



Merrill Lynch
Power & Gas Leaders Conference
September 26, 2007

Lewis Hay, III
Chairman and Chief Executive Officer

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 SEC filings.

FPL Group - Fall 2007: CEO Perspective

- **Positioned well for continued success**
 - Solid fundamentals
 - Commodity price outlook
 - Environmental trends
- **Attractive prospects at both main businesses**
- **Strategy continues to emphasize balance in our portfolio**

...“The future is coming towards us.”

FPL Group

- \$25.0 billion market capitalization¹
- \$36.0 billion in total assets
- 34,324 MW in operation

Florida Power & Light

\$12.0 billion in revenues
\$23.1 billion in assets
\$12.4 billion in total capital
20,981 MW in operation

FPL Energy

\$3.6 billion in revenues
\$11.4 billion in assets
\$9.0 billion in total capital
13,343 MW in operation

**Focus on
Shareholder Value**

**Financially
Strong**

**Disciplined
Investment Approach**

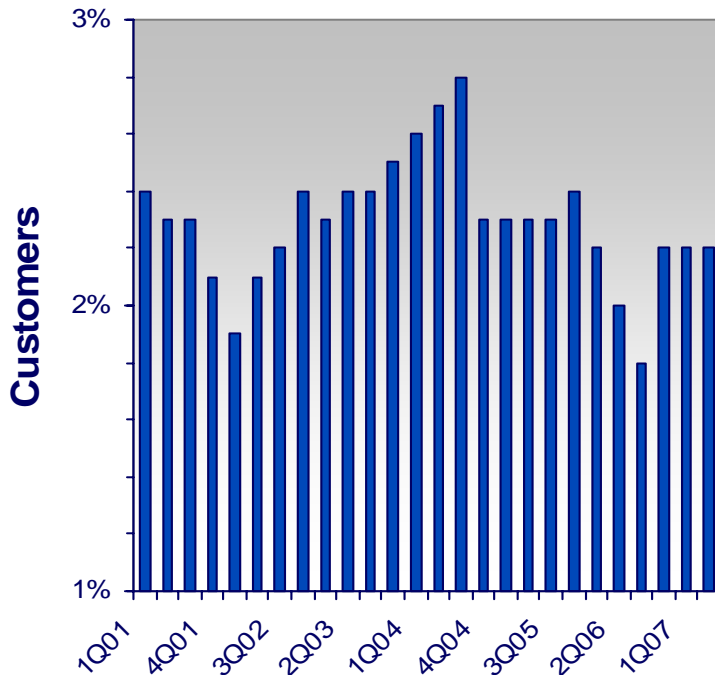
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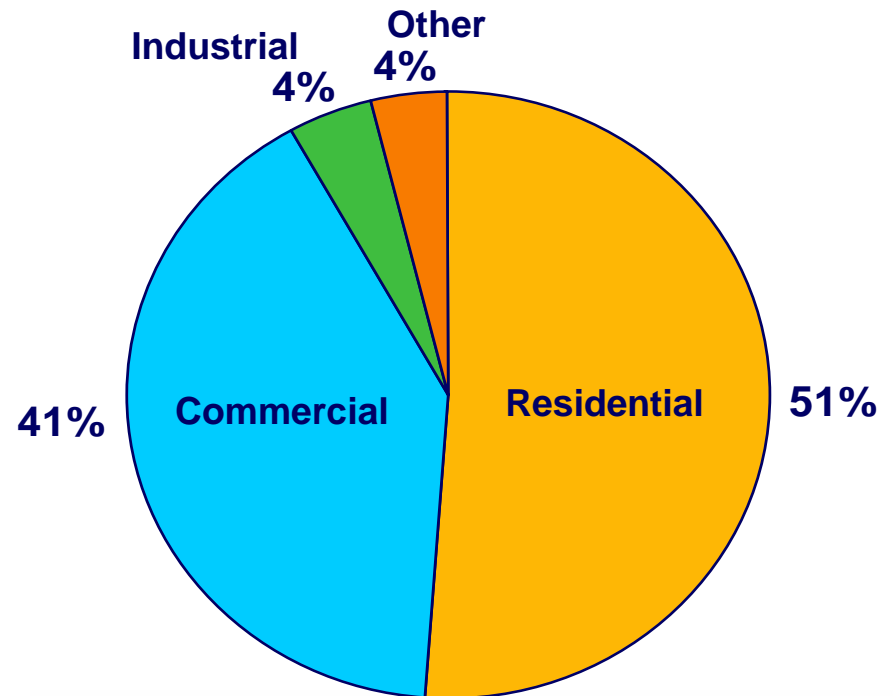
Customer Growth Remains Strong and the Mix Favorable

Growth in Customer Accounts
(year-over-year change)



As of June 30, 2007, the average number of customer accounts was 4.5 million.

