

FPL GROUP INC
Form S-4
April 29, 2005

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As filed with the Securities and Exchange Commission on April 28, 2005

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

FPL GROUP, INC.

(Exact Name of Registrant as Specified in its Charter)

Florida
(State or Other Jurisdiction of
Incorporation or Organization)

4911
(Primary Standard Industrial
Classification Code Number)

59-2449419
(I.R.S. Employer
Identification Number)

**700 Universe Boulevard
Juno Beach, Florida 33408
(561) 694-4000**

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Edward F. Tancer, Esq.
Vice President & General Counsel
FPL Group, Inc.
700 Universe Boulevard
Juno Beach, Florida 33408
(561) 694-4000

Thomas R. McGuigan, P.A.
Steel Hector & Davis LLP
1900 Phillips Point West
777 South Flagler Drive
West Palm Beach, Florida 33401
(561) 650-7200

Robert J. Reger, Jr., Esq.
Thelen Reid & Priest, LLP
875 Third Avenue
New York, New York 10022
(212) 603-2000

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agents for Service)

It is respectfully requested that the Commission also send copies of all notices, orders and communications to:

Ira N. Rosner, Esq.
Greenberg Traurig, P.A.
1221 Brickell Avenue
Miami, Florida 33131
(305) 579-0500

Robert G. Reedy, Esq.
Porter & Hedges, L.L.P.
1000 Main Street, 36th Floor
Houston, Texas 77002
(713) 226-6000

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective and upon consummation of the merger described herein.

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If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement number for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$.01 par value	\$90,270,474 ⁽³⁾	\$10,625
Preferred Share Purchase Rights ⁽¹⁾		⁽²⁾

- (1) The preferred share purchase rights are attached to and will trade with the common stock. The value attributable to the preferred share purchase rights, if any, is reflected in the market price of the common stock.
- (2) Since no separate consideration is paid for the preferred share purchase rights, the registration fee for such securities is included in the fee related to the common stock.
- (3) Estimated solely for the purpose of calculating the registration fee and computed pursuant to Rules 457(f) and (o) under the Securities Act of 1933, as amended, based on (a) \$6.56, which is the average of the high and low sales prices of the common stock of Gexa Corp. on the Nasdaq SmallCap Market on April 25, 2005, multiplied by (b) the maximum possible shares of Gexa Corp. common stock to be cancelled pursuant to the merger contemplated in the Agreement and Plan of Merger, dated as of March 28, 2005, by and among FPL Group, Inc., FRM Holdings, LLC, WPRM Acquisition Subsidiary, Inc., and Gexa Corp. (calculated as 13,760,743 shares, including all shares of Gexa Corp. common stock issuable upon the exercise of outstanding options and warrants).

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Subject to completion Dated April 28, 2005

THE INFORMATION IN THIS PROXY STATEMENT/PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. FPL GROUP MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROXY STATEMENT/PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

PROXY STATEMENT

PROSPECTUS

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

, 2005

Dear Gexa Shareholder:

It is a pleasure to invite you to the special meeting of Gexa Corp. shareholders on _____, 2005, beginning at 10:00 a.m. Houston time at the location given below.

At the meeting, you will be asked to approve the Agreement and Plan of Merger, dated as of March 28, 2005, among Gexa Corp., FPL Group, Inc., and two of its subsidiaries, FRM Holdings, LLC and WPRM Acquisition Subsidiary, Inc., as it may be amended from time to time, and the merger thereunder. In the merger, WPRM will merge with and into Gexa and, as a result, Gexa will become an indirect wholly-owned subsidiary of FPL Group.

After careful consideration, Gexa's board of directors has unanimously approved the merger agreement and the merger, and unanimously recommends that you vote FOR the proposal to approve the merger agreement and the merger.

If the merger is completed, for each share of Gexa common stock that you hold, you will receive a fraction of a share of FPL Group common stock equal to the quotient (rounded to four decimal points) obtained by dividing \$6.88 by the average of the daily closing sale prices of FPL Group common stock for the 10 consecutive trading days ending on the third business day (including such third business day) immediately prior to the closing date of the merger.

You may call toll free any time beginning May 1, 2005 at (877) 229-9284 for the current 10-day average FPL Group common stock closing price and a preliminary calculation of the fraction of a share of FPL Group common stock that you would receive for each of your Gexa shares of common stock based on that price.

FPL Group's common stock is listed on the New York Stock Exchange and trades under the symbol "FPL." On _____, FPL Group's closing common stock price was \$ _____.

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To complete the merger, holders of two-thirds of Gexa's outstanding common stock must approve the merger agreement and the merger. Holders of approximately 36.3% of Gexa's outstanding shares of common stock have agreed to vote for the merger agreement and the merger. This means that the holders of approximately 30.4% more of Gexa's outstanding common stock must vote for the merger agreement and the merger to ensure its approval.

Gexa has scheduled a special meeting to vote on the merger agreement and the merger. If you were a shareholder of record on _____, you may vote at the special meeting. Whether or not you plan to attend, it is very important that you take the time to vote by completing and mailing the enclosed proxy card to Gexa.

The date, time and place of the special meeting is as follows:

_____, 2005
10:00 A.M. Houston Time
at the offices of: Porter & Hedges, L.L.P.
1000 Main Street, 36th Floor
Houston, Texas 72002

This proxy statement/prospectus provides you with detailed information about the merger. This document is also the prospectus of FPL Group for FPL Group common stock that will be issued to you in the merger. We encourage you to read this entire document carefully.

In particular, you should carefully consider the discussion in the section labeled "RISK FACTORS" beginning on page 14 of this proxy statement/prospectus. You can also obtain information about Gexa and FPL Group from documents that each company has filed with the Securities and Exchange Commission.

/s/ NEIL M. LEIBMAN

Neil M. Leibman
Chairman and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger described in this proxy statement/prospectus or the securities to be issued pursuant to the merger under this proxy statement/prospectus or determined that this proxy statement/ prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated _____, 2005, and is expected to be first mailed to Gexa shareholders on or about _____, 2005.

