FPL GROUP INC
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This communication is not a solicitation of a proxy from any security holder of FPL Group, Inc. ("FPL Group") or Constellation Energy Group, Inc. ("Constellation Energy"). Constellation Energy has filed with the Securities and Exchange Commission (the "SEC") a Registration Statement on Form S-4 (Registration No. 333-135278) that includes a preliminary joint proxy statement/prospectus of Constellation Energy and FPL Group. Once finalized, a definitive joint proxy statement/prospectus will be sent to security holders of FPL Group and Constellation Energy seeking approval of the proposed transaction. WE URGE INVESTORS TO READ THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT FPL GROUP, CONSTELLATION ENERGY AND THE PROPOSED TRANSACTION. Investors are able to obtain these materials (as they become available) and other documents filed with the SEC free of charge at the SEC's website, www.sec.gov. In addition, a copy of the definitive joint proxy statement/prospectus (when it becomes available) may be obtained free of charge from FPL Group, 700 Universe Blvd., Juno Beach, FL 33408, Attention: Investor Relations, or from Constellation Energy, Shareholder Services, 750 East Pratt St., Baltimore, MD 21202.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there by any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

FPL Group, Constellation Energy and their respective directors and executive officers and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding FPL Group's and Constellation Energy's directors and executive officers is available in the preliminary joint proxy statement/prospectus that Constellation Energy has filed with the SEC in connection with the proposed merger. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, is also contained in the preliminary joint proxy statement/prospectus filed by Constellation Energy and will be contained in other relevant materials to be filed with the SEC.

This filing includes (i) the slides posted on FPL Group, Inc.'s website in connection with its July 28, 2006 audio webcast broadcast on its second quarter 2006 earnings release and (ii) the chief financial officer's remarks accompanied by headings which coordinate such remarks with the slides:

Conference Call

Second Quarter 2006 Earnings Release

July 28, 2006

1.
Second Quarter 2006 Earnings Conference Call

Jim von Riesemann

Good morning and welcome to our 2006 second quarter earnings conference call.

Moray Dewhurst, FPL Group's Chief Financial Officer, will provide an overview of our performance for the second quarter. Lew Hay, FPL Group's Chairman, President, and Chief Executive Officer, Armando Olivera, President of Florida Power & Light Company, and Jim Robo, President of FPL Energy are also with us this morning. Following Moray's remarks, our senior management team will be available to take your questions.

2. Non-Solicitation

Before I turn it over to Moray, let me remind you that this communication is not a solicitation of a proxy from any security holder of Constellation Energy or FPL Group. Constellation Energy has filed with the SEC a registration statement on Form S-4 that includes a preliminary joint proxy statement and prospectus of Constellation Energy and FPL Group. Once finalized, the definitive joint proxy statement and prospectus will be sent to security holders of Constellation Energy and FPL Group seeking approval of the proposed transaction.

3. Safe Harbor Statement

Let me remind you that our comments today will include "forward-looking statements" within the meaning of the private Securities Litigation Reform Act of 1995.

Any statements made herein about future operating results or other future events are forward-looking statements under the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from such forward-looking statements. A discussion of factors that could cause actual results or events to vary is contained in the Appendix herein and in our SEC filings.

These risks, as well as risks associated with the proposed merger between FPL Group and Constellation Energy, are fully discussed in the preliminary joint proxy statement and prospectus included in the Registration Statement on Form S-4 that Constellation filed on June 23, 2006 with the SEC in connection with the proposed merger.

And now, I would like to turn the call over to Moray Dewhurst.

Moray. . .

Moray Dewhurst:

Thank you, Jim, and good morning everyone.

4. Overview of Second Quarter 2006

FPL Group's second quarter earnings results were mixed. On the positive side, FPL Energy had another outstanding quarter, delivering adjusted earnings per share growth of 47 percent and continuing both the strong earnings and excellent operating performance trends experienced in recent quarters. New wind projects, the January addition of the 70 percent interest in the Duane Arnold nuclear facility, and strong performance from our merchant portfolio, including the absence of a Seabrook refueling outage, helped contribute to the outstanding comparison to last year's results.

