



# Earnings Conference Call

**First Quarter 2007**

**April 30, 2007**

# ***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.

# Overview – First Quarter 2007

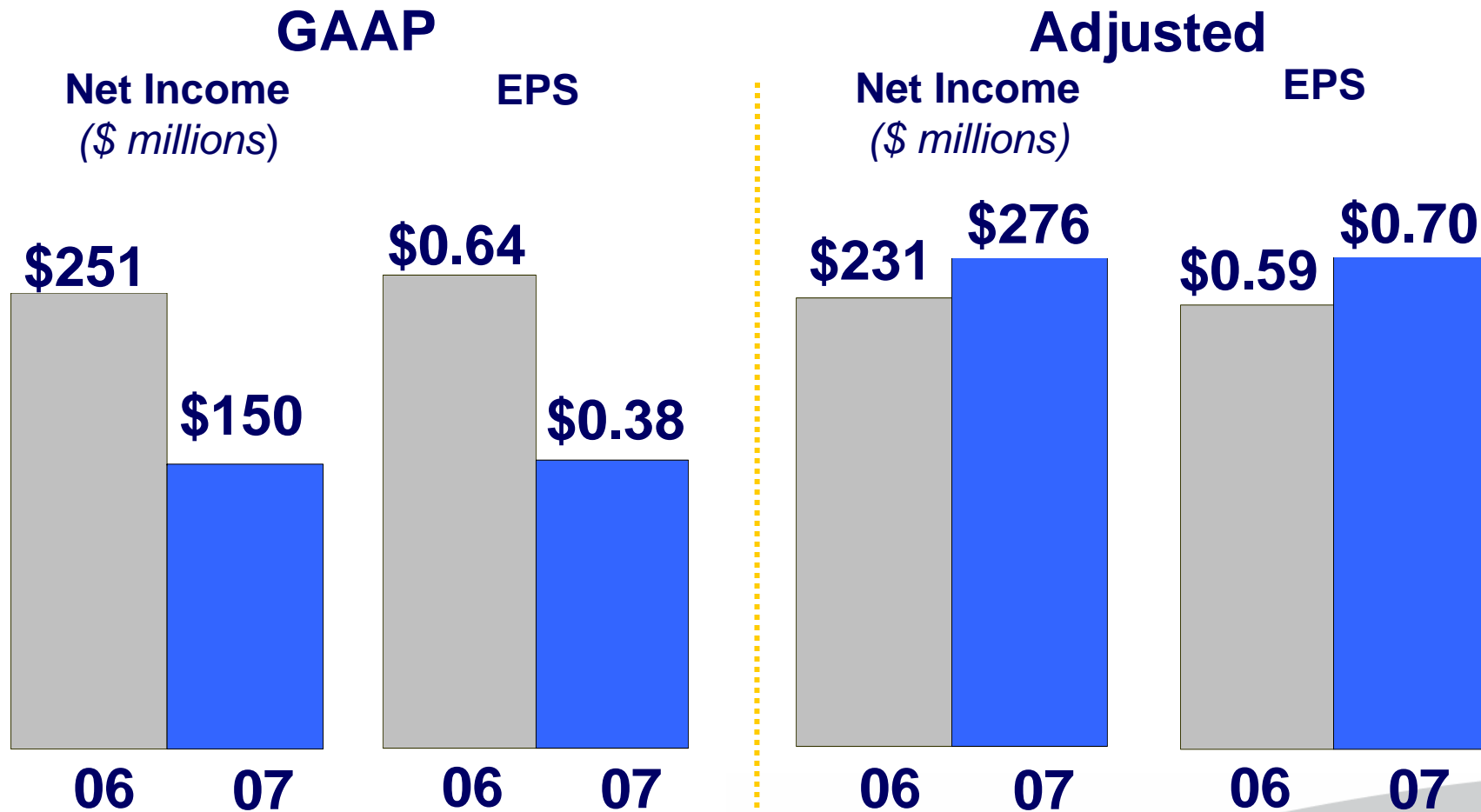
- **Strong overall results for FPL Group**
  - Continuation of recent trends at FPL Energy
  - Good results at Florida Power & Light
- **FPL Group well-positioned for future growth**
  - Adjusted EPS expectations reaffirmed<sup>1</sup>
    - 2007E: \$3.35 to \$3.45
    - 2008E: \$3.60 to \$3.80
  - Wind development pipeline healthy; Point Beach acquisition pending
    - At least 1,500 MW new wind expected (2007/2008)

**Note:** The 2007 and 2008 adjusted earnings expectations are valid as of April 30, 2007 and should be viewed in conjunction with FPL Group's Cautionary Statements contained in the Appendix to this presentation.

<sup>1</sup> Assumes normal weather, excludes the cumulative effect of adopting new accounting standards, and the mark-to-market effect of non-qualifying hedges, none of which can be determined at this time.

# FPL Group Results

## First Quarter



See Appendix for reconciliation of GAAP to adjusted amounts



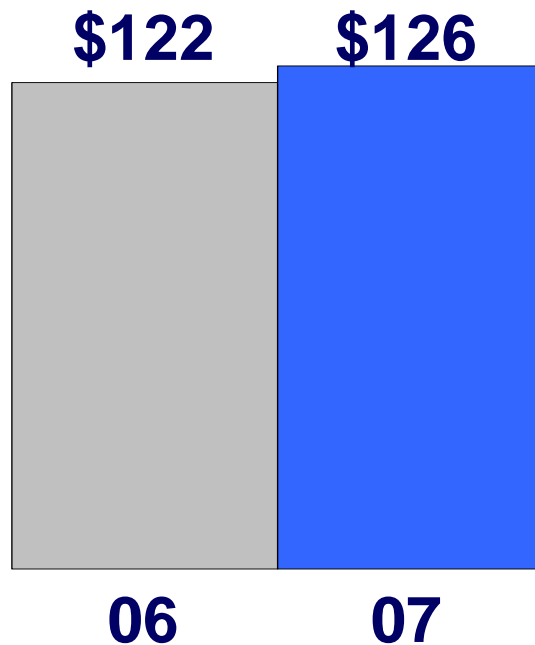
2006 amounts have been adjusted to reflect the retrospective application in the fourth quarter of 2006 of an accounting standard change related to planned major maintenance activities which increased 2006 GAAP and adjusted EPS by \$0.01.

