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FPL GROUP

Rating Agency Presentation

MHK 9.27.05

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2002

(Pt 1 of 2)

DOCUMENT NUMBER-DATE

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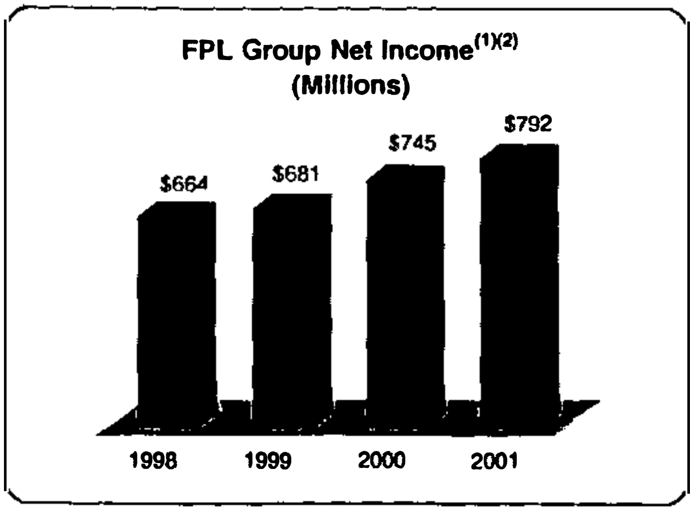
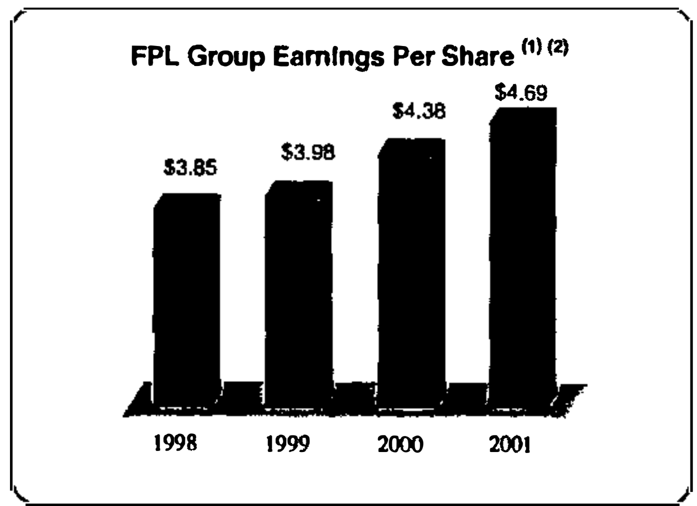
FPL GROUP

2001 Summary

	($ Millions, Except Per Share Amounts)		
	2001	2000	Change
Net Income			
Florida Power & Light Company	$ 695	$ 645	$ 50
FPL Group Capital & Corporate	97	100	(3)
Total [1]	$ 792	$ 745	$ 47
Earnings Per Share			
Florida Power & Light Company	$ 4.11	$ 3.79	$ 0.32
FPL Group Capital & Corporate	0.58	0.59	(0.01)
Total [1]	$ 4.69	$ 4.38	$ 0.31
Weighted Average Shares Outstanding (Millions)	169	170	(1)





[1] Excludes merger-related expense recognized in 2001 and 2000 totaling $19 million after-tax and $41 million after-tax, respectively. The positive effect of FAS 133 of $8 million after-tax was also excluded in 2001.
[2] Excludes $16 million after-tax non-recurring gain in 1999.

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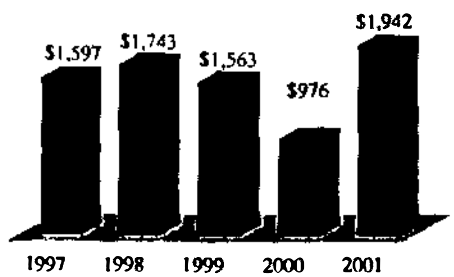
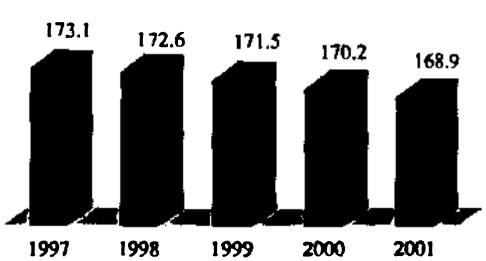
Operating Cash Flow
(Millions)



Consolidated Statements of Cash Flows
($ Millions)

	2001	2000	1999
Net Cash provided by operations	$ 1,942	$ 976	$ 1,563
Capital expenditures of FPL	(1,154)	(1,299)	(861)
Independent Power Investments	(1,977)	(507)	(1,540)
Other	(138)	(137)	229
Dividends on common stock	(377)	(366)	(355)
Net debt issuance (reduction)	1,657	1,251	1,254
Common stock repurchases	-	(150)	(116)
Increase (decrease) in cash and cash equivalents	$ (47)	$ (232)	$ 174

Average Shares Outstanding
(Millions)



- The decrease in operating cash flows in 2000 is attributable to large fuel underrecovery costs and the payment to settle certain purchase power obligations. The impact of these items will reverse over the next several year period.
- In February 2002, FPL Group raised its annual dividend by 4% to $2.32 per share. This increase results in a 49% payout ratio of 2002 estimated earnings excluding any unusual items.

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Key Operational Indicators

Customer Growth

- FPL added nearly 87,000 customer accounts in 2001, representing an increase of 2.3%. Despite the general economic slowdown and the effects of 9/11/01, FPL added new customer accounts at an annual rate of 76,000 in the first quarter of 2002.

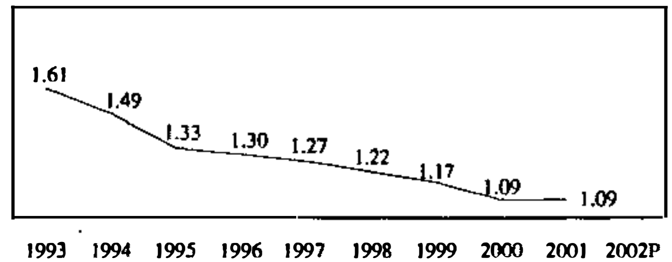
- Energy sales (excluding interchange sales) were 91,475 million kWh in 2001. This was an increase of 2.7% over 2000 sales, a substantial increase when considering the effects of 9/11 on the economy.

Cost Control

- Since 1990, the company's O&M costs per kWh have fallen from 1.82 cents to 1.09 cents, a decline of 40%. This is the largest percentage of reduction in costs of any company within our utility peer group.

- FPL's O&M expenses are expected to increase slightly in 2002, as a result of pressure on such areas as employee benefits and insurance costs, as well as the need to support continued customer growth. O&M per kWh or per customer, however, will remain well below competitive benchmarks.

Aggressive Cost Reduction
O&M Expenses*
(cents per kWh)



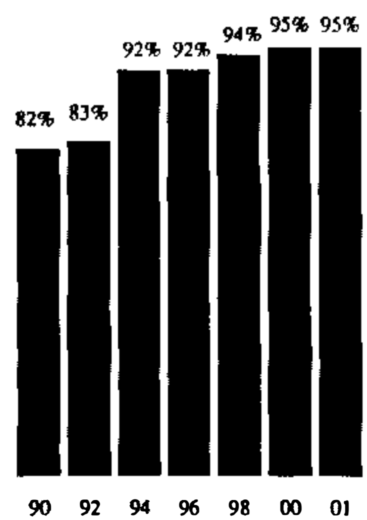
* Excludes fuel, purchased power and conservation expenses. 1999 excludes non-recurring FMPA settlement.

Availability / Performance

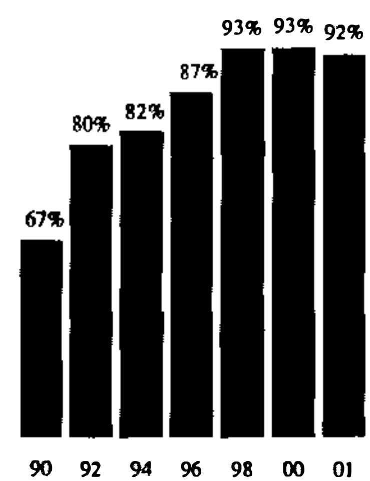
- Fossil plant performance remained at exceptionally high levels in 2001. Fossil plant availability equaled the all-time high of 95%, substantially above the industry average. The 92% availability of the company's nuclear plants, despite three refueling outages last year, was also higher than the industry average of 87%.