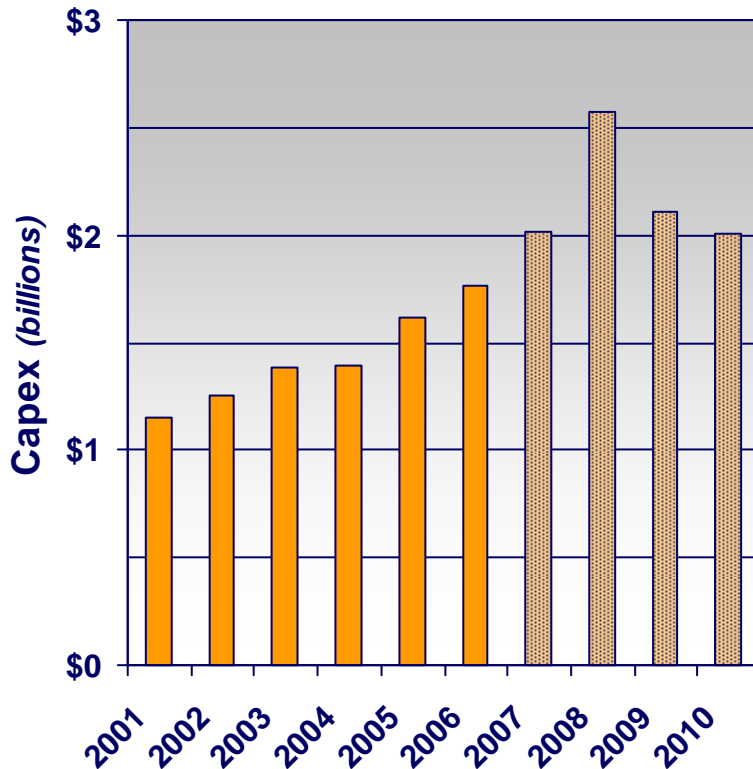
Sales Mix¹
(by MWh)



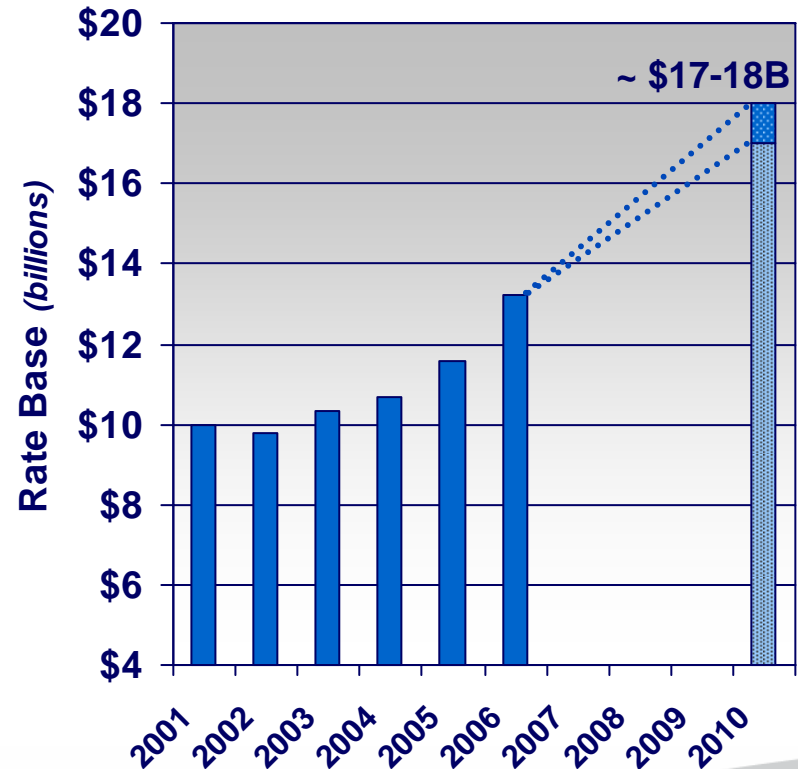
¹ As of December 31, 2006

Continued Growth and Reinvestment Implies a Sustained Rate Base Growth

Capital Spending¹
10 Year History/Projection



Regulatory Rate Base²
10 Year History/Projection



¹ 2001-2006 figures actual. 2007-2010 are projected as disclosed in FPL's 2006 Annual Report on Form 10-K, and 2Q 2007 Quarterly Report on Form 10-Q.

