

FPL GROUP INC  
Form 424B2  
September 11, 2007

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Filed pursuant to Rule 424(b)(2). Based upon the registration of \$250,000,000 aggregate principal amount of FPL Group Capital Inc's Series D Junior Subordinated Debentures due 2067 to be offered by means of this prospectus supplement and the accompanying prospectus under Registration Statement Nos. 333 137120, 333 137120 01, 333 137120 02, 333 137120 03, 333 137120 05, 333 137120 06, 333 137120 07 and 333 137120 08 ("Registration Statement No. 333 137120"), a filing fee of \$7,675 has been calculated in accordance with Rule 457(r). This filing fee will be offset against the \$440,356 aggregate registration fee previously paid. No additional registration fee has been paid with respect to this offering. In accordance with Rules 456(b) and 457(r), the registrants will have \$382,951 remaining available for future registration fees, being the sum of (a) \$28,191 from the \$123,046 that has already been paid with respect to \$1,337,450,000 aggregate amount of securities that were previously registered pursuant to Registration Statement Nos. 333 102173, 333 102173 01, 333 102173 02 and 333 102173 03, which registration statement was filed with the Securities and Exchange Commission on December 23, 2002, and were not issued or sold thereunder and (b) \$354,760 from the \$354,760 that has already been paid with respect to \$2,800,000,000 aggregate amount of securities that were previously registered pursuant to Registration Statement Nos. 333 116209, 333 116209 01, 333 116209 02, 333 116209 03, 333 116209 04 and 333 116209 05, which registration statement was filed with the Securities and Exchange Commission on June 4, 2004, and were not issued or sold thereunder. This paragraph shall be deemed to update the "Calculation of Registration Fee" table in Registration Statement No. 333 137120.

**PROSPECTUS SUPPLEMENT**  
**(To prospectus dated May 3, 2007)**

**\$250,000,000**  
**Series D Junior Subordinated Debentures due 2067**

**The Series D Junior Subordinated Debentures will**  
**be Fully and Unconditionally Guaranteed by**  
**FPL GROUP, INC.**

The Series D Junior Subordinated Debentures will bear interest at 7.30% per year until September 1, 2017. During this period, FPL Group Capital will pay interest on the securities on March 1 and September 1 of each year, beginning March 1, 2008. Beginning September 1, 2017, the securities will bear interest at the Three-Month LIBOR Rate plus 334.75 basis points (3.3475%), reset quarterly, payable on March 1, June 1, September 1 and December 1 of each year, beginning December 1, 2017. The securities will be issued in registered form and in denominations of \$1,000 and integral multiples thereof. The securities will mature on September 1, 2067.

FPL Group Capital may defer interest payments on the securities on one or more occasions for up to 10 consecutive years as described in this prospectus supplement. Deferred interest payments will accrue additional interest at a rate equal to the interest rate then applicable to the securities, to the extent permitted by applicable law.

FPL Group Capital may redeem the securities at its option at the times and the prices described in this prospectus supplement.

**See “Risk Factors” beginning on page S-9 to read about certain factors you should consider before making an investment in the securities.**

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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	<b>Per Junior Subordinated Debenture</b>	<b>Total</b>
Price to Public (1)	99.775%	\$249,437,500
Underwriting Discount	1.000%	\$ 2,500,000
Proceeds to FPL Group Capital (before expenses)	98.775%	\$246,937,500

(1) Plus accrued interest, if any, from the date the securities are originally issued, if settlement occurs after that date.

The securities are expected to be delivered in book-entry only form through The Depository Trust Company for the accounts of its participants, including Euroclear and Clearstream, Luxembourg, on or about September 17, 2007.

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Wachovia Capital Markets, LLC acted as structuring advisor for this transaction.

*Joint Book-Running Managers*

**Barclays Capital  
RBS Greenwich Capital**

**JPMorgan  
Wachovia Securities**

*Co-Managers*

**BBVA Securities**

**Bear, Stearns & Co. Inc.**

**Deutsche Bank Securities**

**HVB Capital Markets**

**Lazard Capital Markets**

**The Williams Capital Group, L.P.**

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The date of this prospectus supplement is September 10, 2007.

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The accompanying prospectus is part of a registration statement filed with the Securities and Exchange Commission. You should rely only on the information incorporated by reference or provided in this prospectus supplement and in the accompanying prospectus and in any written communication from FPL Group Capital, FPL Group or the underwriters specifying the final terms of the offering. None of FPL Group Capital, FPL Group or the underwriters has authorized anyone else to provide you with additional or different information. None of FPL Group Capital, FPL Group or the underwriters is making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus supplement or in the accompanying prospectus is accurate as of any date other than the date on the front of those documents or that the information incorporated by reference is accurate as of any date other than the date of the document incorporated by reference.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*You should read the following summary in conjunction with the more detailed information incorporated by reference or provided in this prospectus supplement or in the accompanying prospectus. This prospectus supplement and the accompanying prospectus contain forward-looking statements (as that term is defined in the Private Securities Litigation Reform Act of 1995). Forward-looking statements should be read with the cautionary statements in the accompanying prospectus under the heading “Forward-Looking Statements” and the important factors discussed in this prospectus supplement and in the incorporated documents. To the extent the following information is inconsistent with the information in the accompanying prospectus, you should rely on the following information. You should pay special attention to the “Risk Factors” section beginning on page S-9 of this prospectus supplement to determine whether an investment in these securities is appropriate for you.*

**FPL GROUP CAPITAL AND FPL GROUP**

**FPL Group Capital**

FPL Group Capital was incorporated in 1985 as a Florida corporation and is a wholly-owned subsidiary of FPL Group. FPL Group Capital holds the capital stock or other ownership interests of, and provides funding for, FPL Group’s operating subsidiaries other than Florida Power & Light Company. These operating subsidiaries’ business activities primarily consist of FPL Energy, LLC’s competitive energy business.

**FPL Group**

FPL Group is a holding company incorporated in 1984 as a Florida corporation. FPL Group’s principal subsidiary, Florida Power & Light Company, is a rate-regulated utility engaged primarily in the generation, transmission, distribution and sale of electric energy. Other operations are conducted through FPL Group Capital.

Both FPL Group Capital’s and FPL Group’s principal executive offices are located at 700 Universe Boulevard, Juno Beach, Florida 33408, telephone number (561) 694-4000, and their mailing address is P.O. Box 14000, Juno Beach, Florida 33408-0420.

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**SUMMARY—Q&A**

**What securities are being offered pursuant to this prospectus supplement?**

FPL Group Capital is offering \$250,000,000 aggregate principal amount of its Series D Junior Subordinated Debentures due 2067, which will be referred to as the “Junior Subordinated Debentures” in this prospectus supplement. FPL Group Capital’s corporate parent, FPL Group, has agreed to fully and unconditionally guarantee the payment of principal, interest and premium, if any, on the Junior Subordinated Debentures. The Junior Subordinated Debentures will be issued in denominations of \$1,000 and integral multiples thereof.