- FPL's Turkey Point and St. Lucie sites were both ranked among the top decile for the 2001 World Association of Nuclear Operators (WANO) Index for sites with two or more units. Turkey point ranked 2nd at 99.7 and St. Lucie ranked 3rd at 99.04 out of 35 multiple-unit nuclear sites.

Fossil Availability



Nuclear Availability



Customer Care

- FPL's electricity delivery system ranks among the industry's best. Since 1997, FPL has reduced customers' average time without power by 50%. And while the number of interruptions was reduced by 28% in the last four years, the average time to restore service has improved 30% over the same period.

- "I was impressed with ... the amount of customers that came out in support of FPL's service." - Lila Jaber, Chairman, Florida Public Service Commission

FPL

Customers, Sales and System Capacity

	Actual	Forecast					Average Growth Rate
	2001	2002	2003	2004	2005	2006	2002-2006
Customers and Sales:							
Average Customer Accounts (thousands)	3,935	4,000	4,075	4,147	4,222	4,295	1.8%
Energy Sales (million kWh)[1]	91,475	93,483	97,222	101,111	105,156	109,362	4.0%

	Actual	Forecast				
	2001	2002	2003	2004	2005	2006
System Capacity (MW)[2]:						
Company Plants[3]	16,628	17,860	19,135	19,135	19,135	19,135
Purchased Power	2,392	3,280	3,351	3,351	2,625	2,491
Unidentified Capacity[4]					1,896	1,896
Total Capacity	19,020	21,140	22,486	22,486	23,656	23,522
Summer Peak Load	18,754	19,131	19,765	20,226	20,719	21,186
Demand Side Management	2,417	1,414	1,491	1,570	1,651	1,729
Firm Summer Peak					19,068	19,457
Reserve Margin (%)	14	19	23	21	24	21

- FPL will meet future growth by expanding its system capacity by 32% over the next ten years.
- FPL expects to complete the repowering of its Fort Myers steam units and one of its steam units at the Sanford site, which will add approximately 1,100 MW by mid-2002. FPL also expects to complete the repowering of another unit at Sanford in mid-2003 and add two new gas fired combustion turbines at its Fort Myers site in 2003.
- A supplemental request for proposal is currently in process regarding the FPL proposed plants at the existing Manatee and Martin sites, which would fill the 2005 capacity need. This supplemental RFP will provide FPL an opportunity to identify any lower cost bid than the Manatee/Martin option, which was the lowest cost alternative in the initial competition. The lowest cost option, whether internal or external build, will then need to be reviewed and approved by the FPSC.

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[1] Excludes interchange power sales.

[2] Forecasted system capacity reflects the capacity projected to be in service by June in order to meet summer peak load. Projected peak load includes effect of existing energy conservation. Demand side management includes load management, load control and incremental energy conservation.

[3] Based on net peaking capability.

[4] Need Determination Study is in progress.

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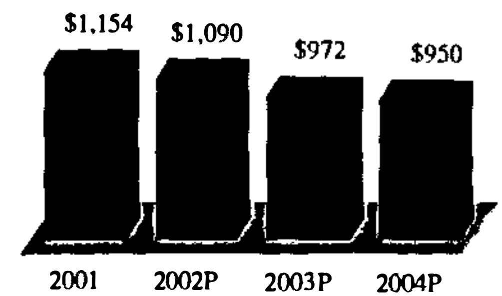
- Capital expenditures in 2001 decreased from 2000 due to the Ft. Myers Plant repowering nearing completion. This was offset by increased spending due to system growth and to improve distribution reliability.

- FPL's capital expenditures for the 2002-2004 period are expected to be approximately $3.0 billion, excluding any possible spending for the Manatee/Martin capacity expansion. Expenditures reflect the ongoing repowering of the Ft. Myers and Sanford plants and the construction of two peaking units. The repowerings are scheduled to be completed by 2002 and 2003, respectively, and will more than double the plants' capacity. 300 MW of peaking capacity will be added to the repowered Fort Myers site in 2003.

FPL Capital Expenditures
($ Millions)



Capital Expenditures *($ Millions)*	Actual 2001	Projected 2002	Projected 2003	Projected 2004
Generation	$ 401	$ 360	$ 211	$ 160
Transmission	125	89	93	121
Distribution	497	438	488	480
General	132	203	180	189
Total Capital Expenditures	1,154	1,090	972	950
Long-Term Debt Maturities	0	0	170	125
Total Capital Requirements	$ 1,154	$ 1,090	$ 1,142	$ 1,075

Current Rate Agreement

• On March 22, 2002 the Florida Public Service Commission (PSC) approved FPL's rate reduction agreement in settlement of the base rate proceeding that commenced May 3, 2001. The settlement stipulations took effect April 15, 2002 and go through December 2005.

• As part of the agreement, FPL agreed to a permanent base rate reduction of $250 million per year.

• As with the previous agreement, a revenue sharing incentive plan establishes thresholds for years 2002 through 2005. Revenues between the retail base rate thresholds and caps will be shared one-third with FPL's shareholders and two-thirds with retail customers. Revenues exceeding the caps will be refunded at 100% to FPL's retail customers annually, with the year 2002 refund being limited to 71.5%. All O&M savings go directly to the benefit of FPL.

	Sharing Threshold ($mil.)	Cap ($mil.)
2002	$3,580	$3,740
2003	3,680	3,840
2004	3,780	3,940
2005	3,880	4,040

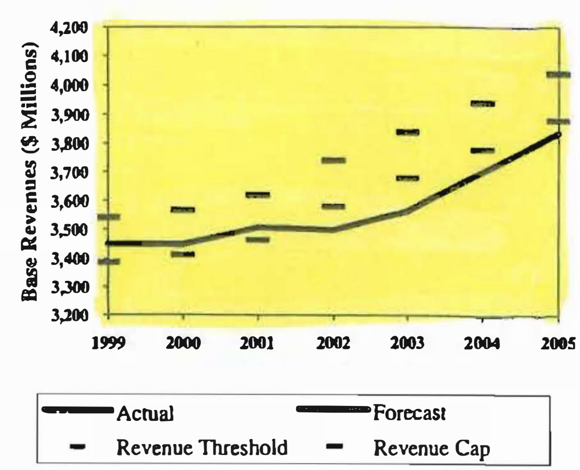
Base Revenues Under Old Agreement [1]

	1999	2000	2001	2002	2003	2004	2005
Actual/Forecast	$3,468	$3,507	$3,616	$3,694	$3,822	$3,966	$4,113
Rate Reduction				0	0	0	0
Revenue Sharing [1]	(20)	(60)	(110)	(146)	(224)	(318)	(415)
Base Revenue to FPL	$3,448	$3,447	$3,506	$3,548	$3,598	$3,648	$3,698

Base Revenues Under New Agreement

	1999	2000	2001	2002	2003	2004	2005
Original Forecast				$3,694	$3,822	$3,966	$4,113
Rate Reduction				(195)	(254)	(265)	(276)
Revenue Sharing				0	0	0	0
Base Revenue to FPL				$3,499	$3,568	$3,701	$3,837

Base Revenue to FPL



[1]Revenue thresholds and caps for 2002 to 2005 were increased by $50 per year and FPL FiberNet backbone revenues of approx. $40 mil. were added to calculate sharing amount per old agreement.

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• There is no authorized return on equity range for the purpose of addressing earnings. However, FPL may petition the PSC for a base rate increase if its retail base rate earnings fall below a 10% return on equity.
• FPL may choose to amortize a $125 million annual credit to its depreciation reserve over the stipulation period.
• On April 26, 2002, the South Florida Hospital & Healthcare Association (SFHHA) filed with the PSC and the Clerk of the Supreme Court of Florida its Notice of Administrative Appeal regarding FPL's rate case docket. SFHHA has 70 days to file its Initial Briefs. Any party who signed the rate agreement may not re-open the agreement.

Energy Study Commission
• The Florida Energy 2020 Study Commission released a final report in December 2001 encouraging competition in the wholesale electricity market. However, it recommended no changes in the retail market at this time.
• No action was taken in the 2001 or 2002 legislative session regarding deregulation at the wholesale or retail levels.