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Gexa Corp.
20 Greenway Plaza, Suite 600
Houston, Texas 77046

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To Be Held On _____, 2005

To our shareholders:

NOTICE IS HEREBY GIVEN that the special meeting of shareholders of Gexa Corp., a Texas corporation, will be held at 10:00 a.m., Houston time, on _____, 2005, at the offices of Porter & Hedges, L.L.P., 1000 Main Street, 36th Floor, Houston, Texas. At the Gexa special meeting, we will ask you to vote on:

1. a proposal to approve the merger agreement, dated as of March 28, 2005, among Gexa, FPL Group, Inc., and two of its subsidiaries, FRM Holdings, LLC and WPRM Acquisition Subsidiary, Inc., as it may be amended from time to time, and the merger thereunder; and
2. such other business as may properly come before the special meeting or any adjournment or postponement of the special meeting.

We have fixed the close of business on _____, 2005 as the record date for the special meeting of Gexa shareholders. Only holders of record of our common stock on that date will be entitled to notice of and to vote at the special meeting of Gexa shareholders or any postponement or adjournment of the special meeting. Approval of the merger agreement and the merger proposal requires the affirmative vote of the holders of two-thirds of the Gexa common stock outstanding as of the record date and entitled to vote thereon.

Gexa's board unanimously recommends that you vote **FOR** the approval of the merger agreement and the merger.

The proxy statement/prospectus describes the proposed merger in more detail. We encourage you to read the entire proxy statement/prospectus carefully, including the merger agreement which is included as Annex A.

Please complete, sign and promptly return the proxy card in the enclosed prepaid envelope, whether or not you expect to attend the special meeting. You can revoke your proxy in the manner described in this proxy statement/prospectus at any time before it has been voted at the special meeting. Returning your proxy card will not affect your right to vote in person if you chose to attend the special meeting. If you fail to vote by proxy card or at the special meeting, or fail to instruct your broker how to vote any shares that your broker holds for you in its name, or if you abstain, it will have the same effect as voting against the approval of the merger agreement and the merger.

You should not send Gexa stock certificates with your proxy card. After we complete the merger, the exchange agent will send you written instructions for exchanging Gexa stock certificates for FPL Group common stock.

By order of the Board of Directors,

David K. Holeman
Secretary

Houston, Texas
_____, 2005

THIS PROXY STATEMENT/PROSPECTUS INCORPORATES ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about FPL Group, Inc., sometimes referred to as FPL Group, from documents that are not included in or delivered with this proxy statement/prospectus. This information is available to you without charge upon request. You can obtain the documents incorporated by reference in this proxy statement/prospectus by requesting them in writing or by telephone from FPL Group at the following address and telephone number:

FPL Group, Inc.
700 Universe Boulevard
Juno Beach, Florida 33408
Attention: Investor Relations
(561) 694-4000

In addition, the Securities and Exchange Commission maintains an Internet site (<http://www.sec.gov>) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the Securities and Exchange Commission, including FPL Group. Also, FPL Group maintains an Internet site (<http://www.fplgroup.com>). Information included on FPL Group's Internet site is not incorporated by reference in this proxy statement/prospectus.

Please note that copies of the documents to be provided to you will not include exhibits, unless the exhibits are specifically incorporated by reference into the documents or into this proxy statement/prospectus.

PLEASE CONTACT FPL GROUP NO LATER THAN _____, 2005 IN ORDER TO RECEIVE TIMELY DELIVERY OF THE DOCUMENTS BEFORE THE SPECIAL MEETING OF GEXA SHAREHOLDERS.

Also see "Where You Can Find More Information" beginning on page 92.

ABOUT THIS PROXY STATEMENT/PROSPECTUS

This document, which forms part of a registration statement on Form S-4 filed with the Securities and Exchange Commission by FPL Group, constitutes a prospectus of FPL Group under Section 5 of the Securities Act of 1933, as amended, or the Securities Act, with respect to the shares of FPL Group common stock to be issued to Gexa shareholders in connection with the merger described in this proxy statement/prospectus, which is sometimes referred to as the merger. This document also constitutes a proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the rules thereunder, and a notice of meeting with respect to the special meeting of shareholders of Gexa Corp. to consider and vote upon the proposal to approve the merger agreement and the merger.

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QUESTIONS AND ANSWERS ABOUT THE FPL GROUP/GEXA MERGER

1. Q: What am I being asked to vote upon?

A: You are being asked to vote to approve a merger agreement entered into among Gexa Corp., FPL Group, Inc. and two of its subsidiaries, FRM Holdings, LLC and WPRM Acquisition Subsidiary, Inc., and the merger thereunder. As a result of the merger, Gexa will become an indirect wholly-owned subsidiary of FPL Group.

2. Q: Why is the merger being proposed?

A: Among other benefits, the Gexa board concluded that the proposed merger will give Gexa a stronger competitive position in the retail electricity market and greater opportunities for growth than Gexa would have by operating independently, as well as provide Gexa shareholders significantly more liquidity based upon the market for the FPL Group shares that they will receive in the merger. To review the reasons for the merger in greater detail, see "The Merger Recommendations of the Board; Gexa's Reasons for the Merger", beginning on page 23 of this proxy statement/prospectus.

3. Q: What votes are required to complete the transaction?

A: To complete the merger, holders of two-thirds of Gexa's outstanding common stock as of the record date, _____, 2005, must approve the merger agreement and the merger. Holders of approximately 36.3% of Gexa's outstanding common stock have agreed to vote for the merger. This means that the holders of approximately 30.4% more of Gexa's outstanding common stock as of the record date must vote for the merger to ensure its approval.

4. Q: What will I receive as a result of the merger?

A: In the merger, you will receive for each of your outstanding shares of Gexa common stock a fraction of a share of FPL Group common stock equal to the quotient (rounded to four decimal points) obtained by dividing \$6.88 by the average of the daily closing sale prices of FPL Group common stock for the 10 consecutive trading days ending on the third business day (including such third business day) immediately prior to the closing date of the merger.

5. Q: Will FPL Group issue fractional shares?

A: You will not receive any fractional shares of FPL Group common stock. Instead you will receive cash in an amount (without interest) rounded to the nearest cent determined by multiplying the average FPL Group common stock closing sale price described in question 4 by the fractional interest to which you would otherwise be entitled.