Florida Power & Light's results, on the other hand, were hampered by the write-off of certain disallowed storm costs from prior years' storm seasons. Absent this disappointing and unanticipated factor, results were much in line with the expectations we shared with you last Fall. Weather-related sales comparisons, customer growth and underlying usage were all favorable, and the higher O&M expenses were largely in line with our expectations.

Despite the weak results from Florida Power & Light, FPL Energy's performance has been so strong that we are well positioned to deliver good overall results for the year. At this point, we expect full year adjusted EPS to come in at the high end of our original $2.80 to $2.90 range, even including the negative impact of seven cents from the storm cost issue. In addition, although we do not expect to provide a specific numerical update to our 2007 adjusted earnings per share expectations of $3.15 to $3.35 until the budgeting process is more advanced following the end of the third quarter, the underlying drivers at present support the upper half of this range. As always, our adjusted earnings expectations assume normal weather for the balance of the year and exclude the effect of adopting new accounting standards, merger-related costs, and the mark-to-market effect of non-qualifying hedges, none of which can be determined at this time.

Finally, at the end of our prepared remarks I will make a few comments on the status of our proposed merger with Constellation Energy Group and developments in Maryland.

Now, let's look at the financial results for the second quarter.

5. FPL Group Results (Second Quarter)

In the second quarter of 2006, FPL Group's GAAP results were $238 million or 60 cents per share compared to $203 million or 52 cents per share during the 2005 second quarter. FPL Group's adjusted 2006 second quarter net income and earnings per share were $262 million and 66 cents, respectively, compared with $255 million or 66 cents per share in 2005.

Our adjusted results exclude the mark-to-market effect of non-qualifying hedges and merger-related costs. Please refer to the Appendix of the presentation for a complete reconciliation of GAAP results to adjusted earnings.

FPL Group's management uses adjusted earnings internally for financial planning, for analysis of performance, for reporting of results to the Board of Directors and for the company's employee incentive compensation plan. FPL Group also uses earnings expressed in this fashion when communicating its earnings outlook to analysts and investors. FPL Group management believes that adjusted earnings provides a more meaningful representation of FPL Group's fundamental earnings power.

6. FPL - Second Quarter (Summary)

At Florida Power & Light, the second quarter results were about where we had expected them to be, absent the challenge posed by the May 2006 Florida PSC decision disallowing recovery of certain costs from the prior years' storm seasons. This alone accounted for a seven cent decline in earnings per share versus last year's comparable period and is included in our adjusted results. Absent this effect, the business would have shown slight growth in EPS.

The quarter saw favorable weather and usage comparisons and customer growth continued at a very good pace, albeit closer to our longer term historical average than the extremely high levels of the last couple of years. Increases in O&M and interest expense, plus reductions in AFUDC owing to the introduction to service of the Martin and Manatee expansions in June 2005, more than offset reductions in depreciation resulting from last year's rate case and its settlement agreement.

7. Florida Power & Light Earnings (Second Quarter)

In the second quarter of 2006, Florida Power & Light's GAAP and adjusted results were $182 million or 46 cents per share compared to $201 million or 52 cents per share during the 2005 second quarter.

8. FPL Historical Growth in Customer Accounts (Second Quarter)

As I indicated earlier, customer growth continues at a healthy pace, with the average number of FPL customer accounts having increased by 85,000, or 2 percent, over last year's comparable period. While this is slightly below the pace we have experienced during the last several years, the growth nevertheless remains close to historical averages of 2 percent, which is in line with our previously announced customer growth expectations. We will continue to monitor the underlying fundamentals of the Florida economy, including job creation, income growth, and housing starts and will advise you should any change occur that would fundamentally alter our outlook.

9. Retail Sales at FPL (Second Quarter)

Retail kilowatt-hour sales grew 6.8 percent during the quarter. Cooling degree days, the common metric used for determining weather impacts on energy usage, were up more than 29 percent above last year's second quarter and were about ten percent above normal for the quarter. As a result, usage growth associated with weather increased 4.2 percent quarter over quarter. Underlying usage growth was 0.6 percent and customer growth accounted for 2.0 percent.