² 2001-2006 figures are Florida FPSC adjusted as filed with the FPSC in the monthly FPL surveillance reports.

See Appendix for Critical Assumptions

Beyond 2010 – Rate Base Drivers

	<u>Potential Incremental Capex (\$ mm)</u>	<u>Time Period</u>
•Storm secure growth	\$0-150 /yr	2010 +
•Renewables	\$100-300 /yr	2010 +
•Energy efficiency	\$50-100 /yr	2010 +
•“Smart grid”	\$50-100 /yr	2010-2015
•2011 Capacity need	\$700-800	2010-2011
•Nuclear uprates	\$1,800	2008-2012
•New nuclear	\$12,000 +	2010 +

+ Base growth and maintenance capex

➔ Substantial, sustained growth in rate base

New Challenges – New Opportunities

Governor Crist's Climate Change Challenge

- **Executive orders 07-126, 07-127, and 07-128**
 - Requirements for Government agencies (energy efficiency)
 - 20% renewable portfolio standards (RPS) for all utilities
 - Aggressive CO₂ reduction targets
 - Action Team on Energy and Climate Change
 - Detailed implementation TBD
- **FPL Group supports policy aims**
- **Anticipate change and opportunity**
 - Nuclear
 - Renewables
 - Demand side management (DSM) programs
 - “Repowerings”

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FPL Energy

FPL Energy – Yesterday and Today

	<u>Yesterday (2002)</u>	<u>Today (Dec. '06)</u>
MW's owned		
Nuclear	1,024	1,522
Wind / Hydro / Solar	2,198	4,525
Gas ¹	3,194	6,498
Other ²	834	798
Total	7,250	13,343
Capital Employed³	\$5.5B	\$9.0B
ROE⁴	2.9%	9.7%
Adjusted Earnings⁵	\$132M	\$518M
FPL Energy's Earnings Relative to FPL⁶	18%	65%
Employees	1,832	2,760