GridFlorida
• The Florida Public Service Commission has taken a cautious approach in evaluating GridFlorida, an RTO formed to comply with the FERC'smandate that investor-owned utilities form regional transmission organizations.
• Therefore, in response to the PSC's concerns, GridFlorida submitted a filing to the Commission in March 2002 proposing a structural change from its original structure as a for-profit, transmission asset owner to a Florida not-for-profit corporation that will operate, but not own transmission assets.
• The structural transformation is designed to allay various stakeholders' concerns over potential conflicts of interest related to RTOs, as well as to simplify the governance structure.
• GridFlorida results are not expected to be materially positive or negative to cash flow, income, etc.

Needs Determination
• Florida's power plant capacity needs are growing as a result of the state's continuing population growth.
• FPL has issued a supplemental request for proposal asking companies to provide added generating capacity for FPL customers starting in 2005. This supplemental RFP provides an opportunity to identify a lower cost bid than the FPL proposed projects at the existing Martin and Manatee sites.
• FPL has requested that the PSC delay the needs determination proceeding pending the results of the supplemental proposal process.

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FPL Cash Generation and Financing Plan ($ millions)

	Actual	Projected		
	2001	2002	2003	2004
Cash Generated				
Cash Flow from Operations	$ 1,825	$ 1,856	$ 1,417	$ 1,656
Capital Expenditures	(1,154)	(1,090)	(972)	(950)
Other	(90)	(107)	(106)	(108)
Total Generated / (Used)	$ 581	$ 659	$ 339	$ 598
Financing Plan				
Issuance of Long-Term Debt	$ -	$ 248	$ 297	$ -
Retirements of Long-Term Debt and Preferred Stock	(66)	-	(170)	(125)
Net Equity (to) from FPL Group	(252)	(937)	(563)	(579)
Change in Cash/Short-Term Debt	(263)	30	97	106
Total Financing	$ (581)	$ (659)	$ (339)	$ (598)
Cash / (Short-Term Debt) Balance	$ (232)	$ (262)	$ (359)	$ (465)

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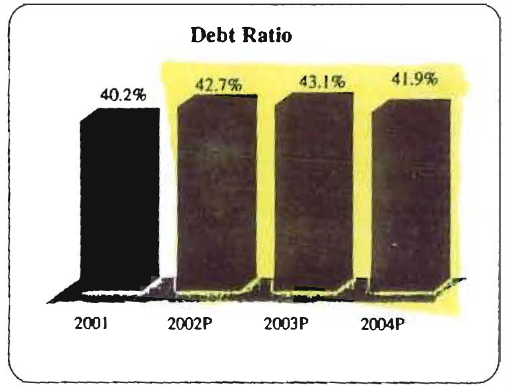
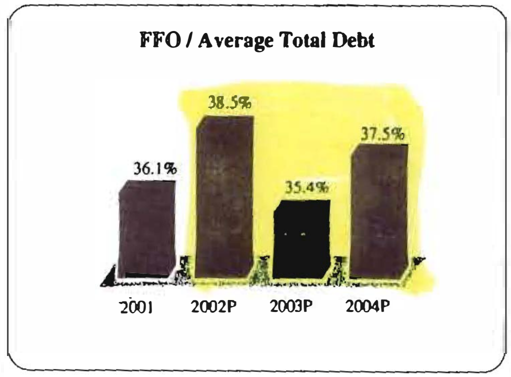
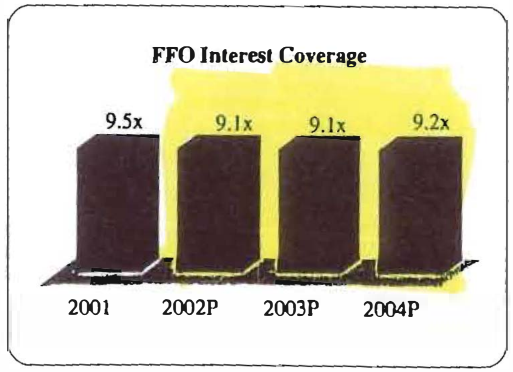
Adjusted Financial Ratios ($ millions)

S&O

	Actual	Projected		
	2001	2002	2003	2004
Capital Structure:				
Debt (Includes CP & Off-Balance Sheet oblig.)	$ 3,810	$ 4,042	$ 4,221	$ 4,154
Preferred	226	226	226	226
Equity	5,444	5,192	5,350	5,528
Total	$ 9,480	$ 9,460	$ 9,797	$ 9,908
Capitalization Ratios:				
Debt (Including Commercial Paper)	40.2%	42.7%	43.1%	41.9%
Preferred	2.4%	2.4%	2.3%	2.3%
Equity	57.4%	54.9%	54.6%	55.8%
Total	100.0%	100.0%	100.0%	100.0%
FFO / Average Total Debt	36.1%	38.5%	35.4%	37.5%
FFO Interest Coverage	9.5x	9.1x	9.1x	9.2x
Pre-Tax Interest Coverage	7.3x	7.1x	7.5x	7.5x







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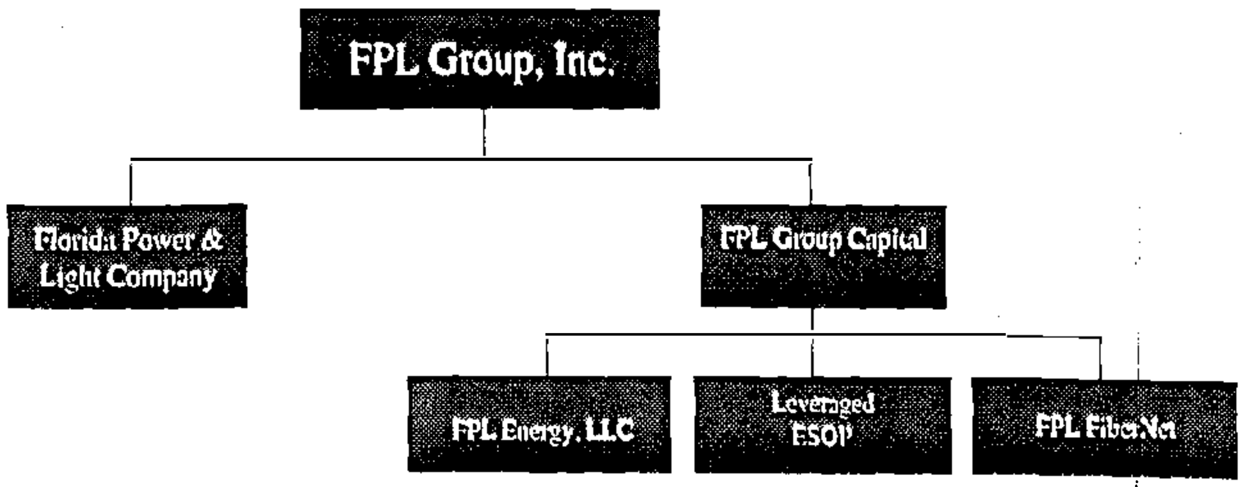
FPL Group Corporate Structure



Restructured GE turbine contract

- Original turbine contract provided for delivery of 66 turbines between 2001 and 2004.
- FPL has used 18 turbines and FPL Energy has 16 turbines committed to projects built or under construction.

[redacted]

FPL Group's cumulative cash requirements over the 2002 through 2004 period are forecast to be $1,531 million. The financing plan is designed to meet these needs while maintaining a strong credit position. The plan includes the following:

Equity & Equity-like Products

- Shares issued under several of the Company's employee benefit plans are now being made with new issue shares (previously shares were purchased on the open market). This provides a low cost means of issuing equity and is expected to raise approximately $375 million over the 2002 through 2004 period.

- In February, 2002, the Company issued $575 million of debt with equity units. The Company plans to issue an additional $600 million of debt with equity units over the forecast period. These instruments allow the Company to issue an equity-like product while better matching the dilutive effect of equity issuance with incremental project cash flows for projects with lower returns in early years.

- The Company plans to raise approximately $400 million of capital through straight equity issuance. This equity will support the Seabrook acquisition as well as incremental wind development.

- In total, the Company plans to raise approximately $1,950 of capital through equity and equity-like products over the period.