**What interest will be paid by FPL Group Capital?**

*Fixed Rate Period.* The Junior Subordinated Debentures will bear interest at 7.30% per year from the date they are issued up to, but not including, September 1, 2017 or earlier redemption date (the “Fixed Rate Period”). Subject to FPL Group Capital’s right to defer interest payments as described below, during the Fixed Rate Period interest is payable semi-annually in arrears on March 1 and September 1 of each year, beginning March 1, 2008.

*Floating Rate Period.* The Junior Subordinated Debentures will bear interest from September 1, 2017 up to, but not including, the maturity date or earlier redemption date (the “Floating Rate Period”) at the Three-Month LIBOR Rate plus 334.75 basis points (3.3475%), reset quarterly. Subject to FPL Group Capital’s right to defer interest payments as described below, during the Floating Rate Period interest is payable quarterly in arrears on March 1, June 1, September 1 and December 1 of each year, beginning December 1, 2017.

For a more complete description of interest payable on the Junior Subordinated Debentures, see “Specific Terms of the Junior Subordinated Debentures—Interest and Maturity.”

**What are the record dates for the payment of interest?**

So long as all of the Junior Subordinated Debentures remain in book-entry only form, the record date for each interest payment date will be the close of business on the business day (as defined below under “Specific Terms of the Junior Subordinated Debentures—Interest and Maturity—General”) immediately preceding the applicable interest payment date. If any of the Junior Subordinated Debentures do not remain in book-entry only form, the record date for each interest payment date will be the close of business on the fifteenth calendar day immediately preceding the applicable interest payment date.

**When can payment of interest be deferred?**

So long as there is no event of default under the subordinated indenture pursuant to which the Junior Subordinated Debentures will be issued, FPL Group Capital may defer interest payments on the Junior Subordinated Debentures, from time to time, for one or more periods (each, an “Optional Deferral Period”) of up to 10 consecutive years per Optional Deferral Period. In other words, FPL Group Capital may declare at its discretion up to a 10-year interest payment moratorium on the Junior Subordinated Debentures, and may choose to do that on more than one occasion. FPL Group Capital may not defer payments beyond the maturity date of the Junior Subordinated Debentures (which is September 1, 2067). Any deferred interest on the Junior Subordinated Debentures will accrue additional interest at a rate equal to the interest rate then applicable to the Junior Subordinated Debentures, to the extent permitted by applicable law. Once all accrued and unpaid interest on the Junior Subordinated Debentures has been paid, FPL Group Capital can begin a new Optional Deferral Period. However, FPL Group Capital has no current intention of deferring interest payments on the Junior Subordinated Debentures.

For a more complete description of FPL Group Capital's ability to defer the payment of interest, see "Specific Terms of the Junior Subordinated Debentures—Option to Defer Interest Payments" and "Specific Terms of the Junior Subordinated Debentures—Modification of the Subordinated Indenture" in this prospectus supplement and "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee—Option to Defer Interest Payments" in the accompanying prospectus.

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### **What restrictions are imposed on FPL Group Capital and FPL Group during an Optional Deferral Period?**

During any period in which FPL Group Capital defers interest payments on the Junior Subordinated Debentures, neither FPL Group nor FPL Group Capital will, and each will cause their majority-owned subsidiaries not to, do any of the following (with limited exceptions):

- declare or pay any dividend or distribution on FPL Group's or FPL Group Capital's capital stock;
- redeem, purchase, acquire or make a liquidation payment with respect to any of FPL Group's or FPL Group Capital's capital stock;
- pay any principal, interest or premium on, or repay, repurchase or redeem any of FPL Group's or FPL Group Capital's debt securities that are equal or junior in right of payment with the Junior Subordinated Debentures or FPL Group's guarantee (the "Subordinated Guarantee") of FPL Group Capital's payment obligations under the Junior Subordinated Debentures (as the case may be); or
- make any payments with respect to any FPL Group or FPL Group Capital guarantee of debt securities if such guarantee is equal or junior in right of payment to the Junior Subordinated Debentures or the Subordinated Guarantee (as the case may be).

See "Specific Terms of the Junior Subordinated Debentures—Option to Defer Interest Payments" and "Specific Terms of the Junior Subordinated Debentures—Modification of the Subordinated Indenture" (which describes the right of FPL Group and FPL Group Capital to modify the restrictions described above) in this prospectus supplement and "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee—Option to Defer Interest Payments" (which includes a description of the limited exceptions to the restrictions described above) in the accompanying prospectus.

Even though you will not receive any interest payments on your Junior Subordinated Debentures during an Optional Deferral Period, you will be required to accrue interest income and include original issue discount in your gross income for United States federal income tax purposes on an economic accrual basis, even if you are a cash basis taxpayer. You should consult with your own tax advisor regarding the tax consequences of an investment in the Junior Subordinated Debentures. See "Material United States Federal Income Tax Consequences—U.S. Holders—Interest" in this prospectus supplement.

If FPL Group Capital defers interest for a period of 10 consecutive years from the commencement of an Optional Deferral Period, FPL Group Capital will be required to pay all accrued and unpaid interest at the conclusion of the 10-year period, and to the extent it does not do so, FPL Group will be required to make guarantee payments in accordance with the Subordinated Guarantee with respect thereto. If FPL Group Capital fails to pay in full all accrued and unpaid interest at the conclusion of the 10-year period, such failure continues for 30 days and FPL Group fails to make guarantee payments with respect thereto, an event of default that gives rise to acceleration of principal and interest on the Junior Subordinated Debentures will occur under the subordinated indenture pursuant to which the Junior Subordinated Debentures will be issued. See "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee—Events of Default" and "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee—Remedies" in the accompanying prospectus.

### **When can FPL Group Capital redeem the Junior Subordinated Debentures?**

FPL Group Capital may redeem the Junior Subordinated Debentures at its option before their maturity:

- in whole or in part on one or more occasions before September 1, 2017 at 100% of their principal amount plus accrued and unpaid interest plus any applicable “make-whole premium,”
  - in whole or in part on one or more occasions on or after September 1, 2017 at 100% of their principal amount plus accrued and unpaid interest,

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- in whole, but not in part, before September 1, 2017 at 100% of their principal amount plus accrued and unpaid interest plus any applicable “tax event make-whole premium,” if certain changes in tax laws, regulations or interpretations occur, or
- in whole or in part on one or more occasions before September 1, 2017 at 100% of their principal amount plus accrued and unpaid interest plus any applicable “rating agency event make-whole premium,” if a rating agency makes certain changes in the equity credit criteria for securities such as the Junior Subordinated Debentures.