Looking forward, we believe customer growth rates of around 2 percent should continue for some time, and we continue to expect little or no growth in usage per customer for the full year 2006 owing primarily to price elasticity effects. Assuming no further major increases in fuel prices, however, and with continued steady economic growth, we expect usage growth to pick up again in 2007.

10. FPL O&M and Depreciation (Second Quarter)

For the second quarter, FPL's 2006 O&M expense was $359 million compared to $316 million, driven largely by two major factors: our Storm Secure initiative and higher regular distribution costs.

Our Storm Secure initiative, which we announced in January of this year, hurt the comparative results by approximately $12 million. Storm Secure, you may recall, is a comprehensive and unprecedented plan designed to further strengthen our electrical grid and power plants against hurricane impacts and to reduce restoration times and, hence, outage durations.

Other distribution cost increases were driven by additional restoration expenses and higher contractor costs.

Looking forward, increased spending is expected for the full year in transmission and distribution, fossil generation, and customer service, as well as continued increases in employee benefit costs. Distribution expenses and capital expenditures are expected to continue to grow as a result of our Storm Secure initiative. However, our objective remains to keep overall O&M growth at or below underlying sales growth.

Depreciation and amortization expense decreased $35 million to $197 million for the second quarter of 2006, owing to two main factors: the extension of the useful lives on our generation fleet and the elimination of the nuclear decommissioning accrual, both of which were implemented as a result of the August 2005 stipulation and settlement agreement. The lower overall depreciation was partly offset by the addition of the Martin and Manatee generating facilities, which were brought on-line in late June 2005.

As a reminder, depreciation should be down for the year, but not by the full amount these two items might suggest given normal capital spend as we continue invest in generation and distribution expansion to support our underlying customer growth.

11. FPL Earnings Contribution Drivers (Second Quarter)

To summarize, Florida Power & Light's second quarter earnings per share were affected by the following:

• Customer growth	positive 3 cents
- Usage due to weather	positive 6 cents

- Underlying usage growth and mix — zero
- Storm cost disallowance — negative 7 cents
- Storm Secure — negative 2 cents
- O&M — negative 3 cents
- Depreciation — positive 6 cents
- AFUDC and interest expense — negative 5 cents
- Other, including share dilution & rounding — negative 4 cents

For a total six cent decline for the quarter.

3. FPL Energy - Second Quarter Overview

Let me turn now to FPL Energy, which again delivered outstanding results. On an adjusted basis, earnings per share increased 47 percent, driven by contributions from new assets and the performance of the merchant portfolio, including the lack of a refueling outage at Seabrook, offset somewhat by poor wind resource.

The combination of new wind projects and the expected increase in contributions from our merchant assets as older hedges roll-off and are replaced by sales at higher prices continue to be the two major drivers that we expect to power the growth of FPL Energy's earnings for the next few years.

Our wind development pipeline efforts are making excellent progress. You will recall that we have previously indicated that we hoped to add between 1250 and 1500 megawatts to the portfolio in 2006 and 2007. However, our progress to date has been so good that we now expect to be at least at the high end of that range. We expect to add approximately 760 megawatts of new wind this year, not including acquisitions, with at least an equivalent amount in 2007. Beyond 2007, we are encouraged by the potential projects we see.

Notwithstanding the recent commodity price volatility, the forward markets have remained relatively firm and we have made further progress in hedging our 2007 portfolio, thereby locking-in value for our shareholders, which I will describe in more detail in a moment.

All of these factors together leave us very optimistic about the next few years for FPL Energy. The business looks set to come in well above the high end of our expectations for this year and is positioned for continued good growth in 2007 and beyond.

4. FPL Energy Results (Second Quarter)

FPL Energy's 2006 second quarter reported earnings were $92 million or 23 cents per share compared to $20 million or 5 cents per share in last year's second quarter. Adjusted earnings, which exclude the effect of non-qualifying hedges, were $112 million or 28 cents per share compared to $72 million or 19 cents per share last year.