Non-recourse Debt

- The Company is currently negotiating terms for a $2 billion non-recourse construction facility to finance the construction of four of FPL Energy's projects: Forney, Blythe, Calhoun and Marcus Hook (750). Proceeds from the facility will be used to reduce commercial paper balances. The financing plan assumes that as projects come out of construction, they will be permanently financed with 50% non-recourse debt.

Recourse Debt at Florida Power & Light

- The Company plans to issue approximately $550 of first mortgage bonds at Florida Power & Light Company during the forecast period. The proceeds will be used to pay approximately $300 million in maturing debt with the remainder used to finance construction activity at FPL.

FPL GROUP

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Consolidated Cash Generation and Liquidity

	Actual	Forecast		
	2001	2002	2003	2004
Cash Generated *($ Millions)*				
Net Income	$ 781	$ 623 [1]	$ 932	$ 1,018
Depreciation and Amortization	983	958	1,150	1,216
Increase/(Decrease) in Deferred Income Taxes	(91)	161	258	178
Deferrals Under Cost Recovery Clauses	411	425	(214)	40
Other	(142)	416 [1]	(181)	(129)
Cash Flow From Operations	1,942	2,583	1,945	2,323
Less:				
Capital Expenditures - FPL	(1,154)	(1,090)	(972)	(950)
Independent Power Investments	(1,977)	(1,854)	(1,783)	(147)
Dividends Paid	(377)	(433)	(482)	(518)
Other	(138)	18	(88)	(83)
Cash Generation	($1,704)	$ (776)	$ (1,380)	$ 625
Financing Plan				
FPL Group Common Equity	-	119	524	130
Increase/(Decrease) in Debt with Equity Units - Group Capital	-	575	400	200
Increase/(Decrease) in Long-Term Debt - FPL	(66)	248	127	(125)
Increase/(Decrease) in Recourse Debt - Group Capital	493	-	(4)	(177)
Increase/(Decrease) in Non-recourse Debt - FPL Energy	406	1,832	(482)	(278)
Change in Cash / Short-Term Debt and Other	871	(1,998)	815	(375)
Total Financing	$ 1,704	$ 776	$ 1,380	($625)
Cash / (Short-Term Debt) Net Position	$ (1,900)	$ 96	$ (719)	$ (344)

- FPL currently has $1 billion of committed bank lines. FPL Group Capital currently has $2 billion in committed bank lines.

(1) An after-tax impairment loss on goodwill of $222 million is included in net income. A pre-tax amount of $361 million is added back into other. The goodwill impairment is the cumulative effect of adopting a new accounting standard (FAS 142).

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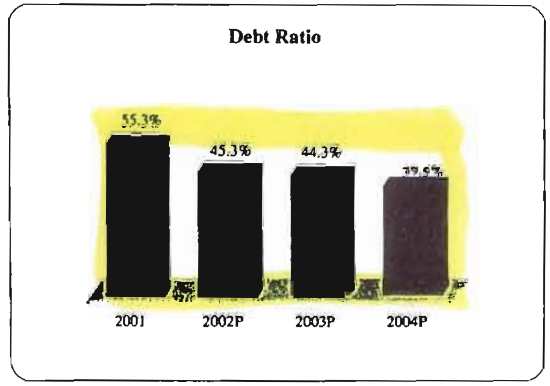
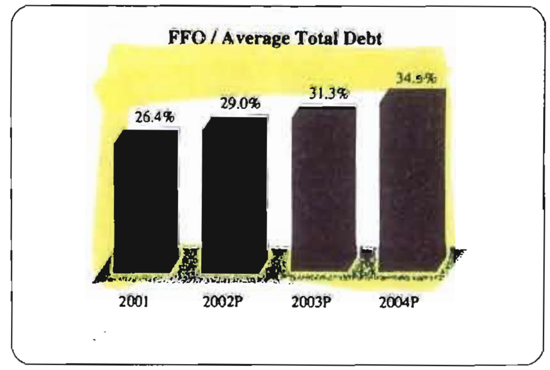
FPL GROUP

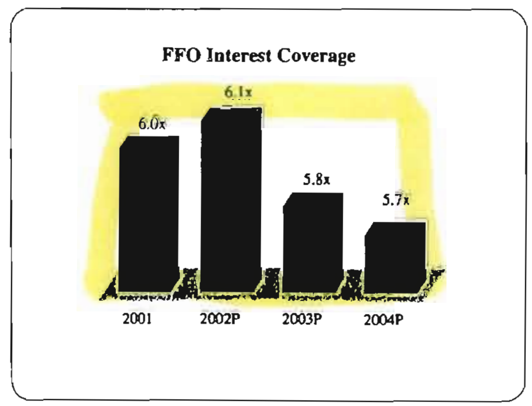
Adjusted Financial Ratios ($ millions)

SEP

	Actual	Projected		
	2001	2002	2003	2004
Capital Structure				
Adjusted Debt	$ 7,708	$ 5,920	$ 6,815	$ 6,166
Preferred	226	226	226	226
Equity	6,015	6,918	8,327	9,206
Total	$ 13,949	$ 13,064	$ 15,368	$ 15,598
Debt	55.3%	45.3%	44.3%	39.5%
Preferred	1.6%	1.7%	1.5%	1.4%
Equity	43.1%	53.0%	54.2%	59.0%
Total	100.0%	100.0%	100.0%	100.0%
FFO / Average Total Debt	26.4%	29.0%	31.3%	34.5%
FFO Interest Coverage	6.0x	6.1x	5.8x	5.7x
Pre-tax Interest Coverage	4.1x	3.3x	4.0x	3.8x







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Florida Power & Light Company:

- Favorable regulatory environment with a rate agreement in place through 2005, with higher revenue sharing thresholds and continuation of incentive-based structure.
- Strong Florida economy with continued customer growth above the national average and controlled costs will continue to support earnings growth.
- Generation assets well above industry average for performance and availability.
- Strong operating cash flow which supports the continued generation and distribution expansion within the service territory and provides incremental support for FPL Group assets.

FPL Energy

- FPL Energy is a growing energy company which is a leader in owning and operating clean, renewable energy. It is well positioned in many regions of the U.S. with generation assets using diverse fuel sources.
- Is the leader in wind energy and with the extension of the Production Tax Credits (PTC's) through 2003, wind projects are even more attractive and accretive to earnings.
- Acquisition of Seabrook Nuclear Generating Plant is a solid addition to the FPL Energy generation portfolio, as it is a premier generating asset in the Northeast and will compliment assets already owned in the region. Seabrook is positioned low in the dispatch stack and has proportionately less market exposure than a typical fossil asset.
- FPL Energy has a very moderate risk profile. In addition to geographical and fuel diversity, the portfolio enjoys the benefit of substantial long-term contract coverage, and new assets will be highly efficient and low cost, enabling them to support additional contract coverage. The business does not depend significantly on trading to realize value.

FPL FiberNet

- One of the few profitable fiber companies in a struggling industry.
- Continues to be slightly accretive to FPL Group earnings.
- Fiber network construction has been completed.

FPL Group

- FPL Group is investing prudently to build a moderate risk, low cost wholesale generation business.
- Notwithstanding the growth of FPL Energy, Florida Power & Light will remain the dominant source of income and value for the immediate future.
- FPL remains one of the country's best utilities, with an attractive service territory, a constructive regulatory environment, and an unmatched track record of operational excellence.
- FPL Group is committed to supporting the financing needs of its growth through an appropriate mix of instruments:
  - Plan includes approximately $775 million of new common equity.
  - Plan includes approximately $1,175 million of new mandatory convertible debt with equity units.
  - Plan includes approximately $2,000 million in non-recourse construction financing to bridge the construction phase of gas-fired assets.