# ***FPL – First Quarter Summary***

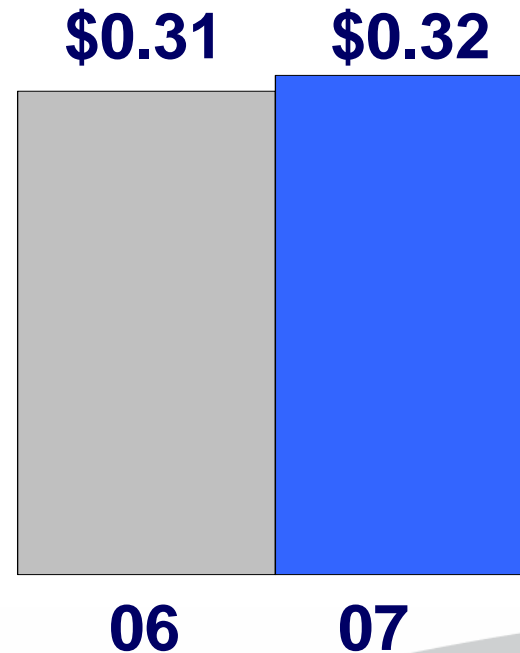
- **Overall results largely in-line with expectations**
- **Higher kilowatt-hour sales**
  - Strong customer growth
  - Favorable weather related sales comparisons
  - Weak underlying usage
- **O&M expense flat**
- **Higher AFUDC**
- **Generation expansion**
  - Turkey Point 5 (May 2007)
  - West County (2009 & 2010)
  - Glades Coal (2013 & 2014) FPSC review in progress

# Florida Power & Light Earnings First Quarter

Net Income  
(\$ millions)

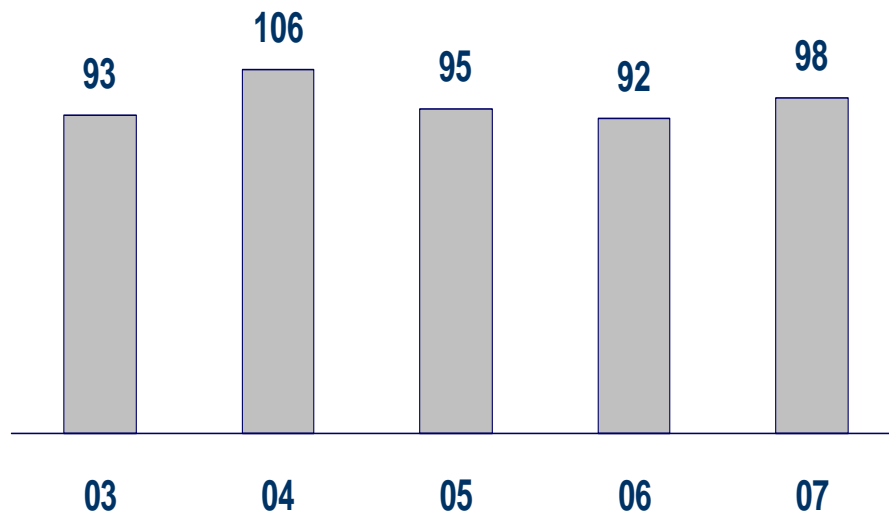


EPS



# Retail Sales Analysis – First Quarter 2007

## Customer Growth Comparisons <sup>1</sup> (thousands)



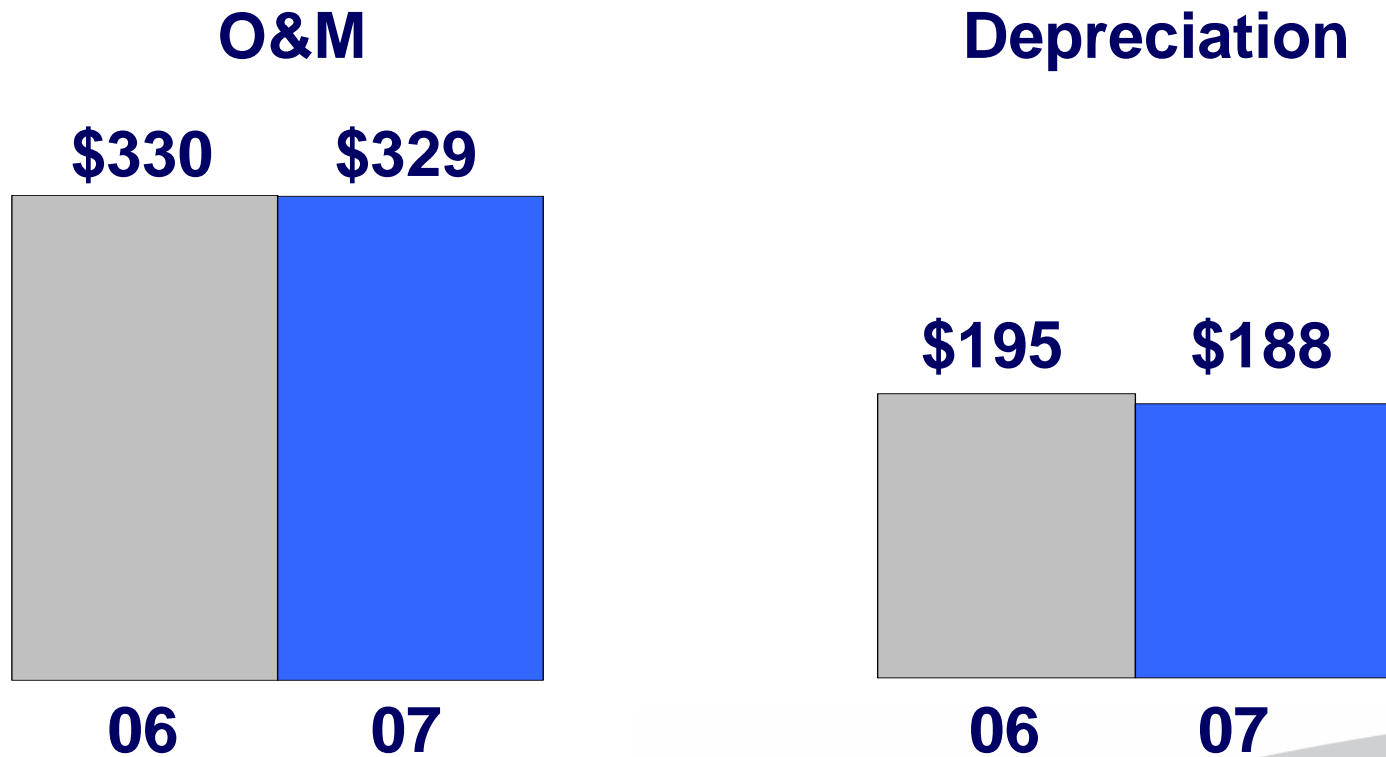
## FPL Retail Sales

- 2.2% customer growth
- 1.6% usage growth due to weather
- (0.8%) underlying usage growth, mix, and other
- 3.0% kWh sales growth