The impact of the non-qualifying hedge category was a loss of $20 million, primarily as a result of higher ERCOT spark spreads. As always, we have provided more detail on these transactions in the Appendix, and we continue to believe that FPL Energy's current period performance is best understood by excluding these amounts, whether gains or losses, from consideration. Other things equal, gains or losses in this category will turn around in future periods as the underlying contracts go to delivery. The overall effect of forward price movements during the quarter was modestly favorable to FPL Energy's prospects.

5. FPL Energy Earnings Contribution Drivers (Second Quarter)

Turning to the drivers of the increase in FPL Energy's adjusted earnings, new investment contributed 7 cents per share. Over the last twelve months, we have added 722 megawatts of new wind capacity and acquired 415 megawatts of nuclear capacity.

Contributions from our existing assets increased three cents per share as the absence of the Seabrook refueling outage and favorable market conditions, primarily in ERCOT and NEPOOL, which added eight cents incrementally, more than offset a roughly one cent drag resulting from a lower wind resource and four cents of all other items. After a good start, the wind index for the second quarter of 2006 finished as the worst in more than a decade for that quarter, although I should note that the performance of our portfolio was actually slightly better than the level the wind index would suggest. As I have mentioned before, the wind index is a reasonable approximation of the underlying resource available to our projects, based on easily verifiable data from reference towers, but the correlation between the index and the actual output of the portfolio is not perfect. Please refer to the Appendix of the presentation for additional detail on the wind index.

Asset optimization and trading activities rose two cents quarter-over-quarter, while restructuring activities were down a penny.

All other items, including share dilution, were down two cents primarily driven by higher interest expense associated with higher borrowings as a result of an expanding asset base as well as higher rates.

Overall, we are very pleased that FPL Energy had another strong quarter. Results continue to be above our expectations from the Fall of last year and the growth profile for FPL Energy through the end of the decade remains healthy.

6. FPL Energy Contract Coverage

Let me now update you on our contract coverage at FPL Energy. I would encourage you to access the slides that are available on our website, www.fplgroup.com under the investors section, since I will not review every number in the slides. These slides were also e-mailed to our analyst distribution list this morning with the press release.

Overall, the continued price volatility experienced in the second quarter has had little net impact on our outlook, although the net effect of changes in the quarter was slightly positive. The underlying strength in the fuels markets seems likely to persist for some time, as evidenced by the continuing strength of the ten-year natural gas strip, which lost about 40 cents during the quarter and has regained the same amount in the last three weeks.

Since the end of the first quarter, there has been little change in our 2006 hedge position. Overall, our contract coverage on a capacity basis for 2006 is 87 percent for the balance of the year, translating to approximately 95 percent of our 2006 expected gross margin from our wholesale generation fleet being protected against fuel and power market volatility. As always, we expect to maintain some open positions to take advantage of potential market opportunities during the more volatile summer months.

We have continued to add to our 2007 hedges, and the capacity coverage fraction now stands at 82 percent, translating to approximately 90 percent of our expected 2007 gross margin being protected against commodity price volatility. This is higher than we would typically reach at this point in the year, and we are very comfortable with this level of hedging. We would expect to add only incrementally to this over the next few months, depending upon market conditions.

7. Earnings Per Share Contributions (Second Quarter)

To summarize the 2006 second quarter, FPL contributed 46 cents, FPL Energy contributed 28 cents, and Corporate and Other contributed a negative 8 cents. Corporate and Other was down relative to the prior year period primarily because of certain state tax changes which should not have a significant ongoing impact overall. That is a total of 66 cents, equal to the 2005 second quarter on an adjusted basis.