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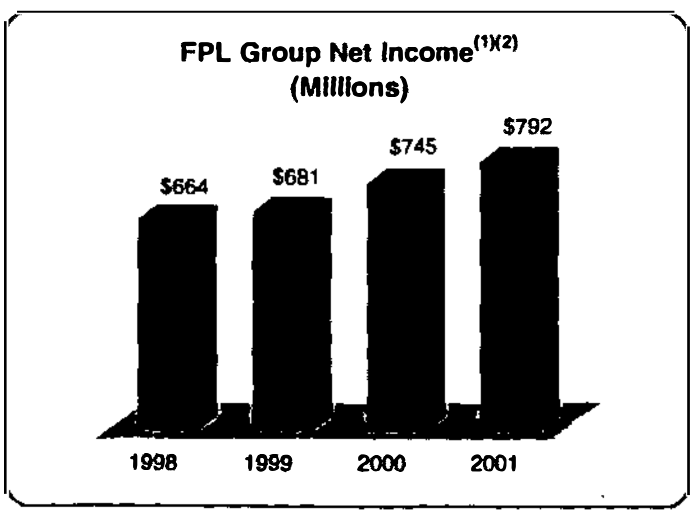

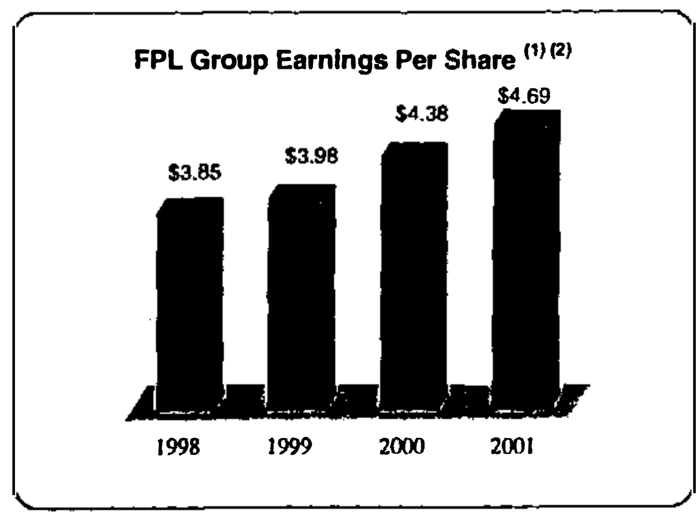

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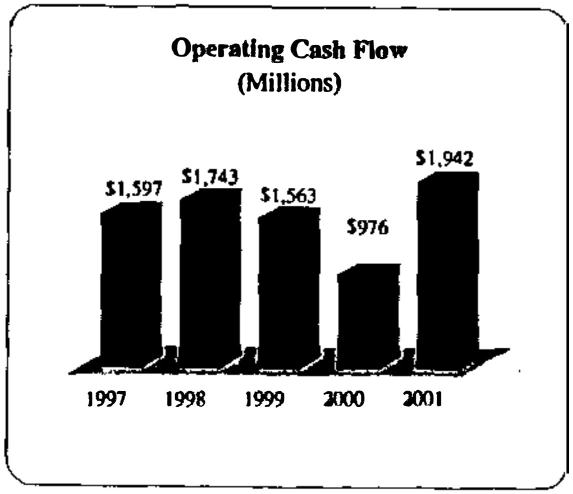
FPL GROUP

2001 Summary (cont'd)



Consolidated Statements of Cash Flows
($ Millions)

	2001	2000	1999
Net Cash provided by operations	$ 1,942	$ 976	$ 1,563
Capital expenditures of FPL	(1,154)	(1,299)	(861)
Independent Power Investments	(1,977)	(507)	(1,540)
Other	(138)	(137)	229
Dividends on common stock	(377)	(366)	(355)
Net debt issuance (reduction)	1,657	1,251	1,254
Common stock repurchases	-	(150)	(116)
Increase (decrease) in cash and cash equivalents	$ (47)	$ (232)	$ 174

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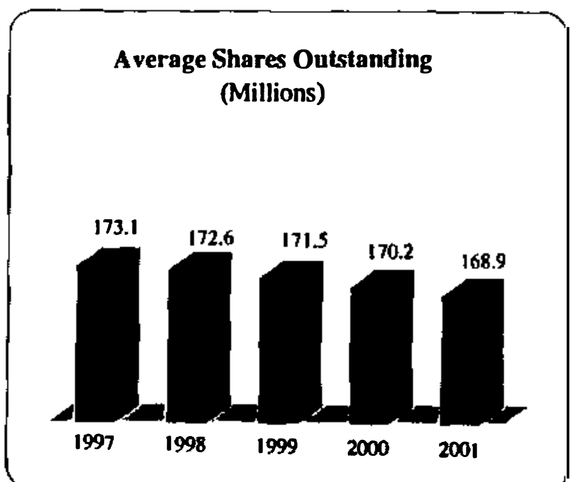

- The decrease in operating cash flows in 2000 is attributable to large fuel underrecovery costs and the payment to settle certain purchase power obligations. The impact of these items will reverse over the next several year period.

- In February 2002, FPL Group raised its annual dividend by 4% to $2.32 per share. This increase results in a 49% payout ratio of 2002 estimated earnings excluding any unusual items.

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Customer Growth

- FPL added nearly 87,000 customer accounts in 2001, representing an increase of 2.3%. Despite the general economic slowdown and the effects of 9/11/01, FPL added new customer accounts at an annual rate of 76,000 in the first quarter of 2002.

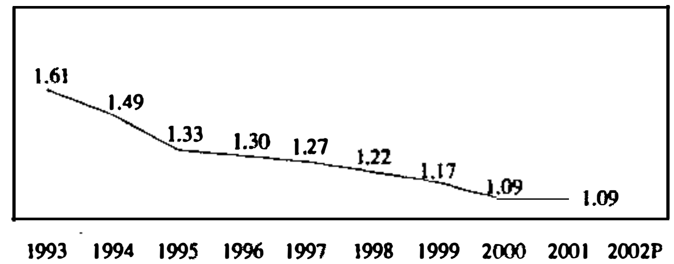
- Energy sales (excluding interchange sales) were 91,475 million kWh in 2001. This was an increase of 2.7% over 2000 sales, a substantial increase when considering the effects of 9/11 on the economy.

Cost Control

- Since 1990, the company's O&M costs per kWh have fallen from 1.82 cents to 1.09 cents, a decline of 40%. This is the largest percentage of reduction in costs of any company within our utility peer group.

- FPL's O&M expenses are expected to increase slightly in 2002, as a result of pressure on such areas as employee benefits and insurance costs, as well as the need to support continued customer growth. O&M per kWh or per customer, however, will remain well below competitive benchmarks.

Aggressive Cost Reduction
O&M Expenses*
(cents per kWh)



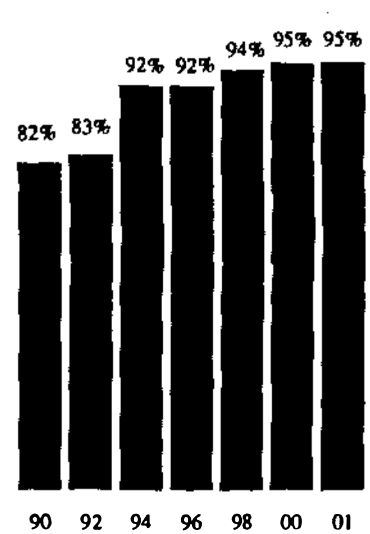
* Excludes fuel, purchased power and conservation expenses. 1999 excludes non-recurring FMPA settlement.

Availability / Performance

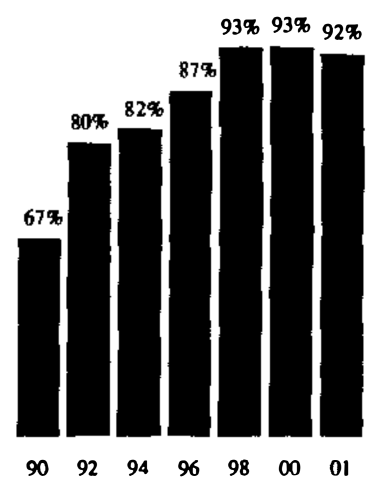
- Fossil plant performance remained at exceptionally high levels in 2001. Fossil plant availability equaled the all-time high of 95%, substantially above the industry average. The 92% availability of the company's nuclear plants, despite three refueling outages last year, was also higher than the industry average of 87%.

- FPL's Turkey Point and St. Lucie sites were both ranked among the top decile for the 2001 World Association of Nuclear Operators (WANO) Index for sites with two or more units. Turkey point ranked 2nd at 99.7 and St. Lucie ranked 3rd at 99.04 out of 35 multiple-unit nuclear sites.