6. Q: What happens as the market price of FPL Group common stock fluctuates?

A: The exchange ratio, and therefore the number of shares of FPL Group common stock that you will receive in the merger, is based on the average of the daily closing sale prices of FPL Group common stock, as described above, not on the FPL Group share price on the effective date of the merger or on the date on which your Gexa shares are exchanged for FPL Group shares. Therefore, the value of the FPL common stock you will receive in the merger may be greater or less than \$6.88 per share for the Gexa common stock that is exchanged in the merger.

7. Q: How will I know what the actual exchange ratio is?

A: We will issue a press release prior to the special meeting that will disclose the exchange ratio, assuming that the closing of the merger will occur on or within three business days after the same day as the special meeting. If the closing of the merger is delayed for any reason, then the exchange ratio could change. Additionally, prior to the calculation of the final exchange ratio, you can call toll free at any time beginning May 1, 2005 at (877) 229-9284 to receive hypothetical information about the exchange ratio.

8. Q: When do you expect the merger to be completed?

A: FPL Group and Gexa expect to complete the merger as soon as practicable after Gexa's special meeting and after all of the other conditions to the merger are either satisfied or waived.

9. Q: Will Gexa's shareholders have dissenters' or appraisal rights as a result of the merger?

A: You will not have appraisal or dissenters' rights under Texas law in connection with the merger or any of the transactions contemplated by the merger agreement.

10. Q: What do I need to do now?

A: After carefully reading and considering the information contained in this document, please indicate on your proxy card how you want to vote and mail your signed and dated proxy card in the enclosed return envelope as soon as possible.

11. Q: Should I send my stock certificates now?

A: No. After the merger is completed, the exchange agent will send you written instructions for exchanging your stock certificates.

12. Q: Can I change or revoke my vote?

A: If you are a shareholder of record, you may revoke a previously-granted proxy and change your vote at any time before your proxy is voted at the special meeting in one of the following ways:

notifying Gexa in writing at 20 Greenway Plaza, Suite 600, Houston, Texas 77002, Attention: Secretary, that your proxy is revoked;

submitting another proxy with a later date by mail; or

attending the special meeting and voting in person (merely attending the special meeting will not revoke your previously-granted proxy and change your vote; you must cast a vote at the special meeting).

If your shares are held in the name of a broker, firm, bank or other fiduciary, you must contact the holder of record to determine how to revoke your proxy.

13. Q: If my shares are held in "street name" by my broker, will my broker vote my shares for me without my instructions?

A: No. You should instruct your broker to vote your shares, following the directions provided by your broker. Your failure to instruct your broker to vote your shares will be the equivalent of voting against the approval of the merger agreement and the merger.

14. Q: What if I plan to attend the special meeting in person?

A: Gexa recommends that you send in your proxy card in any event.

15. Q: What are the tax consequences to me of the merger?

A: You generally will not recognize gain or loss for U.S. federal income tax purposes on the exchange of Gexa common stock for FPL Group common stock. To review the tax consequences to Gexa shareholders in greater detail, see "The Merger Federal Income Tax Consequences to Holders of Gexa Common Stock", beginning on page 33 of this proxy statement/prospectus. The tax consequences to you will depend on your particular situation. We urge you to consult your own tax advisor for an understanding of the tax consequences to you resulting from the merger.

16. Q: What will happen to Gexa if Gexa does not complete the merger?

A: If Gexa does not complete the merger, Gexa may be required under certain circumstances to pay FPL Group a termination fee. In addition, significant merger-related costs incurred by Gexa, such as legal, accounting and financial advisor fees, will be paid by Gexa. Also, the price of Gexa common stock may change to the extent that Gexa's current market price reflects a market assumption that we will complete the merger.

17. Q: Who can I call with questions?

A: If you would like additional copies of this proxy statement/prospectus or the enclosed proxy card or any documents incorporated by reference in or furnished with this proxy statement/prospectus, or, if you have questions about the merger, the merger agreement, the special meeting, or how to vote by proxy, you should contact the following:

Gexa Corp.
Attention: Secretary
20 Greenway Plaza, Suite 600
Houston, Texas 77046
Telephone: (713) 470-0400
Toll Free: (866) 301-GEXA
Fax: (713) 961-7997
Email: info@gexaenergy.com

SUMMARY

This summary highlights selected information from this document and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should read carefully this entire proxy statement/prospectus, including the Annexes and the other documents to which we have referred you. See the section labeled "Where You Can Find More Information" on page 92 of this proxy statement/prospectus. We have included page references parenthetically to direct you to more complete descriptions of the topics presented in this summary.

The Companies (Page 52)

FPL Group, Inc.

700 Universe Boulevard
Juno Beach, Florida 33408
(561) 694-4000

FPL Group, Inc., or FPL Group, was incorporated in Florida in 1984 and is a public utility holding company exempt from substantially all of the provisions of the Public Utility Holding Company Act of 1935, as amended. Its principal subsidiary, Florida Power & Light Company, or FPL, is a rate-regulated utility engaged in the generation, transmission, distribution and sale of electric energy. FPL Group Capital Inc, or FPL Group Capital, a wholly-owned subsidiary of FPL Group, holds the capital stock and provides funding for FPL Group's operating subsidiaries other than FPL. The business activities of these other operating subsidiaries primarily consist of the wholesale electric generation business of FPL Energy, LLC, or FPL Energy.

Gexa Corp.

20 Greenway Plaza, Suite 600
Houston, Texas 77046
(713) 470-0400

Gexa Corp., or Gexa, which conducts business as Gexa Energy, was incorporated in Texas in 2001 and is a retail electric provider, or REP. Gexa primarily provides electric power to residential and commercial customers in the deregulated Texas electricity market. Gexa also is currently licensed to supply retail electricity power to the Massachusetts and New York electricity markets and has submitted an application to become an electricity provider in Maine.

What You Will Receive in the Merger (Page 38)

In the merger, you will receive for each of your outstanding shares of Gexa common stock, a fraction of a share of FPL Group common stock equal to the quotient (rounded to four decimal points) obtained by dividing \$6.88 by the average of the daily closing sale prices of FPL Group common stock for the 10 consecutive trading days ending on the third business day (including such third business day) immediately prior to the closing date of the merger. You will not receive any fractional shares of FPL Group common stock. Instead you will receive an amount in cash (without interest) rounded to the nearest cent determined by multiplying the average FPL Group common stock sale price described above by the fractional interest to which you would otherwise be entitled.