The circumstances under which the Junior Subordinated Debentures may be redeemed, and the redemption prices, are more fully described below under the captions “Specific Terms of the Junior Subordinated Debentures—Redemption,” “Specific Terms of the Junior Subordinated Debentures—Right to Redeem Upon a Tax Event” and “Specific Terms of the Junior Subordinated Debentures—Right to Redeem Upon a Rating Agency Event” in this prospectus supplement.

### **What is the Replacement Capital Covenant?**

Around the time of the initial issuance of the Junior Subordinated Debentures, FPL Group Capital and FPL Group will enter into a Replacement Capital Covenant, as described below under “Certain Terms of the Replacement Capital Covenant,” in which FPL Group Capital and FPL Group will covenant for the benefit of holders of a designated series of FPL Group Capital’s unsecured long-term indebtedness, other than the Junior Subordinated Debentures, or in certain limited cases a designated series of unsecured long-term indebtedness of FPL Group, that

- FPL Group Capital will not redeem or purchase, or satisfy, discharge or defease (collectively, “defease”) the Junior Subordinated Debentures,
  - FPL Group will not purchase the Junior Subordinated Debentures, and
- FPL Group and FPL Group Capital will cause their majority-owned subsidiaries not to purchase the Junior Subordinated Debentures

in each case on or before September 1, 2037, unless, subject to certain limitations, a specified amount shall have been raised from the issuance, during the 180 days prior to the date of that redemption, purchase or defeasance, of qualifying securities that have equity-like characteristics that are the same as, or more equity-like than, the applicable characteristics of the Junior Subordinated Debentures at the time of redemption, purchase or defeasance. See “Certain Terms of the Replacement Capital Covenant” below.

The Replacement Capital Covenant is not intended for the benefit of holders of the Junior Subordinated Debentures and may not be enforced by them, and the Replacement Capital Covenant is not a term of the subordinated indenture pursuant to which the Junior Subordinated Debentures will be issued, the Subordinated Guarantee or the Junior Subordinated Debentures.

### **What is the ranking of the Junior Subordinated Debentures and the Subordinated Guarantee?**

FPL Group Capital’s payment obligation under the Junior Subordinated Debentures will be unsecured and will rank junior and be subordinated in right of payment and upon liquidation to all of FPL Group Capital’s Senior Indebtedness, and FPL Group’s payment obligation under the Subordinated Guarantee will be unsecured and will rank junior and be subordinated in right of payment and upon liquidation to all of FPL Group’s Senior Indebtedness. Senior Indebtedness of FPL Group Capital and FPL Group are defined below under “Specific Terms of the Junior Subordinated Debentures—Ranking of the Junior Subordinated Debentures and the Subordinated Guarantee.” However, the Junior Subordinated Debentures and the Subordinated Guarantee will rank equally in right of payment with any Pari Passu

Securities, as defined below under “Specific Terms of the Junior Subordinated Debentures—Ranking of the Junior Subordinated Debentures and the Subordinated Guarantee.”

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FPL Group Capital is a holding company that derives substantially all of its income from its operating subsidiaries. FPL Group Capital's subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts on the Junior Subordinated Debentures or to make any funds available for such payment. Therefore, the Junior Subordinated Debentures will be effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock incurred or issued by FPL Group Capital's subsidiaries. In addition to trade liabilities, many of FPL Group Capital's operating subsidiaries incur debt in order to finance their business activities. All of this indebtedness will be effectively senior to the Junior Subordinated Debentures. The subordinated indenture pursuant to which the Junior Subordinated Debentures will be issued does not place any limit on the amount of Senior Indebtedness that FPL Group Capital may issue, guarantee or otherwise incur or the amount of liabilities, including debt or preferred stock, that FPL Group Capital's subsidiaries may issue, guarantee or otherwise incur. FPL Group Capital expects from time to time to incur additional indebtedness and other liabilities that will be senior to the Junior Subordinated Debentures. At August 31, 2007, FPL Group Capital's Senior Indebtedness, on an unconsolidated basis, totaled approximately \$3.2 billion.

FPL Group is a holding company that derives substantially all of its income from its operating subsidiaries. FPL Group's subsidiaries are separate and distinct legal entities and, other than FPL Group Capital, have no obligation to pay any amounts on the Junior Subordinated Debentures or to make any funds available for such payment. Therefore, the Subordinated Guarantee will be effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock incurred or issued by FPL Group's subsidiaries. In addition to trade liabilities, many of FPL Group's operating subsidiaries incur debt in order to finance their business activities. All of this indebtedness will be effectively senior to the Subordinated Guarantee. The subordinated indenture pursuant to which the Junior Subordinated Debentures will be issued does not place any limit on the amount of Senior Indebtedness that FPL Group may issue, guarantee or otherwise incur or the amount of liabilities, including debt or preferred stock, that FPL Group's subsidiaries may issue, guarantee or otherwise incur. FPL Group expects from time to time to incur additional indebtedness and other liabilities that will be senior to the Subordinated Guarantee. At August 31, 2007, FPL Group's Senior Indebtedness, on an unconsolidated basis, totaled approximately \$3.2 billion, which amount consisted solely of FPL Group's guarantees of FPL Group Capital indebtedness referred to in the paragraph above.

### **Will the Junior Subordinated Debentures be listed on a stock exchange?**

FPL Group Capital does not plan to list the Junior Subordinated Debentures on any securities exchange.

### **In what form will the Junior Subordinated Debentures be issued?**

The Junior Subordinated Debentures will be represented by one or more global certificates and registered in the name of The Depository Trust Company ("DTC") or its nominee, and deposited with the subordinated indenture trustee on behalf of DTC. This means that you will not receive a certificate for your Junior Subordinated Debentures and that your broker will maintain your position in the Junior Subordinated Debentures. FPL Group Capital expects that the Junior Subordinated Debentures will be ready for delivery through DTC on or about the date indicated on the cover of this prospectus supplement. You may elect to hold interests in the Junior Subordinated Debentures through DTC (in the United States), or through either Clearstream, Luxembourg, or Euroclear (outside of the United States), if you are a participant in any of these systems, or indirectly through an organization which is a participant in these systems. See "Specific Terms of the Junior Subordinated Debentures—Book-Entry Only Issuance" in this prospectus supplement for additional information.

### **What are the expected credit ratings on the Junior Subordinated Debentures?**

FPL Group Capital expects that the Junior Subordinated Debentures will be rated "A3" (Stable Outlook), "BBB+" (Stable Outlook) and "A-" (Stable Outlook) by Moody's Investors Service, Inc., Standard & Poor's Ratings Services, a division

of The McGraw-Hill Companies, Inc., and Fitch Ratings, respectively. Credit ratings are not a recommendation to buy, sell or hold these securities. Each rating may be subject to revision or withdrawal at any time by the assigning rating organization, and should be evaluated independently of any other rating.