Fossil Availability



Nuclear Availability



Customer Care

- FPL's electricity delivery system ranks among the industry's best. Since 1997, FPL has reduced customers' average time without power by 50%. And while the number of interruptions was reduced by 28% in the last four years, the average time to restore service has improved 30% over the same period.

- "I was impressed with ... the amount of customers that came out in support of FPL's service." - Lila Jaber, Chairman, Florida Public Service Commission

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	Actual 2001	Forecast 2002	2003	2004	2005	2006	Average Growth Rate 2002-2006
Customers and Sales:							
Average Customer Accounts (thousands)	3,935	4,000	4,075	4,147	4,222	4,295	1.8%
Energy Sales (million kWh)[1]	91,475	93,483	97,222	101,111	105,156	109,362	4.0%

	Actual 2001	Forecast 2002	2003	2004	2005	2006
System Capacity (MW)[2]:						
Company Plants[3]	16,628	17,860	19,135	19,135	19,135	19,135
Purchased Power	2,392	3,280	3,351	3,351	2,625	2,491
Unidentified Capacity[4]					1,896	1,896
Total Capacity	19,020	21,140	22,486	22,486	23,656	23,522
Summer Peak Load	18,754	19,131	19,765	20,226	20,719	21,186
Demand Side Management	2,417	1,414	1,491	1,570	1,651	1,729
Firm Summer Peak	16,337	17,717	18,274	18,656	19,068	19,457
Reserve Margin (%)	14	19	23	21	24	21

- FPL will meet future growth by expanding its system capacity by 32% over the next ten years.
- FPL expects to complete the repowering of its Fort Myers steam units and one of its steam units at the Sanford site, which will add approximately 1,100 MW by mid-2002. FPL also expects to complete the repowering of another unit at Sanford in mid-2003 and add two new gas fired combustion turbines at its Fort Myers site in 2003.
- A supplemental request for proposal is currently in process regarding the FPL proposed plants at the existing Manatee and Martin sites, which would fill the 2005 capacity need. This supplemental RFP will provide FPL an opportunity to identify any lower cost bid than the Manatee/Martin option, which was the lowest cost alternative in the initial competition. The lowest cost option, whether internal or external build, will then need to be reviewed and approved by the FPSC.

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[1] Excludes interchange power sales.

[2] Forecasted system capacity reflects the capacity projected to be in service by June in order to meet summer peak load. Projected peak load includes effect of existing energy conservation. Demand side management includes load management, load control and incremental energy conservation.

[3] Based on net peaking capability.

[4] Need Determination Study is in progress.

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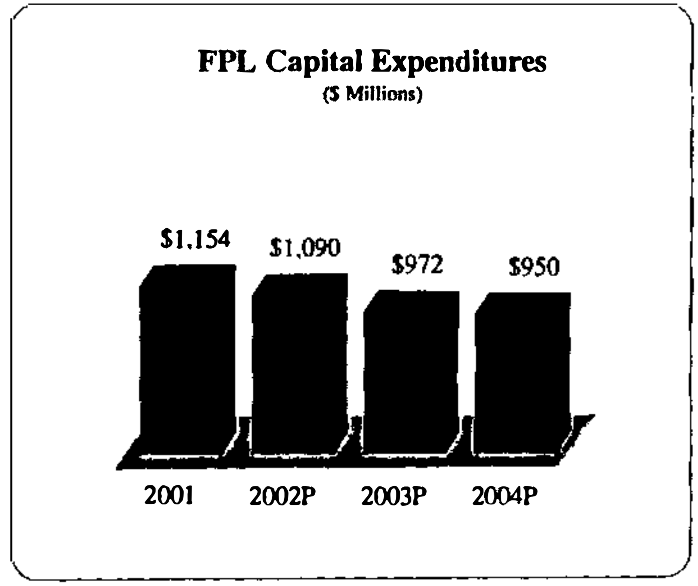
• Capital expenditures in 2001 decreased from 2000 due to the Ft. Myers Plant repowering nearing completion. This was offset by increased spending due to system growth and to improve distribution reliability.

• FPL's capital expenditures for the 2002-2004 period are expected to be approximately $3.0 billion, excluding any possible spending for the Manatee/Martin capacity expansion. Expenditures reflect the ongoing repowering of the Ft. Myers and Sanford plants and the construction of two peaking units. The repowerings are scheduled to be completed by 2002 and 2003, respectively, and will more than double the plants' capacity. 300 MW of peaking capacity will be added to the repowered Fort Myers site in 2003.



	Actual	Projected		
	2001	2002	2003	2004
Capital Expenditures *($ Millions)*				
Generation	$ 401	$ 360	$ 211	$ 160
Transmission	125	89	93	121
Distribution	497	438	488	480
General	132	203	180	189
Total Capital Expenditures	1,154	1,090	972	950
Long-Term Debt Maturities	0	0	170	125
Total Capital Requirements	$ 1,154	$ 1,090	$ 1,142	$ 1,075

FPL *Regulatory Update* **CONFIDENTIAL**

Current Rate Agreement

- On March 22, 2002 the Florida Public Service Commission (PSC) approved FPL's rate reduction agreement in settlement of the base rate proceeding that commenced May 3, 2001. The settlement stipulations took effect April 15, 2002 and go through December 2005.
- As part of the agreement, FPL agreed to a permanent base rate reduction of $250 million per year.
- As with the previous agreement, a revenue sharing incentive plan establishes thresholds for years 2002 through 2005. Revenues between the retail base rate thresholds and caps will be shared one-third with FPL's shareholders and two-thirds with retail customers. Revenues exceeding the caps will be refunded at 100% to FPL's retail customers annually, with the year 2002 refund being limited to 71.5%. All O&M savings go directly to the benefit of FPL.

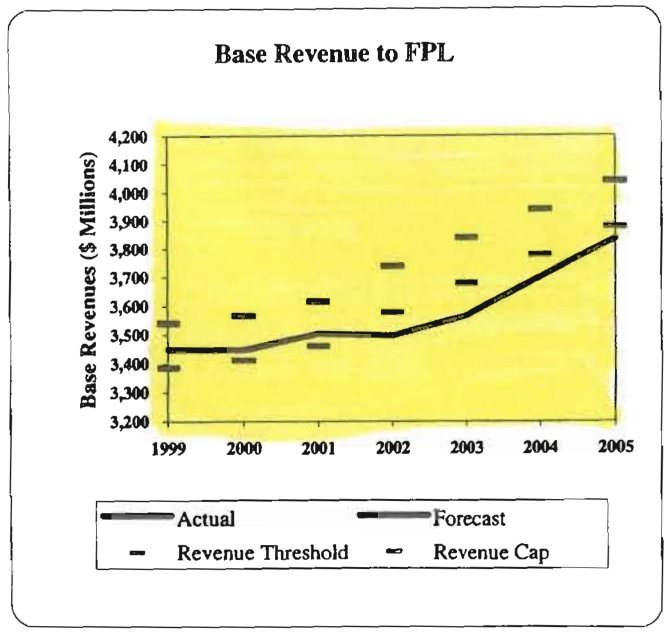
	Sharing Threshold ($mil.)	Cap ($mil.)
2002	$3,580	$3,740
2003	3,680	3,840
2004	3,780	3,940
2005	3,880	4,040

Base Revenues Under Old Agreement [1]

	1999	2000	2001	2002	2003	2004	2005
Actual/Forecast	$3,468	$3,507	$3,616	$3,694	$3,822	$3,966	$4,113
Rate Reduction				0	0	0	0
Revenue Sharing [1]	(20)	(60)	(110)	(146)	(224)	(318)	(415)
Base Revenue to FPL	$3,448	$3,447	$3,506	$3,548	$3,598	$3,648	$3,698

Base Revenues Under New Agreement

	1999	2000	2001	2002	2003	2004	2005
Original Forecast				$3,694	$3,822	$3,966	$4,113
Rate Reduction				(195)	(254)	(265)	(276)
Revenue Sharing				0	0	0	0
Base Revenue to FPL				$3,499	$3,568	$3,701	$3,837



[1]Revenue thresholds and caps for 2002 to 2005 were increased by $50 per year and FPL FiberNet backbone revenues of approx. $40 mil. were added to calculate sharing amount per old agreement.