Assumption of Stock Options and Warrants (Page 39)

Once we complete the merger, each outstanding option, whether vested or unvested, and warrant to purchase shares of Gexa common stock will be assumed by FPL Group. This means that each such option and warrant will be deemed to constitute an option or warrant to acquire shares of FPL Group common stock on the same terms and conditions pursuant to which such options and warrants were

issued by Gexa, adjusted to reflect the exchange ratio and except to the extent that, as a result of the merger, the terms of such options provide for accelerated vesting.

Reasons for the Merger (Page 23)

In considering the proposed merger, the Gexa board of directors has evaluated, and you should evaluate, a number of factors, including the belief by Gexa's board and management that the proposed merger will provide Gexa with a stronger competitive position in the retail electricity market and greater opportunities for growth than Gexa would have by operating independently, the improved liquidity for the Gexa shareholders based upon the market for the FPL Group shares of common stock that they will receive in the merger and the fairness opinion of Oppenheimer & Co. Inc. After considering the alternative of continuing to operate as an independent entity, the Gexa board believes the merger is in the best long-term interests of Gexa and its shareholders.

Recommendation of the Board (Page 23)

The Gexa board has unanimously determined that the merger agreement and the merger are fair to you and in your best interests. The Board unanimously recommends that you vote **FOR** approval of the merger agreement and the merger.

Opinion of Gexa's Financial Advisor (Page 26)

Oppenheimer & Co. Inc., as financial advisor to Gexa's board, has delivered its written opinion to the board that, as of March 27, 2005, the consideration to be paid in the merger for Gexa common stock was fair from a financial point of view to the Gexa shareholders. The full text of Oppenheimer's opinion is attached as Annex B. The opinion describes important assumptions and limitations and is not a recommendation as to how you should vote on the merger.

We urge you to read the Oppenheimer opinion carefully in its entirety.

Voting Agreement (Page 50)

Gexa's directors and certain of its executive officers, who are holders of approximately 36.3% of Gexa's outstanding common stock, have agreed to vote for approval of the merger agreement and the merger. Because approval of the merger agreement and the merger requires the affirmative vote of two-thirds of Gexa's outstanding shares of common stock as of the record date, _____, 2005, this means that the holders of approximately 30.4% more of Gexa's outstanding shares of common stock must vote for the approval of the merger agreement and the merger to ensure their approval. Gexa's directors, executive officers and their affiliates, as a group, beneficially own 41.4% of Gexa's outstanding common stock, including certain shares subject to exercisable options and warrants.

Risk Factors

In evaluating whether to vote for or against the merger, you should carefully consider the "Risk Factors" beginning on page 14.

Interests of Directors and Officers in the Merger (Page 32)

In considering the Gexa board's recommendation that you vote for the merger agreement and the merger, you should be aware that a number of Gexa's directors and officers have interests in the merger that are different from yours as a Gexa shareholder.

These interests include:

Gexa will enter into an employment agreement with Neil Leibman, which will provide for his continued employment after the merger;

some officers of Gexa will remain officers of Gexa following the merger;

FPL Group will indemnify and provide insurance for Gexa's directors and officers;

the vesting of some stock options held by Gexa's directors and officers, as with other option holders, will accelerate because of the merger; and

the vesting of some restricted stock grants held by Gexa's officers will accelerate because of the merger.

Dissenters' Rights (Page 35)

Under Texas law, you do not have dissenters' rights with respect to the merger because your shares of Gexa common stock are part of a class that is listed on the Nasdaq SmallCap Market and you will be receiving shares of FPL Group common stock that will be part of a class that is listed on the New York Stock Exchange.

Conditions to the Merger (Page 46)

The merger will not be completed unless a number of conditions are satisfied or waived. The conditions include, among others:

approval of the merger agreement and the merger by the holders of at least two-thirds of the outstanding shares of Gexa common stock;

receipt by Gexa and FPL Group of regulatory consents and approvals relating to the business of Gexa and the merger, of which the principal approvals are those under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, to which we refer as the HSR Act, and that of the Public Utilities Commission of the State of Texas, or PUCT;

receipt by Gexa and FPL Group of legal opinions confirming the tax-free nature of the merger;

delivery by Gexa of a closing balance sheet and working capital statement, setting forth working capital of Gexa of at least \$13.5 million;

receipt of certain third party consents; and

amendment or termination of certain of Gexa's contracts.

Regulatory Approvals (Page 36)

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The HSR Act prohibits completion of the merger until a required notification and report form is filed and a required waiting period has expired or been terminated. On April 26, 2005, FPL Group and Gexa filed the required notification and report forms. Neither FPL Group nor Gexa believe that the completion of the merger will result in the violation of the HSR Act or any other applicable antitrust laws.

In addition, the completion of the merger will require the filing of notices with or the consent of state regulatory authorities in Texas, Massachusetts, Maine and New York that regulate Gexa as a REP. FPL Group and Gexa believe that the necessary consents will be obtained on a timely basis. Except for these filings, the parties to the merger do not believe additional material governmental filings in the United States are required with respect to the merger, other than the filing of articles of merger with the Texas Secretary of State.

Termination of the Merger Agreement (Page 48)

FPL Group and Gexa can agree to terminate the merger agreement without completing the merger. Either one of us can terminate the merger agreement:

if the merger is not completed before July 31, 2005 (subject, under certain circumstances to a one-month extension); or

if the other company has failed to perform its obligations under the merger agreement.

In addition, FPL Group or Gexa can terminate the merger agreement under those circumstances described on pages 48 and 49, including the right of Gexa to terminate the merger agreement if Gexa receives a Superior Acquisition Proposal (as defined in the section below labeled "The Merger Agreement No Solicitation of Transactions"). Among other things, in order to qualify as a Superior Acquisition Proposal, any competing proposal must be more favorable by at least \$3.5 million than the transaction contemplated by the merger agreement.

Termination Payments (Page 49)

Gexa is required to pay FPL Group a termination payment of \$3.25 million if the merger agreement is terminated under those circumstances described on page 49, including if Gexa enters into a transaction constituting a Superior Acquisition Proposal.