# *FPL O&M and Depreciation*

## *First Quarter*

*(\$ millions)*



# ***FPL Earnings Contribution Drivers***

## ***First Quarter***

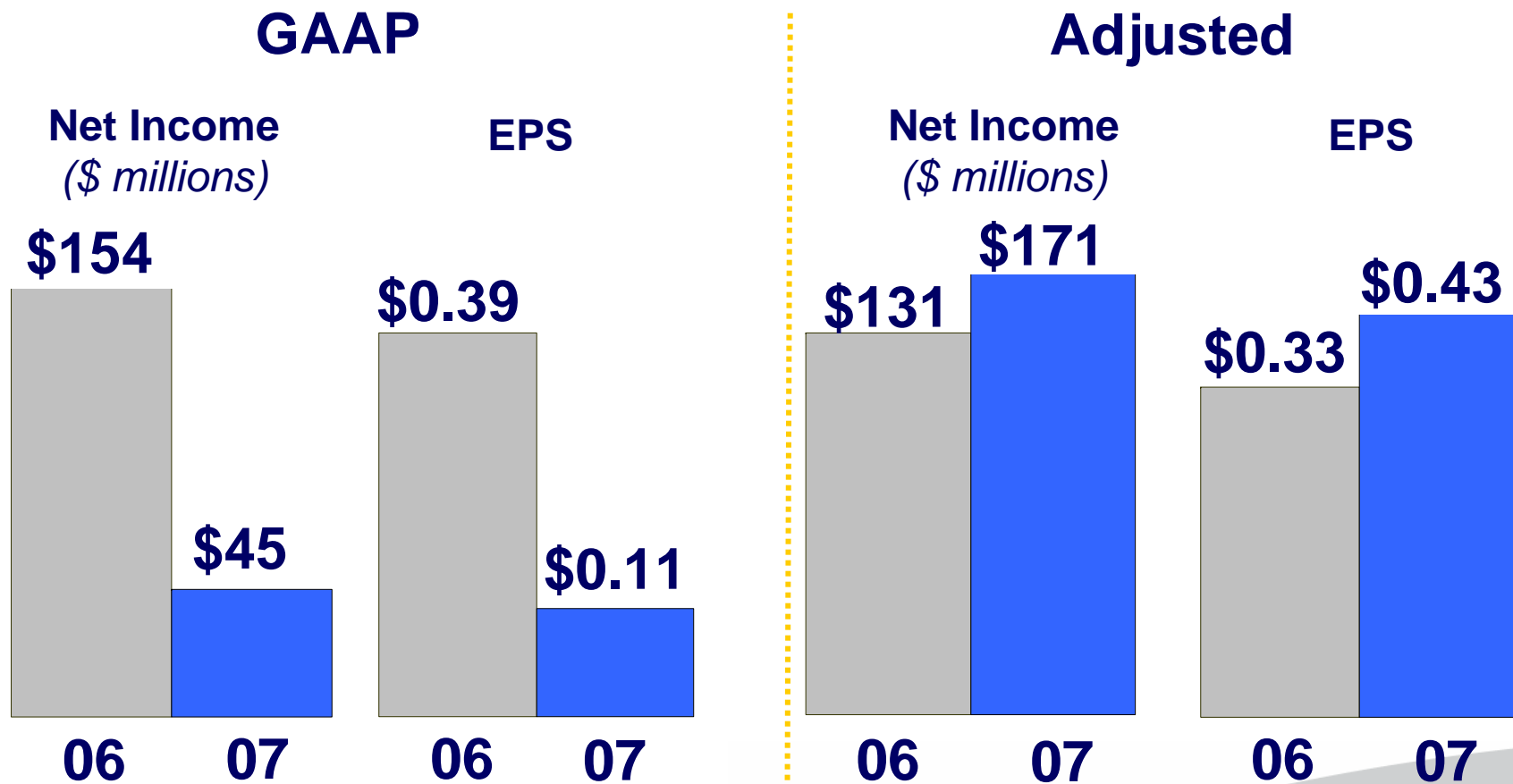
	<u>(\$/share)</u>
<b>FPL – 2006 EPS</b>	<b>\$0.31</b>
Drivers:	
Customer growth	0.03
Usage due to weather	0.02
Underlying usage growth, mix, and other	(0.02)
O&M	0.00
Depreciation	(0.01)
AFUDC and interest expense	0.01
Other <sup>1</sup>	<u>(0.02)</u>
<b>FPL – 2007 EPS</b>	<b>\$ 0.32</b>

# ***FPL Energy – First Quarter Summary***

- **Outstanding results overall**
  - Adjusted results increased 30% year over year
- **Key drivers**
  - Incremental asset additions
  - Full requirements business
  - Favorable market conditions
- **Outlook remains healthy**
  - Higher forward prices
  - Good progress on wind development
    - 2007/2008 wind pipeline of  $\geq 1,500$  MW
  - Well hedged for 2007 and 2008

# FPL Energy Results

## First Quarter



See Appendix for reconciliation of GAAP to adjusted amounts. 2006 amounts have been adjusted to reflect the retrospective application in the fourth quarter of 2006 of an accounting standard change related to planned major maintenance activities which increased the 2006 GAAP and adjusted EPS quarterly results by \$0.01.

# ***FPL Energy Earnings Contribution Drivers First Quarter***

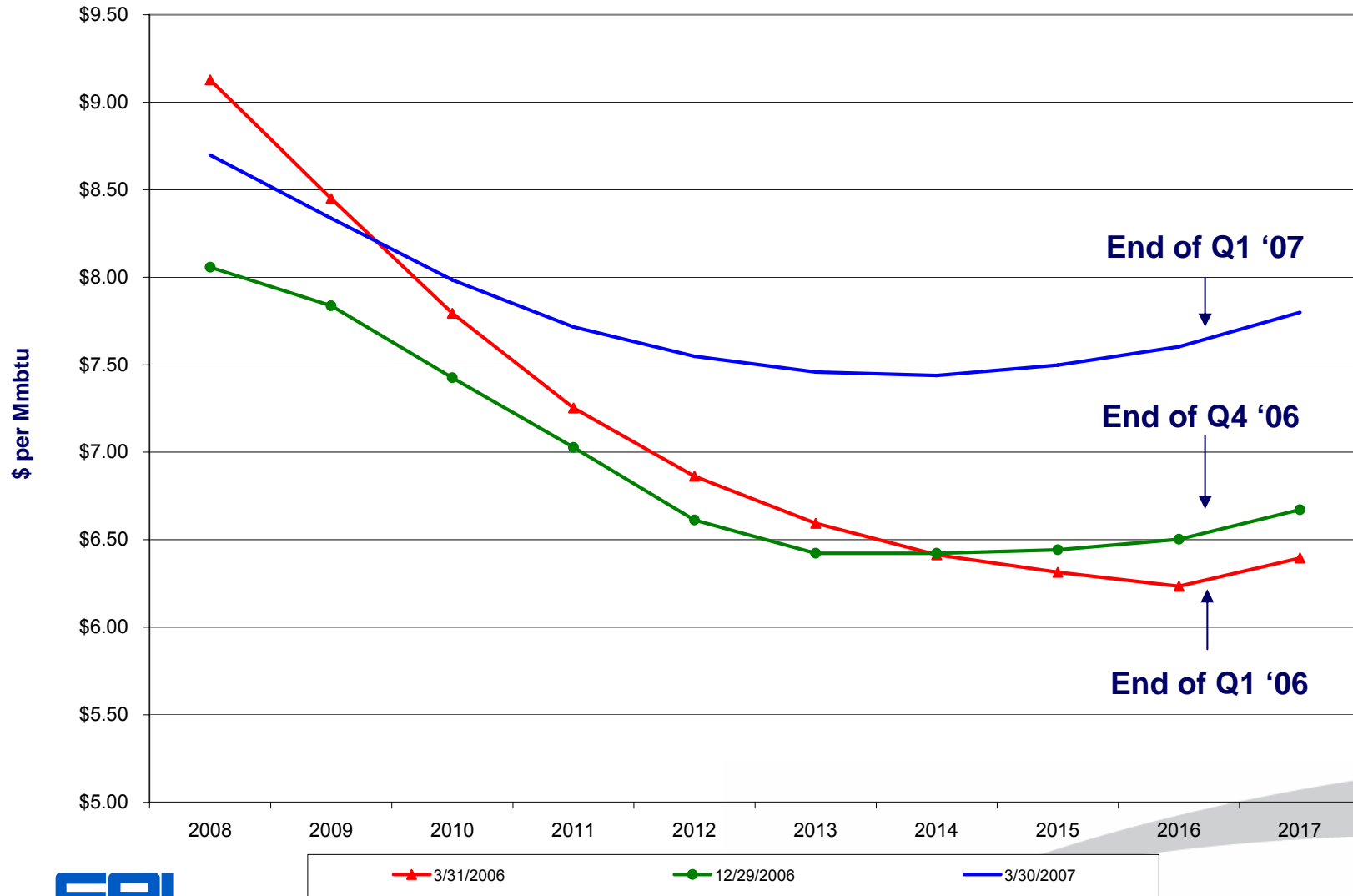
	<u>(\$/share)</u>
<b>FPL Energy – 2006 Adjusted EPS</b>	<b>\$0.33</b>
Drivers:	
New investment	0.06
Existing assets	0.00
Asset optimization and trading	0.07
Restructuring activities	0.00
Other <sup>1</sup>	<u>(0.03)</u>
<b>FPL Energy – 2007 Adjusted EPS</b>	<b>\$ 0.43</b>