¹ Includes RISEP which was considered a lease in 2002

² Includes other technologies such as oil, coal, and waste-to-energy

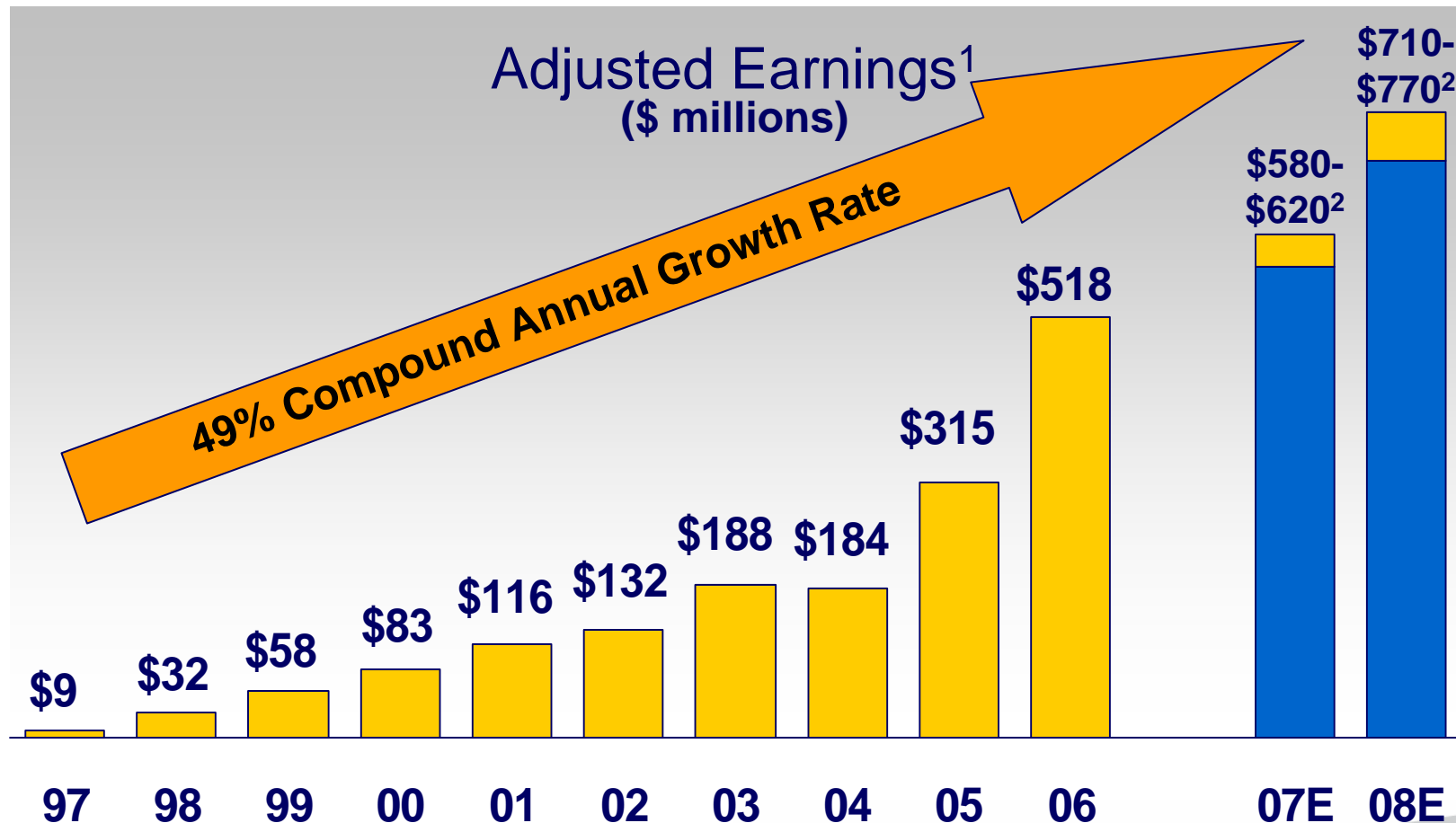
³ Total debt plus equity

⁴ Adjusted earnings divided by average yearend equity.

⁵ See Appendix for reconciliation of GAAP to adjusted earnings

⁶ Based on adjusted earnings, see appendix for reconciliation of GAAP to adjusted earnings

Strong Track Record of Growth at FPL Energy