No Solicitation of Competing Transactions (Page 44)

The merger agreement imposes conditions on Gexa's ability to solicit, encourage and participate in discussions with respect to any alternative acquisition transactions with third parties. Gexa's board of directors can, however, provide information or negotiate with third parties as a result of unsolicited proposals to the extent required by their fiduciary duties. Gexa must also promptly notify FPL Group if it receives offers or proposals for any such alternative transactions.

Income Tax Consequences of the Merger (Page 33)

The merger is intended to be tax-free to you with respect to the exchange of your Gexa stock for FPL Group stock, except with respect to cash received instead of fractional shares of FPL Group common stock.

The tax consequences of the merger to you will depend on the facts of your own situation. You should consult your tax advisor.

Federal Securities Law Consequences (Page 37)

All shares of FPL Group common stock received by you in the merger will be freely transferable unless you are considered an "affiliate" of either Gexa or FPL Group for purposes of the Securities Act. Shares held by affiliates may only be resold in transactions permitted by the resale provisions of Rule 145 of the Securities Act (or Rule 144 under the Securities Act in the case of persons who become affiliates of FPL Group) or as otherwise permitted under the Securities Act.

FPL Group Dividends (Page 36)

FPL Group expects to continue to pay quarterly dividends on its common stock in accordance with its current policy and subject to its financial condition. The amount and timing of dividends on FPL Group's common stock are within the sole discretion of FPL Group's board.

Accounting Treatment (Page 35)

The merger is expected to be accounted for using the purchase method of accounting, which means that the assets and liabilities of Gexa, including its intangible assets, will be recorded on FPL Group's consolidated financial statements at their fair market value. The results of operations and cash flows of Gexa will be included in the consolidated financial statements of FPL Group prospectively commencing from the date that the merger is completed.

FPL Group's Common Stock; Comparison of Shareholder Rights (Pages 77 and 83)

FPL Group's charter and bylaws and those of certain of its subsidiaries contain various provisions affecting the rights of its common stock and may impede a change of control of FPL Group. In addition, FPL Group has adopted a shareholder rights plan. Gexa and FPL Group are incorporated in different states having differing corporation laws. The governing documents of each company also vary. As a result, you will have different rights as an FPL Group shareholder than you currently have as a Gexa shareholder.

Forward-Looking Statements (Pages 14 and 52)

Statements in this document and in the documents incorporated by reference in this document are or may be forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those expressed in such statements depending on a variety of factors. You should carefully review all information, including the financial statements and the notes to the financial statements, included or incorporated by reference into this document.

Selected Historical Financial Information

FPL Group and Gexa are providing the following historical financial information to aid you in your analysis of the financial aspects of the merger. The information is only a summary and you should read it together with the consolidated financial statements (including the notes) and other financial information of FPL Group contained in its most recent annual and quarterly reports, which are incorporated by reference, and of Gexa contained elsewhere, in this proxy statement/prospectus, and from which this information was derived. See "Where You Can Find More Information" on page 92.

The per share data and other financial information contained in this document has been appropriately adjusted to reflect a two-for-one stock split of FPL Group common stock which occurred on March 15, 2005.

FPL Group Selected Historical Financial Information

The selected financial data in the following table sets forth consolidated balance sheet data as of, and consolidated operating data for, each of the fiscal years in the five-year period ending December 31, 2004 derived from FPL Group's consolidated financial statements audited by Deloitte & Touche, LLP, independent registered public accounting firm. The information below should be read in conjunction with FPL Group's financial statements and notes thereto incorporated by reference in this proxy statement/prospectus.

	Years Ended December 31,				
	2004	2003	2002	2001	2000
SELECTED DATA OF FPL GROUP					
(millions, except per share amounts):					
Operating revenues	\$ 10,522	\$ 9,630	\$ 8,173	\$ 8,217	\$ 6,920
Income before cumulative effect of changes in accounting principles	\$ 887 ^(a)	\$ 893 ^(a)	\$ 695 ^(b)	\$ 781 ^(c)	\$ 704 ^(d)
Cumulative effect of adopting FAS 142, net of income taxes of \$143	\$	\$	\$ (222)	\$	\$
Cumulative effect of adopting FIN 46, net of income taxes of \$2	\$	\$ (3)	\$	\$	\$
Net income	\$ 887 ^(a)	\$ 890 ^(e)	\$ 473 ^(f)	\$ 781 ^(c)	\$ 704 ^(d)
Earnings per share of common stock ^(g)					
Earnings per share before cumulative effect of changes in accounting principles	\$ 2.47 ^(a)	\$ 2.52 ^(a)	\$ 2.01 ^(b)	\$ 2.31 ^(c)	\$ 2.07 ^(d)
Cumulative effect of changes in accounting principles	\$	\$ (0.01)	\$ (0.64)	\$	\$
Earnings per share	\$ 2.47 ^(a)	\$ 2.51 ^(e)	\$ 1.37 ^(f)	\$ 2.31 ^(c)	\$ 2.07 ^(d)
Earnings per share of common stock assuming dilution ^(g)					
Earnings per share before cumulative effect of changes in accounting principles	\$ 2.45 ^(a)	\$ 2.51 ^(a)	\$ 2.01 ^(b)	\$ 2.31 ^(c)	\$ 2.07 ^(d)
Cumulative effect of changes in accounting principles	\$	\$ (0.01)	\$ (0.64)	\$	\$
Earnings per share	\$ 2.45 ^(a)	\$ 2.50 ^(e)	\$ 1.37 ^(f)	\$ 2.31 ^(c)	\$ 2.07 ^(d)
Dividends paid per share of common stock ^(g)	\$ 1.30	\$ 1.20	\$ 1.16	\$ 1.12	\$ 1.08
Total assets ^{(h)(i)}	\$ 28,333	\$ 26,935	\$ 23,185	\$ 20,713	\$ 18,355
Long-term debt, excluding current maturities ^(h)	\$ 8,027	\$ 8,723	\$ 5,790	\$ 4,858	\$ 3,976
Obligations of FPL under capital lease, excluding current maturities ^(h)	\$	\$	\$ 140	\$ 133	\$ 127
SELECTED DATA OF FPL (millions):					
Operating revenues	\$ 8,734	\$ 8,293	\$ 7,378	\$ 7,477	\$ 6,361
Net income available to FPL Group	\$ 749	\$ 733	\$ 717	\$ 679 ^(d)	\$ 607 ^(d)
Total assets ^(h)	\$ 19,114	\$ 17,817	\$ 16,032	\$ 15,174	\$ 15,075
Long-term debt, excluding current maturities ^(h)	\$ 2,813	\$ 3,074	\$ 2,364	\$ 2,579	\$ 2,577
Energy sales (kilowatt hour)	103,635	103,202	98,605	93,488	91,969
Energy sales:					
Residential	50.7%	51.8%	51.6%	50.9%	50.4%
Commercial	40.6	40.1	40.6	40.6	40.2
Industrial	3.8	3.9	4.1	4.4	4.1
Interchange power sales	2.9	2.3	1.8	2.2	3.1
Other ⁽ⁱ⁾	2.0	1.9	1.9	1.9	2.2
Total	100.0%	100.0%	100.0%	100.0%	100.0%