<sup>1</sup> Including G&A, interest expense, share dilution, and rounding  
See Appendix for reconciliation of GAAP to adjusted amounts

# Increasing ten-year natural gas strip

NYMEX Gas Calendar Strips 2008-2017



# *FPL Group: Adjusted earnings per share expectations – no change*

	2007P <sup>1</sup>	2008P <sup>1</sup>
FPL	\$2.10 - \$2.15	\$2.15 - \$2.25
FPL Energy	\$1.45 - \$1.55	\$1.65 - \$1.85
Corporate & Other	(\$0.20) - (\$0.25)	(\$0.20) - (\$0.25)
FPL Group	\$3.35 - \$3.45	\$3.60 - \$3.80

**Note:** The 2007 and 2008 adjusted earnings expectations are valid as of April 30, 2007 and should be viewed in conjunction with FPL Group's Cautionary Statements contained in the Appendix to this presentation.

<sup>1</sup> Assumes normal weather and excludes the effect of adopting new accounting standards as well as the mark-to-market effect of non-qualifying hedges neither of which can be determined at this time.

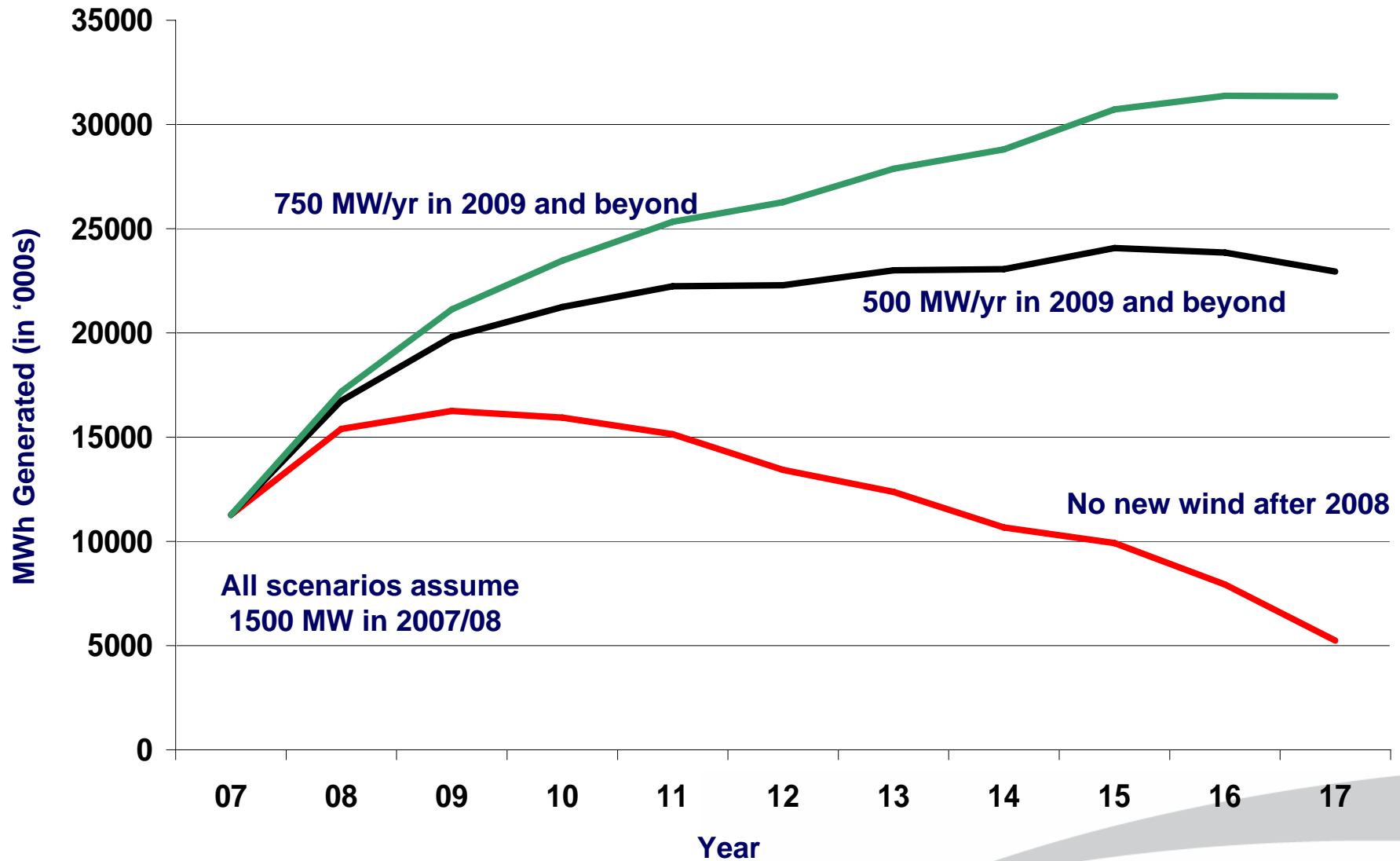
# ***Additional Disclosure on Wind***

- **Wind increasingly valuable**
- **Committed to additional disclosure**
- **Four topics today:**
  - Review of wind economics
  - PTC profile
  - Wind contribution to FPL Energy
  - “Structural options”

# *Wind Economics – An Overview*

- 2007 capital costs: \$1,650 to \$1,850/kW
- MACRS depreciation: 5 years
- Typical wind project size: 50-150 MW
- Capacity factor: 35-43%
- Production cost: ~ \$3.8 to \$4.2/MWh
- Contracted PPA:
  - Typically 15-25 years
  - Pricing ~\$30 to \$40 ± per MWh
- Production Tax Credit (PTC) available for every kilowatt produced:
  - \$20/MWh currently escalating with inflation, first 10 years of operation
  - Credit available for new projects that achieve COD by 12/31/08
- Unlevered cash-on-cash returns: 10-12%