¹ See Appendix for reconciliation of GAAP to adjusted amounts

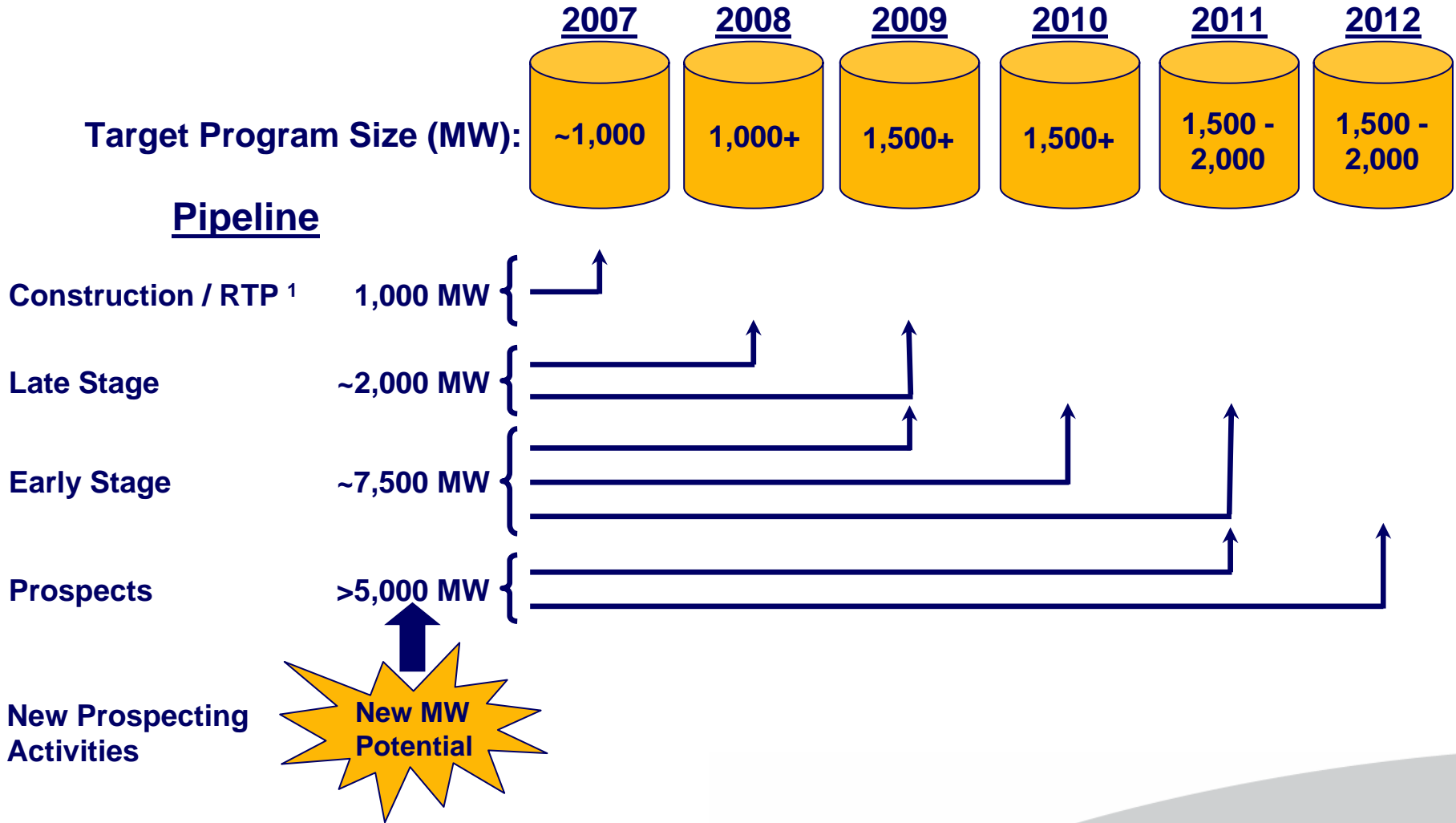
² FPL Energy's 2007 and 2008 figures are based upon FPL Energy earnings expectations as of September 26, 2007 and were believed to be appropriate at that point in time. As a result, they should only be read in conjunction with the Company's standard earnings expectations, which is usually delivered upon the release of quarterly earnings or in another Reg. FD forum.