(Footnotes on following page)

- (a) Includes net unrealized mark-to-market gains or losses associated with non-qualifying hedges.
- (b) Includes impairment and restructuring charges, charges related to certain wind projects and leveraged leases, a favorable settlement of litigation with the Internal Revenue Service and net unrealized mark-to-market gains associated with non-qualifying hedges.
- (c) Includes merger-related expenses and net unrealized mark-to-market gains associated with non-qualifying hedges.
- (d) Includes merger-related expenses.
- (e) Includes the cumulative effect of an accounting change and net unrealized mark-to-market gains associated with non-qualifying hedges.
- (f) Includes the cumulative effect of an accounting change, impairment and restructuring charges, charges related to certain wind projects and leveraged leases, a favorable settlement of litigation with the Internal Revenue Service and net unrealized mark-to-market gains associated with non-qualifying hedges.
- (g) The per share information reflects the effect of the two-for-one stock split effective March 15, 2005.
- (h) Reflects the adoption of Financial Accounting Standards Board Interpretation No. (FIN) 46 in July 2003.
- (i) Reflects the adoption of Statement of Financial Accounting Standard No. (FAS) 142 in January 2002.
- (j) Includes the net change in unbilled sales.

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Gexa Selected Historical Financial Information

The selected financial data in the following table sets forth (a) balance sheet data as of December 31, 2002, 2003 and 2004, and statement of operations data for the fiscal years ended December 31, 2002, 2003 and 2004 derived from Gexa's consolidated financial statements audited by Hein & Associates LLP, independent registered public accounting firm and (b) balance sheet data as of December 31, 2001, and statement of operations data for the fiscal year ended December 31, 2001 derived from Gexa's financial statements audited by Grassano Accounting, P.A. Gexa did not have operations during the fiscal year ended December 31, 2000. The information below should be read in conjunction with Gexa's financial statements and notes thereto included elsewhere in this proxy statement/prospectus.

	Years Ended December 31,			
	2004	2003	2002	2001
(in thousands except for per share data)				
Statement of Operations Data:				
Sales	\$ 273,894	\$ 115,143	\$ 19,039	\$
Cost of goods sold	238,206	99,697	14,589	
Gross profit	35,688	15,446	4,450	
Selling, general and administrative expenses	24,144	12,662	3,492	210
Income from operations	11,544	2,784	958	(210)
Interest income (expense), net	(2,078)	(428)	13	(1)
Gain on extinguishment of debt	688			
Other financing income (expense)	2,062	(3,630)		
Income (loss) before provision	12,216	(1,274)	971	(211)
Provision for income taxes	4,034	922	331	
Net income (loss)	8,182	(2,196)	640	(211)
Preferred stock dividend		(167)	(50)	
Net income (loss) available to common shareholders	\$ 8,182	\$ (2,363)	\$ 590	\$ (211)
Earnings (loss) per common share				
Basic	\$ 0.95	\$ (0.31)	\$ 0.08	\$ (0.05)
Diluted	0.83	(0.31)	0.07	(0.05)
Weighted-average shares outstanding:				
Basic	8,606	7,647	7,328	4,209
Diluted	9,835	7,647	7,989	4,209
Consolidated Balance Sheet Data:				
Working capital	\$ 12,348	\$ 7,763	\$ 2,930	\$ 364
Total assets	56,255	38,202	10,988	1,081
Shareholders' equity	16,410	2,129	3,347	759

Comparative Per Share Information

We have summarized below the per share information for our respective companies on an historical, pro forma and equivalent basis. The FPL Group information has been adjusted to reflect the two-for-one common stock split effective March 15, 2005. The FPL Group pro forma share information assumes that 1.7 million additional weighted shares and potential shares of FPL Group common stock associated with the merger were outstanding during fiscal year 2004. The Gexa equivalent pro forma share information assumes an exchange ratio of .1742 of a share of FPL Group common stock for each share of Gexa common stock based on the FPL Group common stock closing price as reported on the New York Stock Exchange Composite Transactions Tape on March 24, 2005, the last trading day before the announcement of the merger.

The merger is not a "significant business combination" for FPL Group under the Securities and Exchange Commission's accounting rules. Therefore, no pro forma financial information has been included in this proxy statement/prospectus, except as provided below.

The data below should be read in conjunction with FPL Group's consolidated financial statements (and related notes), which are incorporated by reference in this document. See "Where You Can Find More Information" on page 92.

The companies may have performed differently if they had actually been combined during the periods presented. You should not rely on the pro forma information as being indicative of either the historical results that we would have had or the future results that FPL Group and Gexa will experience after the merger is completed.

	At or for the year ended December 31, 2004
Gexa Historical	
Book value per share of common stock	\$1.68
Dividends declared per share of common stock	
Earnings per share of common stock assuming dilution	\$0.83
	At or for the year ended December 31, 2004
FPL Group Historical	
Book value per share of common stock	\$20.83
Dividends declared per share of common stock	\$1.30
Earnings per share of common stock assuming dilution	\$2.45
FPL Group Pro Forma	
Book value per share of common stock	\$20.78
Dividends declared per share of common stock	\$1.30
Earnings per share of common stock assuming dilution	\$2.46
Gexa Equivalent Pro Forma	
Book value per share of common stock	\$3.62
Dividends declared per share of common stock	\$0.23
Earnings per share of common stock assuming dilution	\$0.43

Comparative Per Share Market Price Information

FPL Group common stock is listed on the New York Stock Exchange and trades under the symbol "FPL." Gexa common stock is listed on the Nasdaq SmallCap Market and trades under the symbol "GEXA." Listed below are the per share closing market prices as reported on the New York Stock Exchange Composite Transactions Tape for shares of FPL Group common stock and on the Nasdaq SmallCap Market for shares of Gexa common stock. We list this information as of March 24, 2005, the last trading day before public announcement of the signing of the merger agreement, and as of May , 2005, the latest practicable date prior to the printing of this document.