• There is no authorized return on equity range for the purpose of addressing earnings. However, FPL may petition the PSC for a base rate increase if its retail base rate earnings fall below a 10% return on equity.
• FPL may choose to amortize a $125 million annual credit to its depreciation reserve over the stipulation period.
• On April 26, 2002, the South Florida Hospital & Healthcare Association (SFHHA) filed with the PSC and the Clerk of the Supreme Court of Florida its Notice of Administrative Appeal regarding FPL's rate case docket. SFHHA has 70 days to file its Initial Briefs. Any party who signed the rate agreement may not re-open the agreement.

Energy Study Commission

• The Florida Energy 2020 Study Commission released a final report in December 2001 encouraging competition in the wholesale electricity market. However, it recommended no changes in the retail market at this time.
• No action was taken in the 2001 or 2002 legislative session regarding deregulation at the wholesale or retail levels.

GridFlorida

• The Florida Public Service Commission has taken a cautious approach in evaluating GridFlorida, an RTO formed to comply with the FERC's mandate that investor-owned utilities form regional transmission organizations.
• Therefore, in response to the PSC's concerns, GridFlorida submitted a filing to the Commission in March 2002 proposing a structural change from its original structure as a for-profit, transmission asset owner to a Florida not-for-profit corporation that will operate, but not own transmission assets.
• The structural transformation is designed to allay various stakeholders' concerns over potential conflicts of interest related to RTOs, as well as to simplify the governance structure.
• GridFlorida results are not expected to be materially positive or negative to cash flow, income, etc.

Needs Determination

• Florida's power plant capacity needs are growing as a result of the state's continuing population growth.
• FPL has issued a supplemental request for proposal asking companies to provide added generating capacity for FPL customers starting in 2005. This supplemental RFP provides an opportunity to identify a lower cost bid than the FPL proposed projects at the existing Martin and Manatee sites.
• FPL has requested that the PSC delay the needs determination proceeding pending the results of the supplemental proposal process.

FPL

FPL Cash Generation and Financing Plan ($ millions)

	Actual 2001	Projected 2002	2003	2004
Cash Generated				
Cash Flow from Operations	$ 1,825	$ 1,856	$ 1,417	$ 1,656
Capital Expenditures	(1,154)	(1,090)	(972)	(950)
Other	(90)	(107)	(106)	(108)
Total Generated / (Used)	$ 581	$ 659	$ 339	$ 598
Financing Plan				
Issuance of Long-Term Debt	$ -	$ 248	$ 297	$ -
Retirements of Long-Term Debt and Preferred Stock	(66)	-	(170)	(125)
Net Equity (to) from FPL Group	(252)	(937)	(563)	(579)
Change in Cash/Short-Term Debt	(263)	30	97	106
Total Financing	$ (581)	$ (659)	$ (339)	$ (598)
Cash / (Short-Term Debt) Balance	$ (232)	$ (262)	$ (359)	$ (465)

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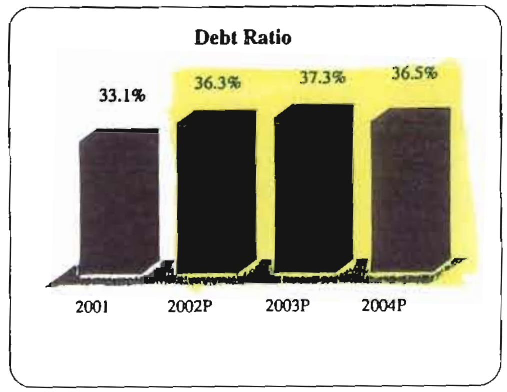
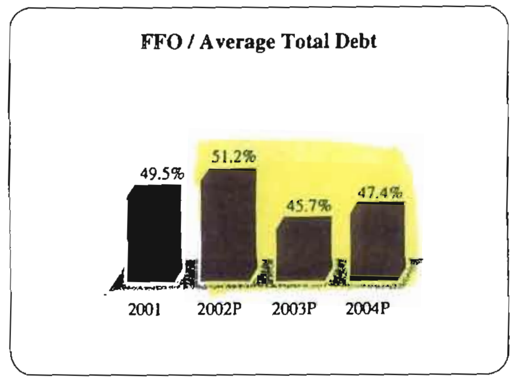
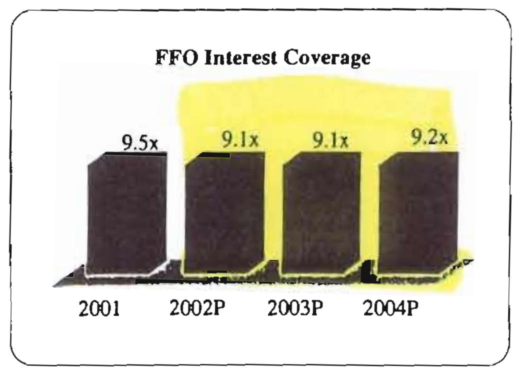
Adjusted Financial Ratios ($ millions)

	Actual	Projected		
	2001	2002	2003	2004
Capital Structure:				
Debt (Including Commercial Paper)	$ 2,810	$ 3,092	$ 3,321	$ 3,304
Preferred	226	226	226	226
Equity	5,444	5,192	5,350	5,528
Total	$ 8,480	$ 8,510	$ 8,897	$ 9,058
Capitalization Ratios:				
Debt (Including Commercial Paper)	33.1%	36.3%	37.3%	36.5%
Preferred	2.7%	2.7%	2.5%	2.5%
Equity	64.2%	61.0%	60.1%	61.0%
Total	100.0%	100.0%	100.0%	100.0%
FFO / Average Total Debt	49.5%	51.2%	45.7%	47.4%
FFO Interest Coverage	9.5x	9.1x	9.1x	9.2x
Pre-Tax Interest Coverage	7.3x	7.1x	7.5x	7.5x

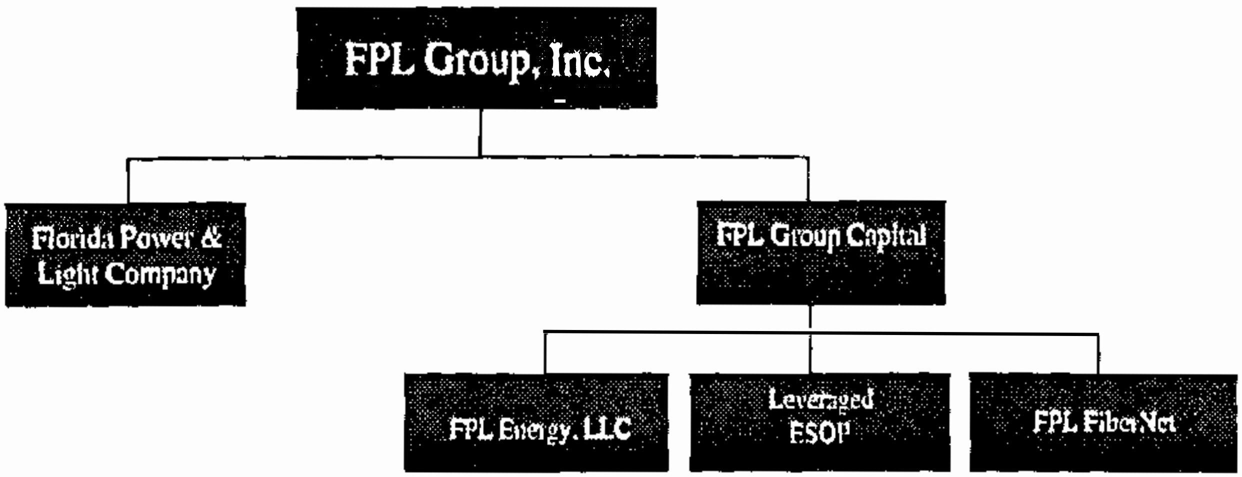






FPL GROUP

FPL Group Corporate Structure



Restructured GE turbine contract

- Original turbine contract provided for delivery of 66 turbines between 2001 and 2004.
- FPL has used 18 turbines and FPL Energy has 16 turbines committed to projects built or under construction.

[redacted]

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FPL Group's cumulative cash requirements over the 2002 through 2004 period are forecast to be $1,531 million. The financing plan is designed to meet these needs while maintaining a strong credit position. The plan includes the following:

Equity & Equity-like Products

- Shares issued under several of the Company's employee benefit plans are now being made with new issue shares (previously shares were purchased on the open market). This provides a low cost means of issuing equity and is expected to raise approximately $375 million over the 2002 through 2004 period.