Multiple Growth Levers at FPL Energy



- Wind
- Solar
- Transmission
- Greenfield gas
- Point Beach
- Widening Spark Spreads
- Contract Renewals
- Asset Optimization
- Full Requirements and Retail

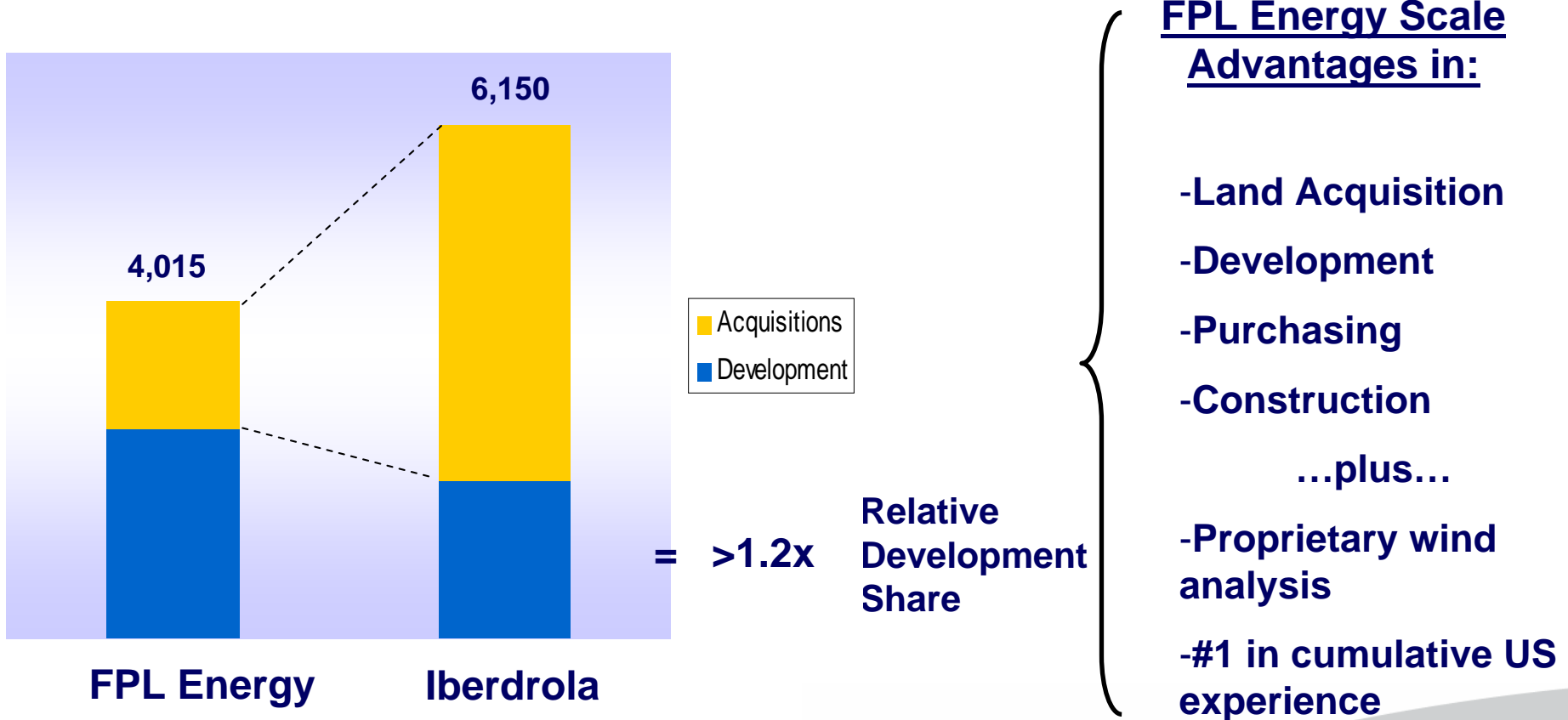
Wind Pipeline Geared to Expected Future Program Size