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**What are the principal United States federal income tax consequences related to the Junior Subordinated Debentures?**

In connection with the issuance of the Junior Subordinated Debentures, FPL Group Capital and FPL Group will receive an opinion from Thelen Reid Brown Raysman & Steiner LLP that, for United States federal income tax purposes, the Junior Subordinated Debentures will be classified as indebtedness (although there is no controlling authority directly on point). This opinion is subject to certain customary conditions. See “Material United States Federal Income Tax Consequences.”

Each holder of Junior Subordinated Debentures will, by accepting the Junior Subordinated Debentures or a beneficial interest therein, be deemed to have agreed that the holder intends that the Junior Subordinated Debentures constitute indebtedness and will treat the Junior Subordinated Debentures as indebtedness for all United States federal, state and local tax purposes. FPL Group Capital intends to treat the Junior Subordinated Debentures in the same manner.

If FPL Group Capital elects to defer interest on the Junior Subordinated Debentures for one or more Optional Deferral Periods, the holders of the Junior Subordinated Debentures will be required to accrue income for United States federal income tax purposes in the amount of the accrued and unpaid interest payments on the Junior Subordinated Debentures, in the form of original issue discount, even though cash interest payments are deferred and even though they may be cash basis taxpayers.

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**RISK FACTORS**

*Before purchasing the securities, investors should carefully consider the following risk factors together with the risk factors and other information incorporated by reference or provided in this prospectus supplement or in the accompanying prospectus in order to evaluate an investment in the securities.*

**Risks Relating to FPL Group’s and FPL Group Capital’s Business**

See the “Risk Factors” section beginning on page 2 of the accompanying prospectus to read about certain factors regarding FPL Group’s and FPL Group Capital’s business that you should consider before making an investment in the Junior Subordinated Debentures.

**Risks Relating to the Junior Subordinated Debentures**

**FPL Group Capital can defer interest payments on the Junior Subordinated Debentures for one or more periods of up to 10 years each. This may affect the market price of the Junior Subordinated Debentures.**

So long as there is no event of default under the subordinated indenture pursuant to which the Junior Subordinated Debentures will be issued, FPL Group Capital may defer interest payments on the Junior Subordinated Debentures, from time to time, for one or more Optional Deferral Periods of up to 10 consecutive years. At the end of an Optional Deferral Period, if all amounts due are paid, FPL Group Capital could start a new Optional Deferral Period of up to 10 consecutive years. During any Optional Deferral Period, interest on the Junior Subordinated Debentures would be deferred but would accrue additional interest at a rate equal to the interest rate then applicable to the Junior Subordinated Debentures, to the extent permitted by applicable law. No Optional Deferral Period may extend beyond the maturity date of the Junior Subordinated Debentures. During an Optional Deferral Period, interest payments would not be due and payable and, therefore, FPL Group would not be obligated to make payments under the Subordinated Guarantee. If FPL Group Capital exercises this interest deferral right, the market price of the Junior Subordinated Debentures is likely to be affected. See “Specific Terms of the Junior Subordinated Debentures—Option to Defer Interest Payments” and “Specific Terms of the Junior Subordinated Debentures—Modification of the Subordinated Indenture” in this prospectus supplement and “Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee—Option to Defer Interest Payments” in the accompanying prospectus.

If FPL Group Capital exercises its right to defer interest payments, the Junior Subordinated Debentures may trade at a price that does not fully reflect the value of accrued but unpaid interest on the Junior Subordinated Debentures or that is otherwise less than the price at which the Junior Subordinated Debentures may have been traded if FPL Group Capital had not exercised such right. In addition, as a result of FPL Group Capital’s right to defer interest payments, the market price of the Junior Subordinated Debentures may be more volatile than other securities that do not have these rights.

**FPL Group Capital is not permitted to pay current interest on the Junior Subordinated Debentures until FPL Group Capital has paid all outstanding deferred interest, and this could have the effect of extending interest deferral periods.**

During an Optional Deferral Period, FPL Group Capital will be prohibited from paying current interest on the Junior Subordinated Debentures and FPL Group will be prohibited from making such payment pursuant to the Subordinated Guarantee until FPL Group Capital, or FPL Group pursuant to the Subordinated Guarantee, has paid all accrued and unpaid deferred interest plus any accrued interest thereon. As a result, FPL Group Capital may not be able to pay current interest on the Junior Subordinated Debentures if FPL Group Capital does not have available funds to pay all



accrued and unpaid interest plus any accrued interest thereon.

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Table of Contents**FPL Group Capital’s right to redeem, purchase or defease the Junior Subordinated Debentures, FPL Group’s right to purchase the Junior Subordinated Debentures and the right of any majority-owned subsidiary of FPL Group Capital or FPL Group to purchase the Junior Subordinated Debentures are limited by a covenant that FPL Group Capital and FPL Group are making in favor of certain of FPL Group Capital’s debtholders.**

FPL Group Capital has the right to redeem the Junior Subordinated Debentures under circumstances and on terms specified in this prospectus supplement. However, around the time of the initial issuance of the Junior Subordinated Debentures, FPL Group Capital and FPL Group will enter into a Replacement Capital Covenant, which is described below under “Certain Terms of the Replacement Capital Covenant,” that will limit (1) FPL Group Capital’s ability to redeem, purchase or defease the Junior Subordinated Debentures, (2) FPL Group’s ability to purchase the Junior Subordinated Debentures and (3) the ability of any majority-owned subsidiary of FPL Group Capital or FPL Group to purchase the Junior Subordinated Debentures. In the Replacement Capital Covenant, FPL Group Capital and FPL Group will covenant for the benefit of holders of a designated series of FPL Group Capital’s unsecured long-term indebtedness that ranks senior to the Junior Subordinated Debentures, or in certain limited cases holders of a designated series of unsecured long-term indebtedness of FPL Group, that (a) FPL Group Capital will not redeem, purchase or defease the Junior Subordinated Debentures, (b) FPL Group will not purchase the Junior Subordinated Debentures and (c) FPL Group and FPL Group Capital will cause their majority-owned subsidiaries not to purchase the Junior Subordinated Debentures, in each case on or before September 1, 2037, unless, subject to certain limitations, a specified amount shall have been raised from the issuance, during the 180 days prior to the date of that redemption, purchase or defeasance, of qualifying securities that have equity-like characteristics that are the same as, or more equity-like than, the applicable characteristics of the Junior Subordinated Debentures at the time of redemption, purchase or defeasance.