We also list the implied equivalent per share value for shares of Gexa common stock, which assumes an exchange ratio of .1742 of a share of FPL Group common stock for each share of Gexa common stock based on FPL Group's common stock closing price as reported on the New York Stock Exchange on March 24, 2005, the last trading day before the announcement of the merger, and an exchange ratio of of a share of FPL Group common stock for each share of Gexa common stock based on FPL Group's common stock closing price as reported on the New York Stock Exchange on May , 2005, the latest practicable date prior to the printing of this document.

We urge you to obtain current market quotations for Gexa common stock and FPL Group common stock before voting on the merger.

	Gexa Common Stock Share Price	FPL Group Common Stock Share Price	Gexa Share Common Stock Equivalent Value
March 24, 2005	\$6.88	\$39.49	\$6.88
May , 2005			

FORWARD-LOOKING STATEMENTS

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"), FPL Group is hereby filing cautionary statements identifying important factors that could cause its actual results to differ materially from those projected in forward-looking statements (as such term is defined in the Reform Act) made by or on behalf of FPL Group in this proxy statement/prospectus, in any supplement hereto, in presentations, in response to questions, or otherwise. Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "will continue", "is anticipated", "believe", "could", "estimated", "may", "plan", "potential", "projection", "target", "outlook") are not statements of historical facts and may be forward-looking. Forward-looking statements involve estimates, assumptions and uncertainties. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the specific factors discussed in "Risk Factors" herein and in the FPL Group reports that are incorporated herein by reference (in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements) that could cause FPL Group's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL Group.

Any forward-looking statement speaks only as of the date on which such statement is made, and FPL Group does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which that statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for management of FPL Group to predict all of those factors, nor can either assess the impact of each of those factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

The issues and associated risks and uncertainties described above are not the only ones FPL Group may face. Additional issues may arise or become material as the energy industry evolves. The risks and uncertainties associated with these additional issues could impair FPL Group's businesses in the future.

RISK FACTORS

You should consider carefully the following risks, along with the other information contained in this proxy statement/prospectus. The risks and uncertainties described below are not the only ones that may affect FPL Group. Additional risks and uncertainties also may adversely affect FPL Group's business and operations. If any of the following events actually occur, FPL Group's business, financial condition and results of operations could be materially adversely affected.

FPL Group is subject to complex laws and regulations and to changes in laws and regulations, including initiatives regarding restructuring of the energy industry. FPL holds franchise agreements with local municipalities and counties, and must renegotiate expiring agreements. These factors may have a negative impact on the business and results of operations of FPL Group.

FPL Group is subject to changes in laws or regulations, including the Public Utility Regulatory Policies Act of 1978 and the Public Utility Holding Company Act of 1935, changing governmental policies and regulatory actions, including those of the Federal Energy Regulatory Commission, the Florida Public Service Commission and the utility commissions of other states in which FPL Group and its subsidiaries have operations, and the U.S. Nuclear Regulatory Commission, with respect to, among other things, allowed rates of return, industry and rate structure, operation of nuclear power facilities, operation and construction of plant facilities, operation and construction of transmission facilities, acquisition, disposal, depreciation and amortization of assets and facilities, recovery of fuel and purchased power costs, decommissioning costs, return on common equity and equity ratio limits, and

present or prospective wholesale and retail competition (including but not limited to retail wheeling and transmission costs). The Florida Public Service Commission has the authority to disallow recovery by FPL of any and all costs that it considers excessive or imprudently incurred.

The regulatory process generally restricts FPL's ability to grow earnings and does not provide any assurance as to achievement of earnings levels.

FPL Group is subject to extensive federal, state and local environmental statutes, rules and regulations relating to air quality, water quality, waste management, wildlife mortality, natural resources and health and safety that could, among other things, restrict or limit the output of certain facilities or the use of certain fuels required for the production of electricity and/or require additional pollution control equipment and otherwise increase costs. There are significant capital, operating and other costs associated with compliance with these environmental statutes, rules and regulations, and those costs could be even more significant in the future.

FPL Group operates in a changing market environment influenced by various legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the energy industry, including deregulation of the production and sale of electricity. FPL Group and its subsidiaries will need to adapt to these changes and may face increasing competitive pressure.

FPL Group's results of operations could be affected by FPL's ability to renegotiate franchise agreements with municipalities and counties in Florida.

The operation of power generation facilities, including nuclear facilities, involves significant risks that could adversely affect the results of operations and financial condition of FPL Group.

The operation of power generation facilities involves many risks, including start up risks, breakdown or failure of equipment, transmission lines or pipelines, use of new technology, the dependence on a specific fuel source or the impact of unusual or adverse weather conditions (including natural disasters such as hurricanes), as well as the risk of performance below expected or contracted levels of output or efficiency. This could result in lost revenues and/or increased expenses. Insurance, warranties or performance guarantees may not cover any or all of the lost revenues or increased expenses, including the cost of replacement power. In addition to these risks, FPL Group's nuclear units face certain risks that are unique to the nuclear industry including the ability to store and/or dispose of spent nuclear fuel, as well as additional regulatory actions up to and including shutdown of the units stemming from public safety concerns, whether at FPL Group's plants or at the plants of other nuclear operators.

Breakdown or failure of an FPL Energy operating facility may prevent the facility from performing under applicable power sales agreements which, in certain situations, could result in termination of the agreement or incurring a liability for liquidated damages.

The construction of, and capital improvements to, power generation facilities involve substantial risks. Should construction or capital improvement efforts be unsuccessful, the results of operations and financial condition of FPL Group could be negatively affected.

FPL Group's ability to successfully and timely complete its power generation facilities currently under construction, those projects yet to begin construction or capital improvements to existing facilities is contingent upon many variables and subject to substantial risks.

Should any such efforts be unsuccessful, FPL Group could be subject to additional costs, termination payments under committed contracts and/or the write off of its investment in the project or improvement.