¹ "Ready-to-Proceed" to construction

See Appendix for Critical Assumptions

1 Position in New Development

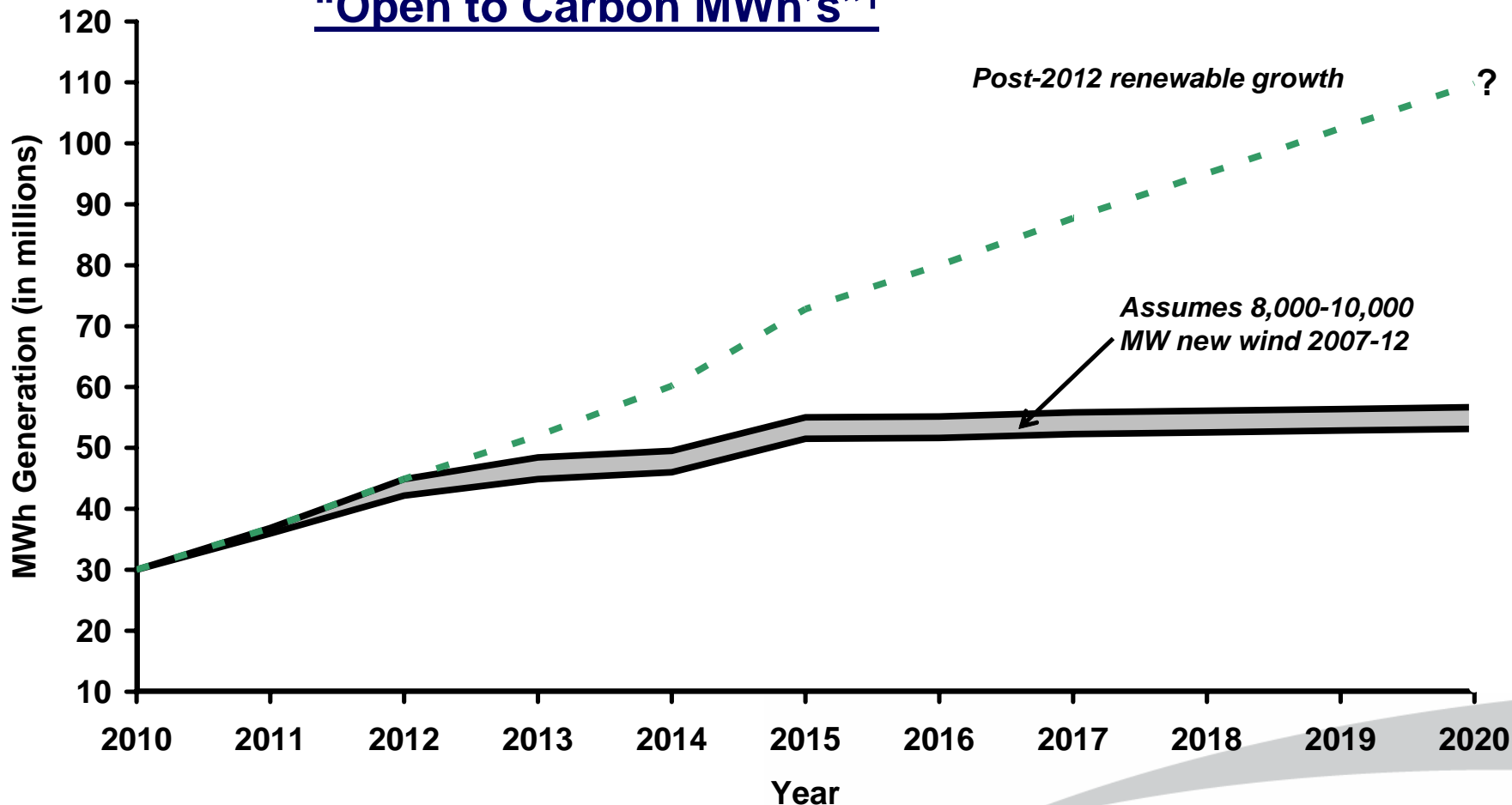


Source: FPL Group estimates based on publicly available information including websites of FPL Energy, Iberdrola, Renewable Energy Access, and Wind-Watch.

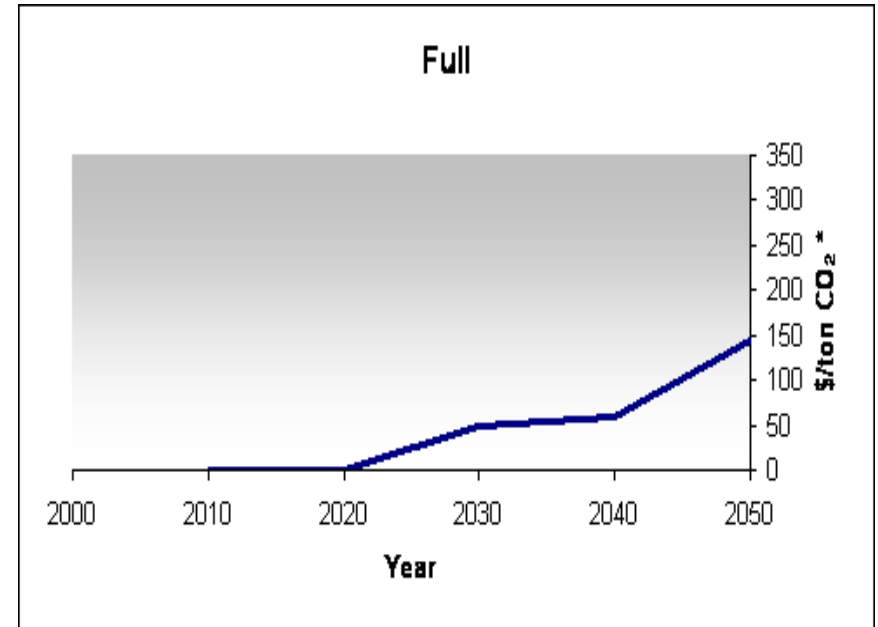
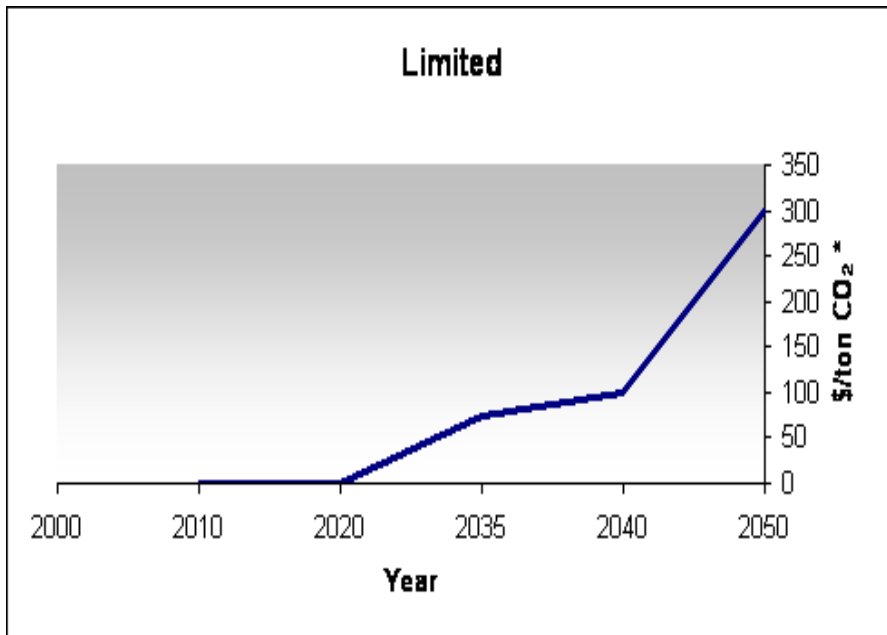
Data is as of June 30, 2007

Well Positioned for a Carbon-Constrained World

“Open to Carbon MWh’s”¹



While not Imminent, CO₂ Will Be Priced and the Price is Likely to be High



*Real (inflation – adjusted) 2000\$

A Few Comments on Corporate M&A...