The ability to raise amounts from the issuance of qualifying securities during the 180 days prior to a proposed redemption, purchase or defeasance by FPL Group Capital, purchase by FPL Group or purchase by any of the majority-owned subsidiaries of FPL Group or FPL Group Capital will depend on, among other things, market conditions at that time as well as the acceptability to prospective investors of the terms of those qualifying securities. Accordingly, there could be circumstances where FPL Group Capital would wish to redeem, purchase or defease some or all of the Junior Subordinated Debentures, or FPL Group or a majority-owned subsidiary of FPL Group or FPL Group Capital would wish to purchase some or all of the Junior Subordinated Debentures, including as a result of a Tax Event or a Rating Agency Event, and sufficient cash is available for that purpose, but FPL Group Capital, FPL Group and majority-owned subsidiaries of FPL Group or FPL Group Capital are restricted from doing so because of the inability to obtain proceeds from the sale of qualifying securities.

**The obligations of FPL Group Capital under the Junior Subordinated Debentures and FPL Group under the Subordinated Guarantee are subordinated.**

The obligations of FPL Group Capital under the Junior Subordinated Debentures are unsecured and will rank junior in right of payment to FPL Group Capital’s Senior Indebtedness. This means that FPL Group Capital cannot make any payments on the Junior Subordinated Debentures until all holders of Senior Indebtedness of FPL Group Capital have been paid in full, or provision has been made for such payment, if (i) certain events of bankruptcy, insolvency or reorganization of FPL Group Capital have occurred, (ii) any Senior Indebtedness of FPL Group Capital is not paid when due (after the expiration of any applicable grace period) and that default continues without a waiver, or (iii) any other default has occurred and continues without waiver (after the expiration of any applicable grace period) pursuant to which the holders of Senior Indebtedness of FPL Group Capital are permitted to accelerate the maturity of such Senior Indebtedness. FPL Group Capital is a holding company that derives substantially all of its income from its operating subsidiaries. FPL Group Capital’s subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts on the Junior Subordinated Debentures or to make any funds available for such payment. Therefore, the Junior Subordinated Debentures will be effectively subordinated to all indebtedness and

other liabilities, including trade payables, debt and preferred stock incurred or issued by FPL Group Capital's subsidiaries. In addition to trade liabilities, many of FPL Group Capital's operating subsidiaries incur debt in order to finance their business activities. All of this indebtedness will be effectively senior to the Junior Subordinated Debentures. The subordinated indenture pursuant to which the Junior Subordinated Debentures will be issued does not place any limit on the amount of Senior Indebtedness that FPL Group Capital may issue, guarantee or otherwise incur or the amount of liabilities, including debt or preferred stock, that FPL

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Group Capital's subsidiaries may issue, guarantee or otherwise incur. FPL Group Capital expects from time to time to incur additional indebtedness and other liabilities that will be senior to the Junior Subordinated Debentures. At August 31, 2007, FPL Group Capital's Senior Indebtedness, on an unconsolidated basis, totaled approximately \$3.2 billion.

The obligations of FPL Group under the Subordinated Guarantee are unsecured and will rank junior in right of payment to FPL Group's Senior Indebtedness. This means that FPL Group cannot make any payments under the Subordinated Guarantee until all holders of Senior Indebtedness of FPL Group have been paid in full, or provision has been made for such payment, if (i) certain events of bankruptcy, insolvency or reorganization of FPL Group have occurred, (ii) any Senior Indebtedness of FPL Group is not paid when due (after the expiration of any applicable grace period) and that default continues without a waiver, or (iii) any other default has occurred and continues without waiver (after the expiration of any applicable grace period) pursuant to which the holders of Senior Indebtedness of FPL Group are permitted to accelerate the maturity of such Senior Indebtedness. FPL Group is a holding company that derives substantially all of its income from its operating subsidiaries. FPL Group's subsidiaries are separate and distinct legal entities and, other than FPL Group Capital, have no obligation to pay any amounts on the Junior Subordinated Debentures or to make any funds available for such payment. Therefore, the Subordinated Guarantee will be effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock incurred or issued by FPL Group's subsidiaries. In addition to trade liabilities, many of FPL Group's operating subsidiaries incur debt in order to finance their business activities. All of this indebtedness will be effectively senior to the Subordinated Guarantee. The subordinated indenture pursuant to which the Junior Subordinated Debentures will be issued does not place any limit on the amount of Senior Indebtedness FPL Group may issue, guarantee or otherwise incur or the amount of liabilities, including debt or preferred stock, that FPL Group's subsidiaries may issue, guarantee or otherwise incur. FPL Group expects from time to time to incur additional indebtedness and other liabilities that will be senior to the Subordinated Guarantee. The FPL Group consolidated financial statements that are incorporated by reference in the accompanying prospectus show the aggregate amount of FPL Group subsidiary debt as of the date of those statements. See "Specific Terms of the Junior Subordinated Debentures—Ranking of the Junior Subordinated Debentures and the Subordinated Guarantee" in this prospectus supplement. At August 31, 2007, FPL Group's Senior Indebtedness, on an unconsolidated basis, totaled approximately \$3.2 billion, which amount consisted solely of FPL Group's guarantees of FPL Group Capital indebtedness referred to in the paragraph above.

### **If FPL Group Capital defers interest payments on the Junior Subordinated Debentures, there will be United States federal income tax consequences to holders of the Junior Subordinated Debentures.**

If FPL Group Capital defers interest payments on the Junior Subordinated Debentures for one or more Optional Deferral Periods, you will be required to accrue interest income as original issue discount, referred to in this prospectus supplement as "original issue discount," in respect of the deferred interest on your Junior Subordinated Debentures. As a result, for United States federal income tax purposes you will include that original issue discount in gross income before you receive interest payments, regardless of your regular method of accounting for United States federal income taxes.

If you sell your Junior Subordinated Debentures before the record date for the payment of interest at the end of an Optional Deferral Period, you will not receive such interest. Instead, the accrued interest will be paid to the holder of record on the record date regardless of who the holder of record may have been on any other date during the Optional Deferral Period. Moreover, the accrued original issue discount will be added to your adjusted tax basis in the Junior Subordinated Debentures but may not be reflected in the amount you realize on the sale. To the extent the amount realized on a sale is less than your adjusted tax basis, you will recognize a capital loss for United States federal income tax purposes. The deductibility of capital losses is subject to limitations. See "Material United States Federal Income Tax Consequences—U.S. Holders—Sale, Exchange, Redemption or Retirement of the Junior Subordinated Debentures" in this prospectus supplement.

**Rating agencies may change rating methodologies, including their views on “notching” practices. This may affect the market price of the Junior Subordinated Debentures.**

The rating agencies that currently or may in the future publish a rating for FPL Group Capital or FPL Group, including Moody’s Investors Service, Inc., Standard & Poor’s Ratings Services, a division of The

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McGraw-Hill Companies, Inc., and Fitch Ratings, each of which is expected to initially publish a rating of the Junior Subordinated Debentures, may, from time to time in the future, change the way they analyze securities with features similar to the Junior Subordinated Debentures. This may include, for example, changes to the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Junior Subordinated Debentures, sometimes called "notching." If the rating agencies change their practices for rating these types of securities in the future, and the ratings of the Junior Subordinated Debentures are subsequently lowered, that could have a negative impact on the trading price of the Junior Subordinated Debentures.