# Expected PTC Generation Profile



NOTE: Curves represent total MWh's eligible for production tax credits (PTC). Projections assume ~40% average NCF on new projects; mid-year in-service

# *Wind is a key part of the FPL Energy value equation*

## 2008 Expectations

	Wind	% of FPL Energy <sup>1</sup>	Wind (Annualized)
<b>“Equivalent EBITDA”<sup>2</sup></b>			
- excl. “grossed-up” PTCs	\$450 - \$500	28%	\$510 - \$560
- “grossed-up” PTCs	\$450 - \$500		\$515 - \$565
<b>TOTAL</b>	<b>\$925 - \$975</b>	<b>43%</b>	<b>\$1,050 - \$1,100</b>

Note: All dollar amounts in millions

<sup>1</sup> “Wind” column as a % of FPL Energy

<sup>2</sup> Includes FPL Energy’s share of revenues, fuel, and operating expenses for both consolidated and equity method investments



# *“Structural Options”*

- **Options examined**
  - Spin; IPO; tracking stock
  - Partial; complete
  - FPL Energy; renewables only
- **Key issues**
  - Real operational linkages across businesses
  - Value “leakage”
  - Administrative cost
  - Dual fiduciary relationships
  - Current thinking: maintain structure; enhance disclosure

# *Earnings Per Share Contributions*

## *First Quarter*

<b>GAAP</b>	<b><u>06</u></b>	<b><u>07</u></b>	<b><u>Change</u></b>
FPL	\$0.31	\$ 0.32	\$0.01
FPL Energy	0.39	0.11	(0.28)
Corporate and Other	<u>(0.06)</u>	<u>(0.05)</u>	<u>0.01</u>
<b>Total</b>	<b>\$0.64</b>	<b>\$ 0.38</b>	<b>\$(0.26)</b>

<b>Adjusted</b>	<b><u>06</u></b>	<b><u>07</u></b>	<b><u>Change</u></b>
FPL	\$0.31	\$ 0.32	\$0.01
FPL Energy	0.33	0.43	0.10
Corporate and Other	<u>(0.05)</u>	<u>(0.05)</u>	<u>0.00</u>
<b>Total</b>	<b>\$0.59</b>	<b>\$ 0.70</b>	<b>\$ 0.11</b>

See Appendix for reconciliation of GAAP to adjusted amounts. 2006 amounts have been adjusted to reflect the retrospective application in the fourth quarter of 2006 of an accounting standard change related to planned major maintenance activities which increased 2006 GAAP and adjusted EPS by \$0.01.



# *Q&A Session*



# *Appendix*

# Bridging the Gap: 2006 to 2007

	2006	2007 Exp. Equiv			Drivers: 2006 to 2007
	Gross Margin <sup>(1)</sup>	Gross Margin <sup>(1)</sup>			
<b><u>Asset-Based Businesses</u></b>					
New Asset Additions		\$100	–	\$120	Primarily new wind
Contracted Wind	\$462	\$530	–	\$530	FY impact of 2006 wind build; normal resource
Contracted Other	\$540	\$485	–	\$495	Lower PPA pricing; various
Merchant					
NEPOOL					
Spark Spread	\$96	\$105	–	\$115	Primarily capacity revenues
Other	\$411	\$605	–	\$615	Roll-off of older hedges; capacity revenues; no refueling outage
ERCOT					
Spark Spread	\$209	\$225	–	\$245	Higher hedged heat rates
Other	\$183	\$295	–	\$305	FY impact of 2006 wind build
Other – Spark Spread	\$92	\$85	–	\$105	
<b><u>Non-Asset Based Businesses</u></b>					
Total	\$104	\$155	–	\$225	Primarily wholesale/retail hedged sales
<b>TOTAL</b>	<b>\$2,097</b>	<b>\$2,625</b>	<b>–</b>	<b>\$2,725</b>	



<sup>(1)</sup> Includes FPLE share of revenues, pre-tax effect of production tax credits and fuel expense for consolidated and equity method investments and excludes NQH.

# FPL Energy – 2007 Hedging <sup>(1) (4)</sup>

\$ millions

	Nameplate MWs	Exp. Equiv. Gross Margin <sup>(3)</sup>		% Gross Margin Hedged	
<b><u>Asset-Based Businesses</u></b>					
<b>New Asset Additions <sup>(2)</sup></b>	<b>2,034</b>	<b>\$100</b>	<b>-</b>	<b>\$120</b>	<b>87%</b>
<b>Contracted Wind</b>	<b>3,082</b>	<b>\$530</b>	<b>-</b>	<b>\$530</b>	<b>100%</b>
<b>Contracted Other</b>	<b>2,519</b>	<b>\$485</b>	<b>-</b>	<b>\$495</b>	<b>99%</b>
<b>Merchant:</b>					
<b>NEPOOL</b>					
<b>Spark Spread</b>	<b>1,227</b>	<b>\$105</b>	<b>-</b>	<b>\$115</b>	<b>89%</b>
<b>Other</b>	<b>1,459</b>	<b>\$605</b>	<b>-</b>	<b>\$615</b>	<b>99%</b>
<b>ERCOT</b>					
<b>Spark Spread</b>	<b>2,700</b>	<b>\$225</b>	<b>-</b>	<b>\$245</b>	<b>85%</b>
<b>Other</b>	<b>934</b>	<b>\$295</b>	<b>-</b>	<b>\$305</b>	<b>96%</b>
<b>Other – Spark Spread</b>	<b>1,472</b>	<b>\$85</b>	<b>-</b>	<b>\$105</b>	<b>67%</b>
<b><u>Non-Asset Based Businesses</u></b>					
<b>Total</b>	<b>N/A</b>	<b>\$155</b>	<b>-</b>	<b>\$225</b>	<b>68%</b>
<b>TOTAL</b>	<b>15,424</b>	<b>\$2,625</b>	<b>-</b>	<b>\$2,725</b>	<b>93%</b>

(1) This chart is designed to illustrate exposure to commodity prices only. It should be read in conjunction with the rest of this presentation including additional risk information in the Appendix and cautionary statements. In particular, ranges shown under expected equivalent gross margin only take into account likely commodity price variability. Many other factors could cause actual results to vary much more than the ranges shown here.

(2) Includes new wind development of at least 800 MW in 2007. Includes the pending acquisition of the Point Beach nuclear facility.

(3) Includes FPL Energy's share of revenues and fuel expense for both consolidated and equity method investments as well as a "grossed-up" value for wind production tax credits. Columns do not sum which reflects the premise that not all markets and investment types are equally affected by changes in commodity prices.