- **Strong, stand-alone prospects**
- **Scale and scope continue to be important**
- **Political & regulatory environment generally not supportive**


→ Opportunistic approach

FPL Group: A Solid Investment

- **Premier, integrated utility serving a vibrant territory**
- **Growing competitive energy business with moderate risk profile**
- **Well positioned for a carbon constrained world**
- **Operational excellence**
- **Financial strength and discipline**
- **Proven track record**

Parting Thoughts

- 1. Global warming**
- 2. New nuclear**
- 3. Ambitious rate base building**
- 4. Getting rewarded for renewables and clean portfolio**



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Appendix

Critical Assumptions

- **Continued public policy support for renewables development**
- **Continued wind supply chain expansion**
- **Selective transmission expansion to support renewables**
- **Growth in FPL Energy non-wind activities**
- **Continued constructive regulatory framework in Florida**
- **Continued moderate economic expansion in Florida**

FPL Energy - Reconciliation GAAP to Adjusted Earnings

	1999	2000	2001	2002	2003	2004	2005	2006
Net Income (Loss)	\$ (46)	\$ 82	\$ 124	\$ (163)	\$ 207	\$ 181	\$ 203	\$ 610
Adjustments, net of income tax:								
Impairment loss	104							
Merger-related expenses		1						
Cumulative effect of change in accounting principle (FAS 142)				222				
Restructuring and other charges				73				
Cumulative effect of change in accounting principles (FIN 46)					3			
Net unrealized mark-to-market losses (gains) associated with non-qualifying hedges			(8)		(22)	3	112	(92)
Adjusted Earnings	\$ 58	\$ 83	\$ 116	\$ 132	\$ 188	\$ 184	\$ 315	\$ 518

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 or future events or performance (often, but not always, through the use of words or phrases such as will likely result, are expected to, will continue, is anticipated, believe, could, estimated, may, plan, potential, projection, target, outlook) 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 initiatives regarding deregulation and restructuring of the energy industry and environmental matters. 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 the Public Utility Regulatory Policies Act of 1978, as amended, the Public Utility Holding Company Act of 2005, the Federal Power Act, the Atomic Energy Act of 1954, as amended, the Energy Policy Act of 2005 (2005 Energy Act) and certain sections of the Florida statutes relating to public utilities, changing governmental policies and regulatory actions, including those of the Federal Energy Regulatory Commission (FERC), the Florida Public Service Commission (FPSC) and the legislatures and utility commissions of other states in which FPL Group has operations, and the Nuclear Regulatory Commission (NRC), with respect to, among other things, allowed rates of return, industry and rate structure, operation of nuclear power facilities, operation and construction of plant facilities, operation and construction of transmission facilities, acquisition, disposal, depreciation and amortization of assets and facilities, recovery of fuel and purchased power costs, decommissioning costs, return on common equity 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.

- FPL Group and FPL are subject to extensive federal, state and local environmental statutes 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, 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 deregulation or restructuring of the production and sale of electricity. 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 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 power generation facilities involve many risks, including, but not limited to, start up risks, breakdown or failure of equipment, transmission lines or pipelines, the inability to properly manage or mitigate known equipment defects throughout our generation fleets 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 natural disasters such as hurricanes), 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 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 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 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.

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 and engages in trading activities. FPL Group could recognize financial losses as a result of volatility in the market values of these contracts, 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 contracts. In addition, FPL's use of such instruments could be subject to prudence 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 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 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 successfully and timely complete and integrate them.

Because FPL Group and FPL rely on access to capital markets, the inability to maintain current credit ratings and 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 Inc and FPL to maintain their current credit ratings could affect their ability to raise capital on favorable terms, particularly during times of uncertainty in the capital markets, which, in turn, could impact FPL Group's and FPL's ability to grow their businesses and would likely increase their interest costs.

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 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 and affect the price of energy commodities, and can affect the production of electricity at wind 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 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. Generation and transmission facilities, in general, have been identified as potential targets. The effects of terrorist threats and activities include, among other things, terrorist actions or responses to such actions or threats, the inability to generate, purchase or transmit power, 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 loss or retirement of key executives, availability of qualified personnel, 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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