**Holders of the Junior Subordinated Debentures will have limited rights of acceleration.**

The holders of the Junior Subordinated Debentures and the subordinated indenture trustee may accelerate payment of the principal, interest and premium, if any, on the Junior Subordinated Debentures only upon the occurrence and continuation of certain events of default. Payment of principal, interest and premium, if any, on the Junior Subordinated Debentures may be accelerated upon the occurrence of an event of default under the subordinated indenture related to failure to pay interest within 30 days after it is due (other than interest deferred pursuant to one or more Optional Deferral Periods), failure to pay principal and premium, if any, on the Junior Subordinated Debentures when due, certain events of bankruptcy, insolvency or reorganization with respect to FPL Group Capital or FPL Group and, with certain exceptions, the cessation of effectiveness of the Subordinated Guarantee or the finding by any judicial proceeding that the Subordinated Guarantee is unenforceable or invalid or denial by FPL Group of its obligations under the Subordinated Guarantee. Holders of the Junior Subordinated Debentures and the subordinated indenture trustee will not have the right to accelerate payment of the principal, interest and premium, if any, on the Junior Subordinated Debentures upon the breach of any other covenant in the subordinated indenture. Other series of junior subordinated debentures issued under the subordinated indenture prior to the issuance of the Junior Subordinated Debentures have the right to accelerate payment of the principal, interest and premium, if any, on those junior subordinated debentures upon the breach of other covenants in the subordinated indenture in certain circumstances.

**SELECTED CONSOLIDATED INCOME STATEMENT DATA OF FPL GROUP AND SUBSIDIARIES**

The following material, which is presented in this prospectus supplement solely to furnish limited introductory information, is qualified in its entirety by, and should be considered in conjunction with, the more detailed information incorporated by reference or provided in this prospectus supplement or in the accompanying prospectus. In the opinion of FPL Group, all adjustments (consisting of normal recurring accruals) considered necessary for a fair financial statement presentation of the results of operations for the six months ended June 30, 2007 and 2006 have been made. The results of operations for an interim period generally will not give a true indication of results for the year.

	Six Months Ended		Years Ended December 31,		
	2007	2006(a)	2006	2005(a)	2004(a)
	(In Millions, Except Earnings Per Share and Ratios)				
	(Unaudited)				
Operating revenues	\$ 7,004	\$ 7,393	\$ 15,710	\$ 11,846	\$ 10,522
Net income	\$ 555	\$ 487	\$ 1,281	\$ 901	\$ 896
Weighted-average common shares outstanding (assuming dilution)	400.0	394.9	396.5	385.7	361.7
Earnings per share of common stock (assuming dilution)	\$ 1.39	\$ 1.23	\$ 3.23	\$ 2.34	\$ 2.48
Ratio of earnings to fixed charges	2.91	2.77	3.11	2.80	2.98

(a) Adjusted to reflect the retrospective application of Financial Accounting Standards Board Staff Position AUG AIR-1, "Accounting for Planned Major Maintenance Activities."

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The following table shows FPL Group's consolidated capitalization as of June 30, 2007, and as adjusted to reflect the issuance of the Junior Subordinated Debentures. This table, which is presented in this prospectus supplement solely to provide limited introductory information, is qualified in its entirety by, and should be considered in conjunction with, the more detailed information incorporated by reference or provided in this prospectus supplement or in the accompanying prospectus.

	<b>June 30, 2007</b> <b>(Unaudited)</b> <b>(In Millions)</b>	<b>Adjusted(a)</b> <b>Amount</b>	<b>Percent</b>
Common shareholders' equity	\$ 10,201	\$ 10,201	49.1%
Long-term debt (excluding current maturities)	10,322	10,572	50.9%
Total capitalization	\$ 20,523	\$ 20,773	100.0%

(a) To give effect to the issuance of the Junior Subordinated Debentures offered by this prospectus supplement. Adjusted amounts do not reflect the deduction of any discounts or commissions in connection with the issuance of the Junior Subordinated Debentures. Adjusted amounts also do not reflect any possible issuance and sale of additional securities by FPL Group and its subsidiaries from time to time after the date of this prospectus supplement, including the currently anticipated issuance of FPL Group Capital's Series E Junior Subordinated Debentures due 2067 in a separate September 2007 offering.

**USE OF PROCEEDS**

The information in this section adds to the information in the "Use of Proceeds" section on page 6 of the accompanying prospectus. Please read these two sections together.

FPL Group Capital will add the net proceeds from the sale of the Junior Subordinated Debentures to its general funds.

FPL Group Capital expects to use its general funds to repay a portion of commercial paper issued to fund investments by FPL Group Capital in independent power projects. As of August 31, 2007, FPL Group Capital had \$766.2 million of commercial paper outstanding, which had maturities of up to 45 days and which had annual interest rates ranging from 5.33% to 5.60%. FPL Group Capital will temporarily invest in short term instruments any proceeds that are not immediately used for such repayment of commercial paper.

**SPECIFIC TERMS OF THE JUNIOR SUBORDINATED DEBENTURES**

The information in this section adds to the information in the "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee" section beginning on page 37 of the accompanying prospectus. Please read these two sections together.

**General.** FPL Group Capital will issue the Junior Subordinated Debentures under an indenture, dated as of September 1, 2006, among FPL Group Capital, FPL Group, as guarantor, and The Bank of New York, as subordinated indenture trustee, and referred to in this prospectus supplement as the "Subordinated Indenture." An officer's certificate will supplement the Subordinated Indenture and establish the specific terms of the Junior Subordinated



Debentures. Under the Subordinated Indenture, FPL Group Capital may issue an unlimited amount of additional subordinated debt securities. The Subordinated Indenture does not limit the aggregate amount of indebtedness FPL Group Capital, FPL Group or their respective subsidiaries may issue, guarantee or incur.

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**Interest and Maturity.** Unless an earlier redemption has occurred, the entire principal amount of the Junior Subordinated Debentures will mature and become due and payable, together with any accrued and unpaid interest, on September 1, 2067.

*Fixed Rate Period.* The Junior Subordinated Debentures will bear interest at 7.30% per year during the Fixed Rate Period. Subject to FPL Group Capital's right to defer interest payments as described below, during the Fixed Rate Period interest is payable semi-annually in arrears on March 1 and September 1 of each year, beginning March 1, 2008 and ending September 1, 2017. If interest payments are deferred or otherwise not paid during the Fixed Rate Period, they will accrue and compound until paid at the annual rate of 7.30% to the extent permitted by applicable law. The amount of interest payable for any semi-annual interest accrual period during the Fixed Rate Period will be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of interest payable for any period shorter than a full semi-annual period for which interest is computed will be computed on the basis of the number of days in the period using 30-day calendar months.