8. Adjusted Earnings Per Share Expectations

Turning now to our outlook for 2006 and 2007, you may recall that we made no changes to our expectations at the end of the first quarter, although we indicated we were pleased with the start of the year. With two quarters of solid results behind us, we are now in a better position to refine our outlook. At this point we expect to be at or near the high end of the range of $2.80 to $2.90 in adjusted EPS that we had previously communicated. This <u>includes</u> the adverse impact of seven cents from the PSC's storm cost decision, absent which we would have expected to be well above the upper end of the range.

For 2007 we expect to re-visit the numbers at the end of the third quarter, as we have done for the last several years, with more detailed drivers and sensitivities, and so we are not changing the previously communicated range of $3.15 to $3.35 per share. Nevertheless, our current view of the principal drivers supports the upper half of this range. As before, these numbers represent the stand-alone case - i.e. prior to considering the effects of the announced merger with Constellation.

Comments on Merger

Before taking your questions I would like to make a few comments on the status of our proposed merger with Constellation Energy Group.

- Proposed Merger Rationale

We recognize that much has occurred over the last few months and that it can be difficult to keep track of the sometimes daily twists and turns of events that could affect the deal. It may therefore be helpful to remind everyone why we continue to be excited about the proposed merger with Constellation and why we remain committed to getting the deal done, if we can do so on reasonable regulatory terms. In the proposed combination, we are bringing together two of the strongest and most successful companies in the industry. The combined company will be a FORTUNE 100 company, the U.S. market leader in competitive energy markets and the #1 power generator.

Each company brings excellence in different ways to this combination. Constellation brings the highest customer-facing competitive supply market share and best risk management platform in the business, but has limited generation capacity in NEPOOL and ERCOT. FPL Group has meaningful deregulated generation in these markets, but a smaller load serving business relative to the size of its generation.

This new platform will provide multiple channels of growth, primarily in the deregulated markets. This growth is balanced by a solid base of stable and growing utility earnings and cash flow. The combined company will also have one of the strongest balance sheets in the industry, which is valuable in supporting the growth of the competitive businesses.

The sum of the two companies' independent growth paths will be further enhanced by meaningful synergies. The majority of these will come from the competitive energy side, but there will be long-term benefits for the utilities, too, both for shareholders and for customers. We continue to be confident that we will be able to deliver at least $200 to $250 million per year of pre-tax synergies retained for shareholders, before costs to achieve, by year 3 following the close of the transaction.

We plan to maintain the FPL Group dividend in effect at the time of closing.

- Merger Update

Notwithstanding some unanticipated events in Maryland, we have made good progress with the merger approval process. We filed the merger proxy with the SEC on June 23 and received comments last week. We plan to file a revised S-4 shortly. The FERC extended the date by which they must issue an order to February 2, 2007, a logical outcome given the fact that new commissioners need to be seated, and one that we do not think will represent a setback to timely approval. We believe that regulatory approval in Maryland remains the critical path to closing the merger. We've asked Maryland for a schedule which would allow for a November decision.

The implementation of the Baltimore Gas & Electric rate stabilization plan clears one significant obstacle for the Maryland PSC to consider the proposed merger with FPL Group. On July 21st, we filed a new merger application which addresses the new statutory standards of Senate Bill 1. Earlier this week, the PSC scheduled a prehearing conference for Wednesday, August 9, at which the Commission anticipates ruling on petitions to intervene and setting a procedural schedule. Depending on the schedule, of course, closing could be delayed.

Many of you have asked when we will resume merger integration and how to interpret the fact that we have not yet restarted integration activities. In our view, this merger is different from any other utility merger in history because its primary benefits are derived from combining two fast-growing commercial businesses. However, navigating the necessary regulatory channels and the time consequently involved has the potential to result in commercial distraction.

Because there is a risk to ultimate closing, primarily due to uncertainty as to the economics Maryland will demand, we think we should wait to re-engage the commercial business leaders in the integration efforts. On the other hand, communication among senior leadership at FPL and Constellation has never slowed, and there continues to be extensive cooperation and planning with respect to obtaining merger approvals. Both management teams very much believe in the benefits of this merger, but will not sacrifice excessive value to consummate the deal.

- Q&A Session

And now, we will be happy to take your questions. Thank you.