(4) Expected equivalent gross margin and % hedged are valid as of April 30, 2007

# FPL Energy – 2008 Hedging <sup>(1) (4)</sup>

\$ millions

	Nameplate MWs	Exp. Equiv. Gross Margin <sup>(3)</sup>			% Gross Margin Hedged
<b><u>Asset-Based Businesses</u></b>					
New Asset Additions <sup>(2)</sup>	2,784	\$585	-	\$645	81%
Contracted Wind	3,082	\$535	-	\$535	100%
Contracted Other	2,519	\$490	-	\$500	99%
<b>Merchant:</b>					
<b>NEPOOL</b>					
Spark Spread	1,227	\$85	-	\$115	50%
Other	1,459	\$645	-	\$655	99%
<b>ERCOT</b>					
Spark Spread	2,700	\$225	-	\$275	69%
Other	934	\$270	-	\$290	93%
Other – Spark Spread	1,472	\$80	-	\$140	17%
<b><u>Non-Asset Based Businesses</u></b>					
Total	N/A	\$105	-	\$225	<b><u>% Margin in Backlog</u></b> 30%
<b>TOTAL</b>	<b>16,174</b>	<b>\$3,100</b>	<b>-</b>	<b>\$3,300</b>	<b>85%</b>

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(2) Includes new wind development of 800 MW in 2007 and 750 MW in 2008. Includes the pending acquisition of the Point Beach nuclear facility.

(3) Includes FPL Energy's share of revenues and fuel expense for both consolidated and equity method investments as well as a "grossed-up" value for wind production tax credits. Columns do not sum which reflects the premise that not all markets and investment types are equally affected by changes in commodity prices.

(4) Expected equivalent gross margin and % hedged are valid as of April 30, 2007

# *FPL Energy – 2007 Earnings Forecast*

	Range <sup>1</sup>		
<b>Gross Margin<sup>2</sup></b>	<b>\$2,625</b>	<b>-</b>	<b>\$2,725</b>
<b>Operating Expenses</b>	<b>(880)</b>	<b>-</b>	<b>(860)</b>
<b>EBITDA</b>	<b>\$1,745</b>	<b>-</b>	<b>\$1,865</b>
<b>Depr. &amp; Amort.</b>	<b>(510)</b>	<b>-</b>	<b>(490)</b>
<b>Interest Expense</b>	<b>(350)</b>	<b>-</b>	<b>(340)</b>
<b>Int. and Other Inc.</b>	<b>20</b>	<b>-</b>	<b>25</b>
<b>Income Taxes</b>	<b>(380)</b>	<b>-</b>	<b>(370)</b>
<b>Adj. Earnings</b>	<b>\$575</b>	<b>-</b>	<b>\$615</b>

<sup>1</sup>All figures in \$ millions; columns do not sum, since the line items are interdependent

<sup>2</sup>Including pre-tax PTCs

# ***FPL Energy – 2008 Earnings Forecast***

	Range <sup>1</sup>		
<b>Gross Margin<sup>2</sup></b>	<b>\$3,100</b>	-	<b>\$3,300</b>
<b>Operating Expenses</b>	<b>(1,025)</b>	-	<b>(1,005)</b>
<b>EBITDA</b>	<b>\$2,075</b>	-	<b>\$2,295</b>
<b>Depr. &amp; Amort.</b>	<b>(635)</b>	-	<b>(625)</b>
<b>Interest Expense</b>	<b>(415)</b>	-	<b>(405)</b>
<b>Int. and Other Inc.</b>	<b>40</b>	-	<b>50</b>
<b>Income Taxes</b>	<b>(470)</b>	-	<b>(460)</b>
<b>Adj. Earnings</b>	<b>\$655</b>	-	<b>\$735</b>

<sup>1</sup>All figures in \$ millions; columns do not sum, since line items are interdependent

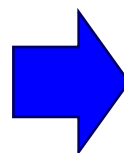
<sup>2</sup>Including pre-tax PTCs

# Non-Qualifying Hedges<sup>1</sup>

## Summary of Activity

(\$ millions, after-tax)

Asset/(Liability) Balance as of 12/31/06	\$1.5
Amounts Realized During 1st Quarter	(42.9)
Change in Forward Prices (all positions)	<u>(83.3)</u>
Subtotal	<u>(126.2)</u>
Asset/(Liability) Balance as of 3/31/07	<u><u>\$ (124.7)</u></u>



### Primary Drivers:

Revenue Hedges	\$ (80.0)
Retail Supply Contracts	10.4
ERCOT Spark Spreads	(16.5)
All Other - Net	<u>2.8</u>
	<u><u>\$ (83.3)</u></u>

# Non-Qualifying Hedges <sup>1</sup>

## Summary of Activity

(\$ thousands, after-tax)

Description	Asset / (Liability) Balance 12/31/06	1st Quarter			Total Unrealized MTM	Asset / (Liability) Balance 3/31/07
		Amounts Realized	Change in Forward Prices	Deals Executed During Period (2)		
Gas Supply Contract	\$ 6,133	\$ (1,612)	\$ 1,078	\$ -	\$ (534)	\$ 5,599
Other - net	(4,640)	(41,330)	(91,343)	7,003	(125,670)	(130,310)
<b>Total</b>	<b>\$ 1,493</b>	<b>\$ (42,942)</b>	<b>\$ (90,265)</b>	<b>\$ 7,003</b>	<b>\$ (126,204)</b>	<b>\$ (124,711)</b>

<sup>1</sup> Includes contracts of FPL Energy's consolidated projects plus its share of the contracts of equity method investees

<sup>2</sup> Amount represents the change in value of deals executed during the quarter from the execution date through quarter end

# Non-qualifying Hedges<sup>1</sup>

## Summary of Forward Maturity

(\$ thousands, after-tax)

Description	Asset / (Liability) Balance 3/31/07	Gain / (Loss) (2)					Total 2007 - 2016
		2007	2008	2009	2010	2011 - 2016	
Gas Supply Contract	\$ 5,599	\$ (5,599)	\$ -	\$ -	\$ -	\$ -	\$ (5,599)
Other - net	(130,310)	41,376	9,876	7,922	15,116	56,020	130,310
<b>Total</b>	<b>\$ (124,711)</b>	<b>\$ 35,777</b>	<b>\$ 9,876</b>	<b>\$ 7,922</b>	<b>\$ 15,116</b>	<b>\$ 56,020</b>	<b>\$ 124,711</b>

### 2007 Forward Maturity by Quarter

	2Q 2007	3Q 2007	4Q 2007	Total 2007
Gas Supply Contract	\$ (2,259)	\$ (2,484)	\$ (856)	\$ (5,599)
Other - net	13,616	32,616	(4,856)	41,376
<b>Total</b>	<b>\$ 11,357</b>	<b>\$ 30,132</b>	<b>\$ (5,712)</b>	<b>\$ 35,777</b>