*Floating Rate Period.* The Junior Subordinated Debentures will bear interest during the Floating Rate Period at the Three-Month LIBOR Rate plus 334.75 basis points (3.3475%), reset quarterly. Subject to FPL Group Capital's right to defer interest payments as described below, during the Floating Rate Period interest is payable quarterly in arrears on March 1, June 1, September 1 and December 1 of each year (each, also a "LIBOR Rate Reset Date"), beginning December 1, 2017. The first LIBOR Rate Reset Date will be September 1, 2017. During the Floating Rate Period, the interest rate in effect on any LIBOR Rate Reset Date will be the applicable interest rate as reset on that date and the interest rate applicable to any other day will be the interest rate as reset on the immediately preceding LIBOR Rate Reset Date. If interest payments are deferred or otherwise not paid during the Floating Rate Period, they will accrue and compound until paid at the then prevailing floating rate to the extent permitted by applicable law. The amount of interest payable for any quarterly interest period during the Floating Rate Period will be computed by multiplying the floating rate for that quarterly interest period by a fraction, the numerator of which will be the actual number of days elapsed during that quarterly interest period (determined by including the first day of the interest period and excluding the last day), and the denominator of which will be 360, and by multiplying the result by the aggregate principal amount of the Junior Subordinated Debentures.

*General.* In this prospectus supplement the term "interest" includes semi-annual interest payments during the Fixed Rate Period, quarterly interest payments during the Floating Rate Period, and applicable interest on interest payments accrued but not paid on the applicable interest payment date.

A "business day" is any day that is not a Saturday, a Sunday, a day on which banking institutions or trust companies in New York City are generally authorized or required by law or executive order to remain closed.

During the Fixed Rate Period, if an interest payment date or a redemption date of the Junior Subordinated Debentures falls on a day that is not a business day, the payment of interest and principal will be made on the next succeeding business day, and no interest on such payment will accrue for the period from and after the interest payment date or the redemption date, as applicable.

During the Floating Rate Period, if an interest payment date, other than a redemption date or the maturity date of the Junior Subordinated Debentures, falls on a day that is not a business day, the interest payment date will be postponed to the next day that is a business day, except that if that business day is in the next succeeding calendar month, the interest payment date will be the immediately preceding business day. Also, if a redemption date or the maturity date of the Junior Subordinated Debentures falls on a day that is not a business day, the payment of interest and principal will be made on the next succeeding business day, and no interest on such payment will accrue for the period from and after the redemption date or the maturity date, as applicable.

During the Floating Rate Period, if any LIBOR Rate Reset Date falls on a day that is not a LIBOR Business Day (as defined below), the LIBOR Rate Reset Date will be postponed to the next day that is a LIBOR Business Day, except that if that LIBOR Business Day is in the next succeeding calendar month, the LIBOR Rate Reset Date will be the immediately preceding LIBOR Business Day.

So long as all of the Junior Subordinated Debentures remain in book-entry only form, the record date for each interest payment date will be the close of business on the business day immediately preceding the applicable

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interest payment date. If any of the Junior Subordinated Debentures do not remain in book-entry only form, the record date for each interest payment date will be the close of business on the fifteenth calendar day immediately preceding the applicable interest payment date.

*Determining the Floating Rate.* The “Three-Month LIBOR Rate” for each interest period commencing on a LIBOR Rate Reset Date means the rate determined in accordance with the following provisions:

- On the related LIBOR Interest Determination Date (as defined below), the Calculation Agent (as defined below) or its affiliate will determine the Three-Month LIBOR Rate which will be the rate for deposits in U.S. Dollars having a three-month maturity which appears on the Reuters Page LIBOR01 (as defined below) as of 11:00 a.m., London time, on the LIBOR Interest Determination Date.
- If no rate appears on Reuters Page LIBOR01 on the LIBOR Interest Determination Date, the Calculation Agent or its affiliate will request the principal London offices of four major reference banks in the London Inter-Bank Market to provide it with their offered quotations for deposits in U.S. Dollars for the period of three months, commencing on the applicable LIBOR Rate Reset Date, to prime banks in the London Inter-Bank Market at approximately 11:00 a.m., London time, on that LIBOR Interest Determination Date and in a principal amount that is representative for a single transaction in U.S. Dollars in that market at that time. If at least two quotations are provided, then the Three-Month LIBOR Rate will be the average (rounded, if necessary, to the nearest one hundredth (0.01) of a percent) of those quotations. If fewer than two quotations are provided, then the Three-Month LIBOR Rate will be the average (rounded, if necessary, to the nearest one hundredth (0.01) of a percent) of the rates quoted at approximately 11:00 a.m., New York City time, on the LIBOR Interest Determination Date by three major banks in New York City selected by the Calculation Agent or its affiliate for loans in U.S. Dollars to leading European banks, having a three-month maturity and in a principal amount that is representative for a single transaction in U.S. Dollars in that market at that time. If the banks selected by the Calculation Agent or its affiliate are not providing quotations in the manner described by this paragraph, the rate for the quarterly interest period following the LIBOR Interest Determination Date will be the rate in effect on that LIBOR Interest Determination Date.

“Calculation Agent” means a banking institution or trust company appointed by FPL Group Capital to act as calculation agent.

“LIBOR Business Day” means any business day on which dealings in deposits in U.S. Dollars are transacted in the London Inter-Bank Market.

“LIBOR Interest Determination Date” means the second LIBOR Business Day preceding each LIBOR Rate Reset Date.

“Reuters Page LIBOR01” means the display designated as “LIBOR01” on Reuters 3000 Xtra (or such other page as may replace “LIBOR01” on such service) or such other service displaying the London Inter-Bank offered rates of major banks, as may replace Reuters 3000 Xtra.

**Ranking of the Junior Subordinated Debentures and the Subordinated Guarantee.** FPL Group Capital’s payment obligation under the Junior Subordinated Debentures will be unsecured and will rank junior and be subordinated in right of payment and upon liquidation to all of FPL Group Capital’s Senior Indebtedness, and FPL Group’s payment obligation under the Subordinated Guarantee will be unsecured and will rank junior and be subordinated in right of payment and upon liquidation to all of FPL Group’s Senior Indebtedness. However, the Junior Subordinated Debentures and the Subordinated Guarantee will rank equally in right of payment with any Pari Passu Securities.

“Senior Indebtedness,” when used with respect to FPL Group Capital or FPL Group, means all of FPL Group Capital’s or FPL Group’s obligations, as the case may be, whether presently existing or from time to time hereafter incurred,

created, assumed or existing, to pay principal, premium, interest, penalties, fees and any other payment in respect of any of the following:

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- obligations for borrowed money, including without limitation, such obligations as are evidenced by credit agreements, notes, debentures, bonds or other securities or instruments;
- capitalized lease obligations;
- all obligations of the types referred to in the two preceding bullet points of others which FPL Group or FPL Group Capital, as the case may be, has assumed, endorsed, guaranteed, contingently agreed to purchase or provide funds for the payment of, or otherwise becomes liable for, under any agreement; or
- all renewals, extensions or refundings of obligations of the kinds described in any of the preceding categories.

