings as well as changes in or additions to applicable tax laws, rates or policies, rates of inflation, accounting standards, securities laws and corporate governance requirements.

- FPL Group and FPL are subject to costs and other effects of legal and administrative proceedings, settlements, investigations and claims, as well as the effect of new, or changes in, tax laws, rates or policies, rates of inflation, accounting standards, securities laws and corporate governance requirements.

Threats of terrorism and catastrophic events that could result from terrorism, cyber attacks, or individuals and/or groups attempting to disrupt FPL Group's and FPL's business may impact the operations of FPL Group and FPL in unpredictable ways.

- FPL Group and FPL are subject to direct and indirect effects of terrorist threats and activities, as well as cyber attacks and disruptive activities of individuals and/or groups. Infrastructure facilities and systems, including, but not limited to, generation, transmission and distribution facilities, physical assets and information systems, in general, have been identified as potential targets. The effects of these threats and activities include, but are not limited to, the inability to generate, purchase or transmit power, the delay in development and construction of new generating facilities, the risk of a significant slowdown in growth or a decline in the U.S. economy, delay in economic recovery in the U.S., and the increased cost and adequacy of security and insurance.

The ability of FPL Group and FPL to obtain insurance and the terms of any available insurance coverage could be affected by national, state or local events and company-specific events.

- FPL Group's and FPL's ability to obtain insurance, and the cost of and coverage provided by such insurance, could be affected by national, state or local events as well as company-specific events.

FPL Group and FPL are subject to employee workforce factors that could affect the businesses and financial condition of FPL Group and FPL.

- FPL Group and FPL are subject to employee workforce factors, including, but not limited to, loss or retirement of key executives, availability of qualified personnel, inflationary pressures on payroll and benefits costs, collective bargaining agreements with union employees and work stoppage that could affect the businesses and financial condition of FPL Group and FPL.

The risks described herein are not the only risks facing FPL Group and FPL. Additional risks and uncertainties not currently known to FPL Group or FPL, or that are currently deemed to be immaterial, also may materially adversely affect FPL Group's or FPL's business, financial condition and/or future operating results.

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