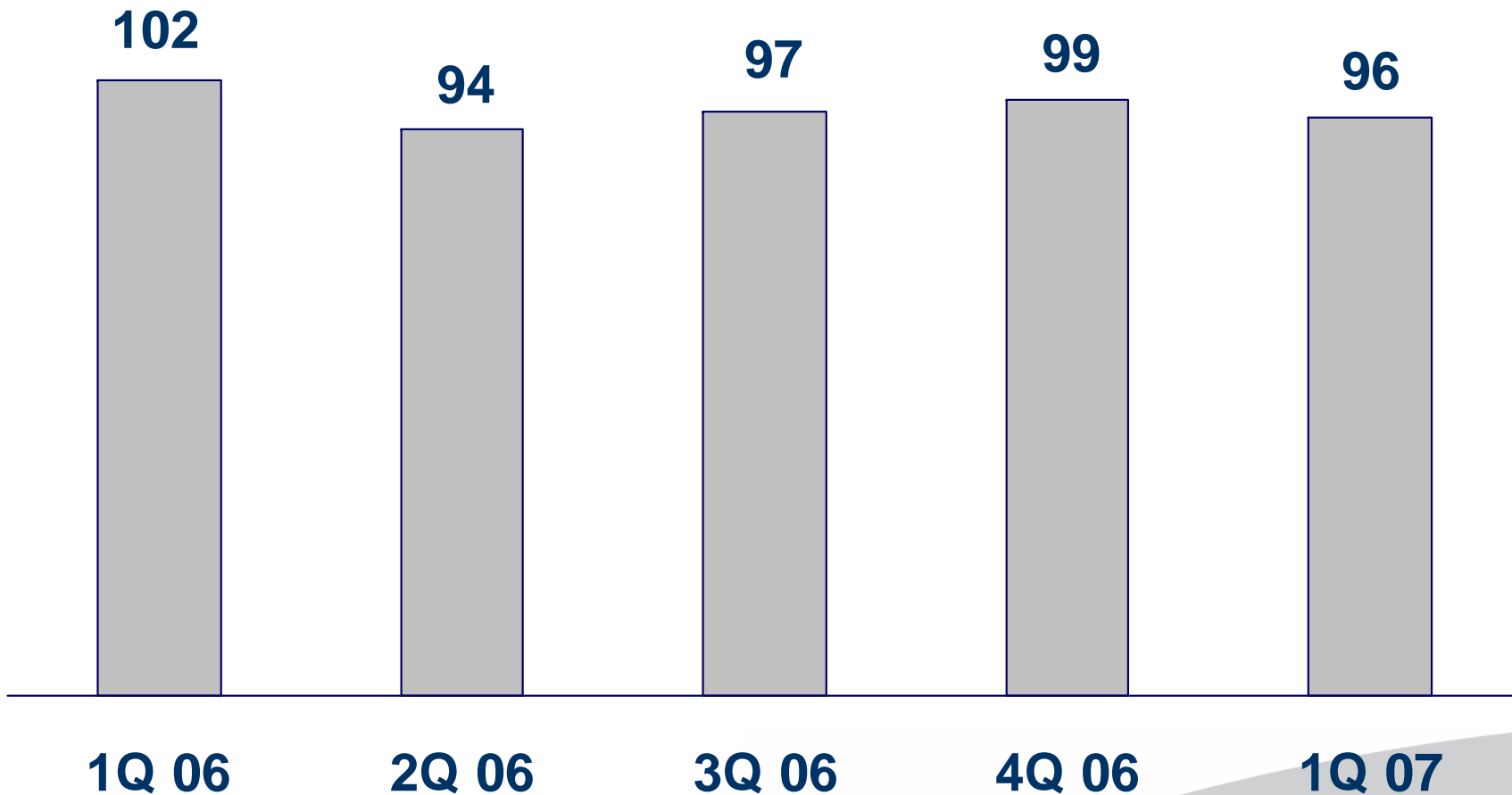


<sup>1</sup> Includes contracts of FPL Energy's consolidated projects plus its share of the contracts of equity method investees

<sup>2</sup> Gain/(loss) based on existing contracts and forward prices as of 3/31/07

# *FPL Energy Wind Index*

*Rolling 5 quarters, current portfolio<sup>1</sup>*



<sup>1</sup> 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 3/31/07.  
100 = long-term historic annual weighted mean.

# Bridging Reference Tower Wind Speed to Earnings Impact<sup>1</sup>

Correlation factor effect (tower to site)  
Wind shear derivation (convert lower level measured wind to predicted)

Air density assumption  
Turbine specific performance (power curve)

Availability  
Reliability  
Curtailments

Price paid by buyer

Reference Tower Wind Speed



Wind Turbine Hub Height  
Wind Speed



Theoretical Wind Turbine Output



Actual Wind Turbine Output

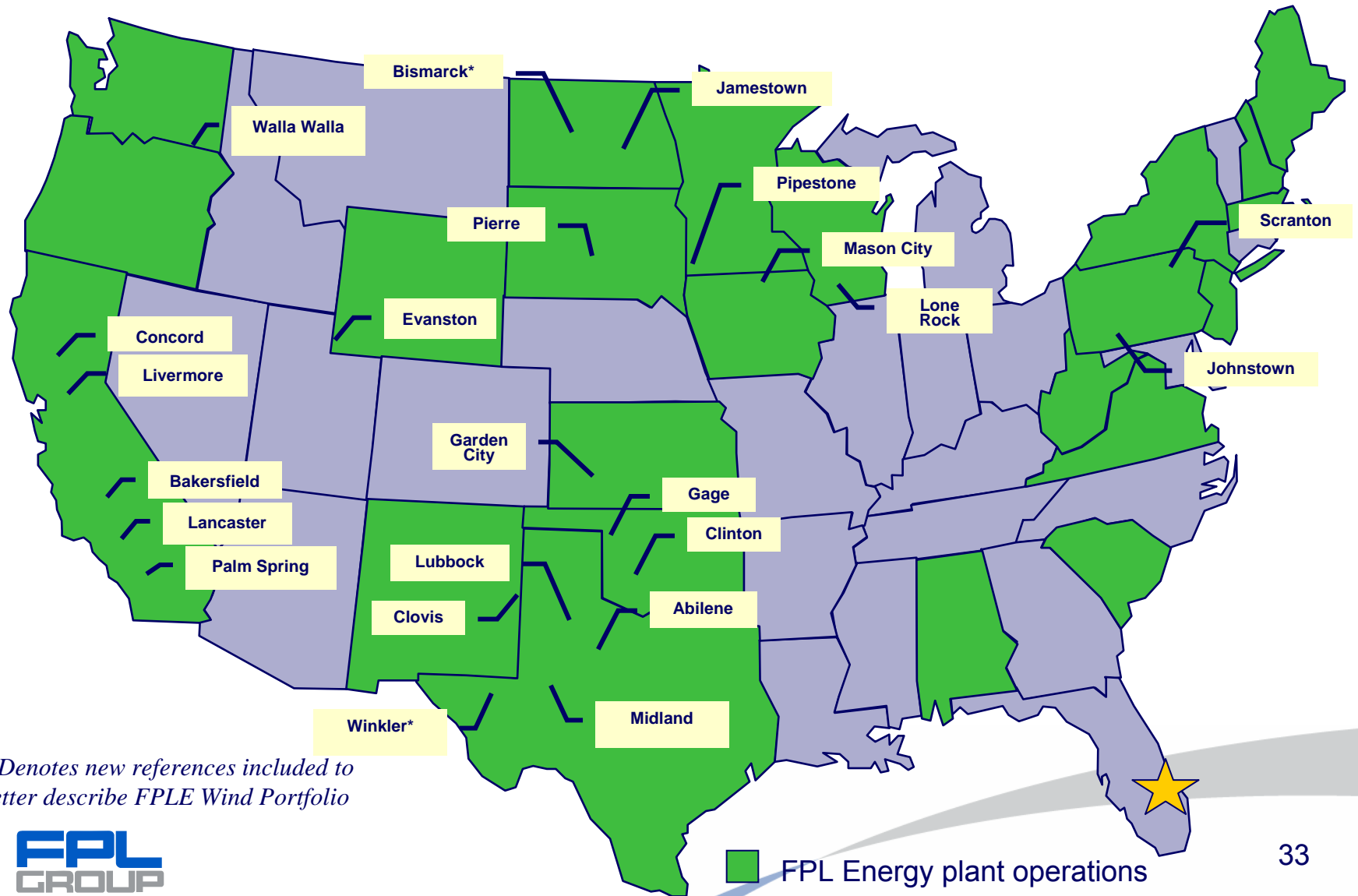


Earnings Per Share Contribution

**±1 in the annual portfolio wind index for  
2007 equates to ± \$0.025 - \$0.030/share<sup>1</sup>**

<sup>1</sup> Sets aside uncertainties that can cause actual performance to deviate from that predicted solely by using the wind data from the selected reference towers. This reflects the impact on projects that were in operation as of 12/31/06. The earnings per share impact is based on a normal distribution around annual wind index values. This relationship should not be applied to quarterly or monthly wind index values due to seasonality of the wind resource and the increased variability associated with shorter observation periods.