Any such obligation, indebtedness, renewal, extension or refunding, however, will not be Senior Indebtedness if the instrument creating or evidencing it or the assumption or guarantee of it provides that it is not superior in right of payment to or is equal in right of payment with the Junior Subordinated Debentures or the Subordinated Guarantee, as the case may be. Furthermore, trade accounts payable and accrued liabilities arising in the ordinary course of business will not be Senior Indebtedness. Senior Indebtedness will be entitled to the benefits of the subordination provisions in the Subordinated Indenture irrespective of the amendment, modification or waiver of any term of the Senior Indebtedness.

No payment of the principal (including redemption and sinking fund payments) of, or interest, or premium, if any, on the Junior Subordinated Debentures may be made by FPL Group Capital until all holders of Senior Indebtedness have been paid in full (or provision has been made for such payment), if any of the following occurs:

- certain events of bankruptcy, insolvency or reorganization of FPL Group Capital;
- any Senior Indebtedness of FPL Group Capital is not paid when due (after the expiration of any applicable grace period) and that default continues without waiver; or
- any other default has occurred and continues without waiver (after the expiration of any applicable grace period) pursuant to which the holders of Senior Indebtedness of FPL Group Capital are permitted to accelerate the maturity of such Senior Indebtedness.

Upon any distribution of assets of FPL Group Capital to creditors in connection with any insolvency, bankruptcy or similar proceeding, all principal of, and premium, if any, and interest due or to become due on all Senior Indebtedness of FPL Group Capital must be paid in full before the holders of the Junior Subordinated Debentures are entitled to receive or retain any payment from such distribution. See “Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee—Subordination” in the accompanying prospectus.

“Pari Passu Securities” means:

- indebtedness and other securities that, among other things, by its terms ranks equally with the Junior Subordinated Debentures, with respect to FPL Group Capital, and the Subordinated Guarantee, with respect to FPL Group, in right of payment and upon liquidation; and
- guarantees of indebtedness or other securities described in the preceding bullet point.

“Pari Passu Securities” also includes FPL Group Capital’s trade accounts payable and accrued liabilities arising in the ordinary course of business, but does not include junior subordinated debentures previously issued by FPL Group

Capital or the subordinated guarantee previously issued by FPL Group of those junior subordinated debentures in connection with the outstanding preferred trust securities of FPL Group Capital Trust I, which will rank senior to the Junior Subordinated Debentures and the Subordinated Guarantee. "Pari Passu Securities" includes the \$700 million aggregate principal amount of junior subordinated debentures issued by FPL Group Capital, and

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guaranteed by FPL Group, in September 2006 and the \$400 million aggregate principal amount of junior subordinated debentures issued by FPL Group Capital, and guaranteed by FPL Group, in June 2007.

FPL Group Capital is a holding company that derives substantially all of its income from its operating subsidiaries. FPL Group Capital's subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts on the Junior Subordinated Debentures or to make any funds available for such payment. Therefore, the Junior Subordinated Debentures will be effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock incurred or issued by FPL Group Capital's subsidiaries. In addition to trade liabilities, many of FPL Group Capital's operating subsidiaries incur debt in order to finance their business activities. All of this indebtedness will be effectively senior to the Junior Subordinated Debentures. The Subordinated Indenture does not place any limit on the amount of Senior Indebtedness that FPL Group Capital may issue, guarantee or otherwise incur or the amount of liabilities, including debt or preferred stock, that FPL Group Capital's subsidiaries may issue, guarantee or otherwise incur. FPL Group Capital expects from time to time to incur additional indebtedness and other liabilities that will be senior to the Junior Subordinated Debentures. At August 31, 2007, FPL Group Capital's Senior Indebtedness, on an unconsolidated basis, totaled approximately \$3.2 billion.

FPL Group is a holding company that derives substantially all of its income from its operating subsidiaries. FPL Group's subsidiaries are separate and distinct legal entities and, other than FPL Group Capital, have no obligation to pay any amounts on the Junior Subordinated Debentures or to make any funds available for such payment. Therefore, the Subordinated Guarantee will be effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock incurred or issued by FPL Group's subsidiaries. In addition to trade liabilities, many of FPL Group's operating subsidiaries incur debt in order to finance their business activities. All of this indebtedness will be effectively senior to the Subordinated Guarantee. The Subordinated Indenture does not place any limit on the amount of Senior Indebtedness that FPL Group may issue, guarantee or otherwise incur or the amount of liabilities, including debt or preferred stock, that FPL Group's subsidiaries may issue, guarantee or otherwise incur. FPL Group expects from time to time to incur additional indebtedness and other liabilities that will be senior to the Subordinated Guarantee. At August 31, 2007, FPL Group's Senior Indebtedness, on an unconsolidated basis, totaled approximately \$3.2 billion, which amount consisted solely of FPL Group's guarantees of FPL Group Capital indebtedness referred to in the paragraph above.

**Redemption.** FPL Group Capital may redeem any or all of the Junior Subordinated Debentures at 100% of their principal amount plus accrued and unpaid interest thereon, if any, at any time or from time to time on or after September 1, 2017. FPL Group Capital will give notice of its intent to redeem, any or all of the Junior Subordinated Debentures at least 30 but no more than 60 days prior to the date scheduled for redemption (a "Redemption Notice").

Before September 1, 2017, FPL Group Capital may redeem, upon a Redemption Notice, any or all of the Junior Subordinated Debentures, at its option, at any time or from time to time (each a "Redemption Date") at a redemption price ("Redemption Price") equal to the sum of: (1) 100% of the principal amount of the Junior Subordinated Debentures being redeemed plus (2) accrued and unpaid interest thereon, if any, to the Redemption Date plus (3) any applicable "make-whole premium." The Redemption Price for the Junior Subordinated Debentures will never be less than 100% of the principal amount of those Junior Subordinated Debentures plus accrued and unpaid interest on those Junior Subordinated Debentures to the Redemption Date.

The amount of the make-whole premium with respect to any Junior Subordinated Debentures to be redeemed in accordance with the foregoing paragraph will be equal to the excess, if any, of:

- (1) the sum of the present values, calculated as of the Redemption Date, of:
  - (a)



each interest payment that, but for such redemption, would have been payable on the Junior Subordinated Debentures being redeemed on each interest payment date occurring during the period from the Redemption Date to September 1, 2017 (excluding any accrued interest for the period prior to the Redemption Date); and

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(b) the principal amount that, but for such redemption, wo