- In February, 2002, the Company issued $575 million of debt with equity units. The Company plans to issue an additional $600 million of debt with equity units over the forecast period. These instruments allow the Company to issue an equity-like product while better matching the dilutive effect of equity issuance with incremental project cash flows for projects with lower returns in early years.

- The Company plans to raise approximately $400 million of capital through straight equity issuance. This equity will support the Seabrook acquisition as well as incremental wind development.

- In total, the Company plans to raise approximately $1,950 of capital through equity and equity-like products over the period.

Non-recourse Debt

- The Company is currently negotiating terms for a $2 billion non-recourse construction facility to finance the construction of four of FPL Energy's projects: Forney, Blythe, Calhoun and Marcus Hook (750). Proceeds from the facility will be used to reduce commercial paper balances. The financing plan assumes that as projects come out of construction, they will be permanently financed with 50% non-recourse debt.

Recourse Debt at Florida Power & Light

- The Company plans to issue approximately $550 of first mortgage bonds at Florida Power & Light Company during the forecast period. The proceeds will be used to pay approximately $300 million in maturing debt with the remainder used to finance construction activity at FPL.

FPL GROUP

Consolidated Cash Generation and Liquidity

	Actual	Forecast		
	2001	2002	2003	2004
Cash Generated *($ Millions)*				
Net Income	$ 781	$ 623 [1]	$ 932	$ 1,018
Depreciation and Amortization	983	958	1,150	1,216
Increase/(Decrease) in Deferred Income Taxes	(91)	161	258	178
Deferrals Under Cost Recovery Clauses	411	425	(214)	40
Other	(142)	416 [1]	(181)	(129)
Cash Flow From Operations	1,942	2,583	1,945	2,323
Less:				
Capital Expenditures - FPL	(1,154)	(1,090)	(972)	(950)
Independent Power Investments	(1,977)	(1,854)	(1,783)	(147)
Dividends Paid	(377)	(433)	(482)	(518)
Other	(138)	18	(88)	(83)
Cash Generation	($1,704)	$ (776)	$ (1,380)	$ 625
Financing Plan				
FPL Group Common Equity	-	119	524	130
Increase/(Decrease) in Debt with Equity Units - Group Capital	-	575	400	200
Increase/(Decrease) in Long-Term Debt - FPL	(66)	248	127	(125)
Increase/(Decrease) in Recourse Debt - Group Capital	493	-	(4)	(177)
Increase/(Decrease) in Non-recourse Debt - FPL Energy	406	1,832	(482)	(278)
Change in Cash / Short-Term Debt and Other	871	(1,998)	815	(375)
Total Financing	$ 1,704	$ 776	$ 1,380	($625)
Cash / (Short-Term Debt) Net Position	$ (1,900)	$ 96	$ (719)	$ (344)

- FPL currently has $1 billion of committed bank lines. FPL Group Capital currently has $2 billion in committed bank lines.

[1] An after-tax impairment loss on goodwill of $222 million is included in net income. A pre-tax amount of $361 million is added back into other. The goodwill impairment is the cumulative effect of adopting a new accounting standard (FAS 142).

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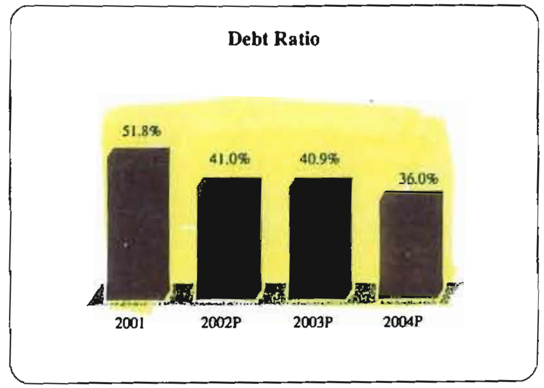
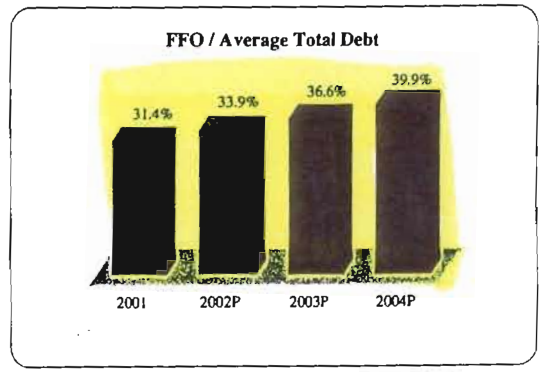
FPL GROUP

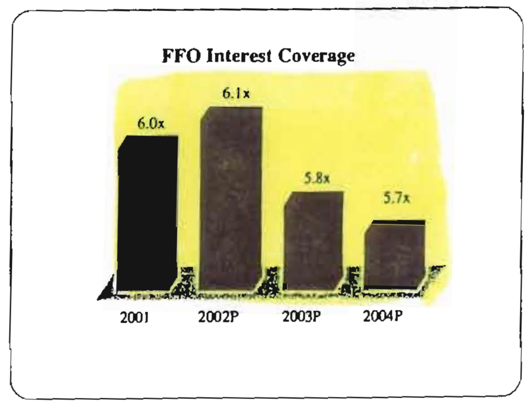
Adjusted Financial Ratios ($ millions)

Moody's

	Actual 2001	Projected 2002	2003	2004
Capital Structure				
Adjusted Debt	$ 6,708	$ 4,970	$ 5,915	$ 5,316
Preferred	226	226	226	226
Equity	6,015	6,918	8,327	9,206
Total	$ 12,949	$ 12,114	$ 14,468	$ 14,748
Debt	51.8%	41.0%	40.9%	36.0%
Preferred	1.7%	1.9%	1.6%	1.5%
Equity	46.5%	57.1%	57.6%	62.4%
Total	100.0%	100.0%	100.0%	100.0%
FFO / Average Total Debt	31.4%	33.9%	36.6%	39.9%
FFO Interest Coverage	6.0x	6.1x	5.8x	5.7x
Pre-tax Interest Coverage	4.1x	3.3x	4.0x	3.8x







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Florida Power & Light Company:

- Favorable regulatory environment with a rate agreement in place through 2005, with higher revenue sharing thresholds and continuation of incentive-based structure.
- Strong Florida economy with continued customer growth above the national average and controlled costs will continue to support earnings growth.
- Generation assets well above industry average for performance and availability.
- Strong operating cash flow which supports the continued generation and distribution expansion within the service territory and provides incremental support for FPL Group assets.

FPL Energy

- FPL Energy is a growing energy company which is a leader in owning and operating clean, renewable energy. It is well positioned in many regions of the U.S. with generation assets using diverse fuel sources.
- Is the leader in wind energy and with the extension of the Production Tax Credits (PTC's) through 2003, wind projects are even more attractive and accretive to earnings.
- Acquisition of Seabrook Nuclear Generating Plant is a solid addition to the FPL Energy generation portfolio, as it is a premier generating asset in the Northeast and will compliment assets already owned in the region. Seabrook is positioned low in the dispatch stack and has proportionately less market exposure than a typical fossil asset.
- FPL Energy has a very moderate risk profile. In addition to geographical and fuel diversity, the portfolio enjoys the benefit of substantial long-term contract coverage, and new assets will be highly efficient and low cost, enabling them to support additional contract coverage. The business does not depend significantly on trading to realize value.

FPL FiberNet

- One of the few profitable fiber companies in a struggling industry.
- Continues to be slightly accretive to FPL Group earnings.
- Fiber network construction has been completed.

Conclusions (cont'd)

FPL Group

- FPL Group is investing prudently to build a moderate risk, low cost wholesale generation business.
- Notwithstanding the growth of FPL Energy, Florida Power & Light will remain the dominant source of income and value for the immediate future.
- FPL remains one of the country's best utilities, with an attractive service territory, a constructive regulatory environment, and an unmatched track record of operational excellence.
- FPL Group is committed to supporting the financing needs of its growth through an appropriate mix of instruments:
  - Plan includes approximately $775 million of new common equity.
  - Plan includes approximately $1,175 million of new mandatory convertible debt with equity units.
  - Plan includes approximately $2,000 million in non-recourse construction financing to bridge the construction phase of gas-fired assets.

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