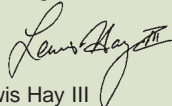


Management's Report

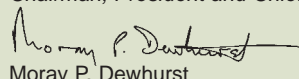
The management of FPL Group is responsible for the integrity and objectivity of the financial information and representations contained in the condensed consolidated financial statements and other sections of this Annual Review. The condensed consolidated financial statements are an excerpt of the consolidated financial statements included in Appendix A to the proxy statement. The consolidated financial statements, which in part are based on informed judgments and estimates made by management, have been prepared in conformity with generally accepted accounting principles applied on a consistent basis.

To aid in carrying out this responsibility, management maintains a system of internal accounting control, which is established after weighing the cost of such controls against the benefits derived. The overall system of internal accounting control, in the opinion of management, provides reasonable assurance that the assets of FPL Group and its subsidiaries are safeguarded and transactions are executed in accordance with management's authorization and are properly recorded for the preparation of financial statements. In addition, management believes the overall system of internal accounting control provides reasonable assurance that material errors or irregularities would be prevented or detected on a timely basis by employees in the normal course of their duties. Due to the inherent limitations of the effectiveness of any system of internal accounting control, management cannot provide absolute assurance that the objectives of internal accounting control will be met. The system of internal accounting control is supported by written policies and guidelines, the selection and training of qualified employees, an organizational structure that provides an appropriate division of responsibility and a program of internal auditing. To further enhance the internal accounting control environment, management has prepared and distributed to all employees a Code of Conduct which states management's policy on conflict of interest and ethical conduct.

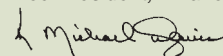
FPL Group's independent auditors, Deloitte & Touche LLP, are engaged to express an opinion on FPL Group's consolidated financial statements, from which these condensed consolidated financial statements have been derived. Their report is based on procedures believed by them to provide a reasonable basis to support such an opinion. The Board of Directors pursues its oversight responsibility for financial reporting and accounting through its Audit Committee. This Committee, which is comprised entirely of outside directors, meets periodically with management, the internal auditors and the independent auditors to make inquiries as to the manner in which the responsibilities of each are being discharged. The independent auditors and the internal audit staff have free access to the Committee without management's presence to discuss auditing, internal accounting control and financial reporting matters.



Lewis Hay III
Chairman, President and Chief Executive Officer



Moray P. Dewhurst
Vice President, Finance and Chief Financial Officer



K. Michael Davis
Controller and Chief Accounting Officer

Independent Auditors' Report

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF FPL GROUP, INC.:

We have audited the consolidated balance sheets of FPL Group, Inc. and subsidiaries (the "Company") as of December 31, 2003 and 2002, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2003. Such consolidated financial statements and our report thereon dated February 26, 2004, expressing an unqualified opinion and including explanatory paragraphs relating to the Company's changes in 2003 in its methods of accounting for special-purpose entities and for asset retirement obligations and change in 2002 in its method of accounting for goodwill (which are not included herein) are included in Appendix A to the proxy statement for the 2004 annual meeting of shareholders. The accompanying condensed consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on such condensed consolidated financial statements in relation to the complete consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated balance sheets as of December 31, 2003 and 2002 and the related condensed consolidated statements of income, shareholders' equity, and of cash flows for each of the three years in the period ended December 31, 2003 is fairly stated in all material respects in relation to the basic consolidated financial statements from which it has been derived.

Deloitte & Touche LLP

DELOITTE & TOUCHE LLP
Certified Public Accountants

Miami, Florida
February 26, 2004