# Regional Long Term Wind Reference Location



\* Denotes new references included to better describe FPLE Wind Portfolio

# FPL Energy MWs and Regional Reference Towers

## First Quarter

Reference Tower	MW Capacity	Long Term Avg. Wind Speed (m/s)	2006 Annual Avg. Wind Speed (m/s)	2006 Annual Wind Speed Index	Q1 Long Term Avg. Wind	Q1 2006 Avg. Wind Speed (m/s)	Q1 2006 Wind Speed Index	Q1 2007 Avg. Wind Speed (m/s)	Q1 2007 Wind Speed Index
Abilene.TX	849.5	4.95	4.94	99.75	5.19	5.35	102.97	4.82	92.85
Midland.TX	598.6	4.89	4.69	95.95	4.92	4.87	99.12	4.63	94.17
WallaWalla.WA	324.9	3.73	3.72	99.92	3.72	4.36	117.14	3.34	89.88
MasonCity.IA	237.9	5.03	5.09	101.15	5.65	5.90	104.33	5.78	102.22
Clovis.NM	204.0	5.19	5.32	102.45	5.63	6.03	107.02	5.26	93.31
Clinton.OK	147.0	5.70	5.86	102.80	5.89	6.28	106.52	6.03	102.35
Concord.CA	162.0	3.66	3.20	87.28	2.99	2.76	92.44	2.63	87.96
Bismarck.ND	100.1	4.23	4.27	101.12	4.29	4.38	102.15	4.46	104.13
GardenCity.KS	112.2	5.52	5.51	99.85	5.54	5.90	106.62	5.28	95.48
Johnstown.PA	130.4	4.21	4.15	98.54	5.12	5.44	106.25	5.28	103.10
Pipestone.MN	129.7	4.16	3.75	90.12	4.55	4.32	95.03	4.68	102.85
Evanston.WY	144.0	4.59	4.24	92.49	4.56	4.49	98.44	4.23	92.71
Lubbock.TX	84.0	5.38	5.40	100.20	5.65	5.97	105.57	5.33	94.21
Gage.OK	102.0	5.13	5.26	102.55	5.07	5.40	106.50	5.26	103.88
Livermore.CA	148.3	3.38	2.77	81.75	2.82	2.38	84.40	2.42	85.86
PalmSprings.CA	97.5	3.48	3.03	87.10	2.98	2.64	88.69	2.91	97.91
Lancaster.CA	101.1	4.92	4.91	99.82	4.35	4.48	103.12	4.59	105.61
Jamestown.ND	61.5	5.05	4.98	98.65	5.40	5.35	99.18	5.33	98.78
Bakersfield.CA	77.0	2.72	2.66	97.61	2.44	2.41	98.52	2.30	94.18
Scranton.PA	64.5	3.05	2.97	97.45	3.51	3.68	104.78	3.56	101.37
Pierre.SD	40.5	4.96	4.93	99.35	5.05	5.17	102.26	5.23	103.48
Winkler.TX	68.3	4.23	4.20	99.22	4.20	4.38	104.19	4.08	96.97
LoneRock.WI	30.0	3.39	3.16	93.22	3.76	3.68	98.03	3.79	100.87
<b>Total</b>	<b>4015.0</b>	<b>NA</b>	<b>NA</b>	<b>97.86</b>	<b>NA</b>	<b>NA</b>	<b>102.51</b>	<b>NA</b>	<b>95.74</b>



Reference towers were selected for their proximity to FPL Energy's wind assets.  
 FPL Energy wind portfolio as of 03/31/07  
 Portfolio weights defined expected annual production

# Reconciliation of GAAP Net Income to Adjusted Earnings Three Months Ended March 31, 2007

<b>(millions, except per share amounts)</b>	<b>Florida Power &amp; Light</b>	<b>FPL Energy</b>	<b>Corporate &amp; Other</b>	<b>FPL Group, Inc.</b>
Net Income (Loss)	\$ 126	\$ 45	\$ (21)	\$ 150
Adjustments, net of income taxes:				
Net unrealized mark-to-market gains (losses) associated with non-qualifying hedges		126		126
<b>Adjusted Earnings (Loss)</b>	<b>\$ 126</b>	<b>\$ 171</b>	<b>\$ (21)</b>	<b>\$ 276</b>
<b>Earnings (Loss) Per Share (assuming dilution)</b>	<b>\$ 0.32</b>	<b>\$ 0.11</b>	<b>\$ (0.05)</b>	<b>\$ 0.38</b>
Net unrealized mark-to-market gains (losses) associated with non-qualifying hedges		0.32		0.32
<b>Adjusted Earnings (Loss) Per Share</b>	<b>\$ 0.32</b>	<b>\$ 0.43</b>	<b>\$ (0.05)</b>	<b>\$ 0.70</b>

# Reconciliation of GAAP Net Income to Adjusted Earnings Three Months Ended March 31, 2006<sup>1</sup>

<b>(millions, except per share amounts)</b>	<b>Florida Power &amp; Light</b>	<b>FPL Energy</b>	<b>Corporate &amp; Other</b>	<b>FPL Group, Inc.</b>
Net Income (Loss)	\$ 122	\$ 154	\$ (25)	\$ 251
Adjustments, net of income taxes:				
Merger Costs			3	3
Net unrealized mark-to-market (gains) losses associated with non-qualifying hedges		(23)		(23)
<b>Adjusted Earnings (Loss)</b>	<b>\$ 122</b>	<b>\$ 131</b>	<b>\$ (22)</b>	<b>\$ 231</b>
<b>Earnings (Loss) Per Share (assuming dilution)</b>	<b>\$ 0.31</b>	<b>\$ 0.39</b>	<b>\$ (0.06)</b>	<b>\$ 0.64</b>
Merger Costs			0.01	0.01
Net unrealized mark-to-market (gains) losses associated with non-qualifying hedges		(0.06)		(0.06)
<b>Adjusted Earnings (Loss) Per Share</b>	<b>\$ 0.31</b>	<b>\$ 0.33</b>	<b>\$ (0.05)</b>	<b>\$ 0.59</b>

<sup>1</sup>Amounts have been adjusted to reflect the retrospective application of an accounting standard change related to planned major maintenance activities.

# 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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