The use of derivative contracts by FPL Group in the normal course of business could result in financial losses that negatively impact the results of operations of FPL Group.

FPL Group uses derivative instruments, such as swaps, options, futures and forwards to manage its commodity and financial market risks, and to a lesser extent, engage in limited trading activities. FPL Group could recognize financial losses as a result of volatility in the market values of these contracts, or if a counterparty fails to perform.

In the absence of actively quoted market prices and pricing information from external sources, the valuation of these derivative instruments involves management's judgment or use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these contracts. In addition, FPL's use of such instruments could be subject to prudence challenges and, if found imprudent, cost recovery could be disallowed by the Florida Public Service Commission.

FPL Group's unregulated businesses, particularly FPL Energy, are subject to risks, many of which are beyond the control of FPL Group, that may reduce the revenues and adversely impact the results of operations and financial condition of FPL Group.

There are other risks associated with FPL Group's non-rate regulated businesses, particularly FPL Energy. In addition to risks discussed elsewhere, risk factors specifically affecting FPL Energy's success in competitive wholesale markets include the ability to efficiently develop and operate generating assets, the successful and timely completion of project restructuring activities, maintenance of the qualifying facility status of certain projects, the price and supply of fuel, transmission constraints, competition from new sources of generation, excess generation capacity and demand for power. There can be significant volatility in market prices for fuel and electricity, and there are other financial, counterparty and market risks that are beyond the control of FPL Energy. FPL Energy's inability or failure to effectively hedge its assets or positions against changes in commodity prices, interest rates, counterparty credit risk or other risk measures could significantly impair FPL Group's future financial results. In keeping with industry trends, a portion of FPL Energy's power generation facilities operate wholly or partially without long-term power purchase agreements. As a result, power from these facilities is sold on the spot market or on a short-term contractual basis, which may affect the volatility of FPL Group's financial results. In addition, FPL Energy's business depends upon transmission facilities owned and operated by others; if transmission is disrupted or capacity is inadequate or unavailable FPL Energy's ability to sell and deliver its wholesale power may be limited.

FPL Group's ability to successfully identify, complete and integrate acquisitions is subject to significant risks, including the effect of increased competition resulting from the consolidation of the power industry.

FPL Group is likely to encounter significant competition for acquisition opportunities that may become available as a result of the consolidation of the power industry. In addition, FPL Group may be unable to identify attractive acquisition opportunities at favorable prices and to successfully and timely complete and integrate them.

Because FPL Group relies on access to capital markets, the inability to access capital markets on favorable terms may limit the ability of FPL Group to grow its businesses and would likely increase interest costs.

FPL Group and its subsidiaries rely on access to capital markets as a significant source of liquidity for capital requirements not satisfied by operating cash flows. The inability of FPL Group and its subsidiaries to maintain their current credit ratings could affect their ability to raise capital on favorable terms, particularly during times of uncertainty in the capital markets which, in turn could impact FPL Group's ability to grow its businesses and would likely increase its interest costs.

Weather conditions affect FPL Group's results of operations.

FPL Group's results of operations are affected by changes in the weather. Weather conditions directly influence the demand for electricity and natural gas and affect the price of energy commodities, and can affect the production of electricity at wind and hydro-powered facilities. In addition, severe weather can be destructive, causing outages and/or property damage, which could require additional costs to be incurred. Recovery of these costs is subject to regulatory action.

FPL Group is subject to costs and other effects of legal proceedings, as well as changes in or additions to applicable tax laws, rates or policies, rates of inflation, accounting standards, securities laws and corporate governance requirements.

FPL Group is subject to costs and other effects of legal and administrative proceedings, settlements, investigations and claims; as well as the effect of new, or changes in, tax laws, rates or policies, rates of inflation, accounting standards, securities laws or corporate governance requirements.

Threats of terrorism and catastrophic events that could result from terrorism may impact the operations of FPL Group in unpredictable ways.

FPL Group is subject to direct and indirect effects of terrorist threats and activities. Generation and transmission facilities, in general, have been identified as potential targets. The effects of terrorist threats and activities include, among other things, terrorist actions or responses to such actions or threats, the inability to generate, purchase or transmit power, the risk of a significant slowdown in growth or a decline in the U.S. economy, delay in economic recovery in the U.S., and the increased cost and adequacy of security and insurance.

The ability of FPL Group to obtain insurance and the terms of any available insurance coverage could be affected by national and company-specific events.

FPL Group's ability to obtain insurance, and the cost of and coverage provided by such insurance, could be affected by national, state or local events as well as company-specific events.

FPL Group is subject to employee workforce factors that could affect the businesses and financial condition of FPL Group.

FPL Group is subject to employee workforce factors, including loss or retirement of key executives, availability of qualified personnel, collective bargaining agreements with union employees or work stoppage.

THE SPECIAL MEETING

This proxy statement/prospectus is being mailed on or about _____, 2005 to holders of record of Gexa common stock as of the close of business on _____, 2005, and constitutes notice of the Gexa special meeting in conformity with the requirements of the Texas Business Corporations Act, or TBCA. It is accompanied by a proxy card furnished in connection with the solicitation of proxies by the Gexa board for use at the special meeting and at any adjournments or postponements of the special meeting.

Time and Place of Special Meeting

The Gexa special meeting is scheduled to be held as follows:

_____, 2005
10:00 a.m., local time (CST)
at the offices of: Porter & Hedges, L.L.P.
1000 Main Street, 36th Floor
Houston, Texas 77002

Matters to be Considered at the Gexa Special Meeting

The purpose of the special meeting of Gexa's shareholders is to consider and vote upon a proposal to approve the merger agreement and the merger. You may also consider and vote upon such other matters as may be properly brought before the Gexa special meeting, including any adjournment or postponement of the special meeting. The merger cannot occur unless the holders of two-thirds of Gexa's outstanding common stock as of the record date vote in favor of the proposal to approve the merger agreement and the merger.

Record Date for the Gexa Special Meeting and Voting Rights

Only holders of record of Gexa common stock at the close of business on the record date, _____, 2005, are entitled to notice of, and to vote at, the special meeting. At the close of business on the record date, there were _____ shares of Gexa common stock outstanding held by approximately _____ holders of record. Each holder of record of Gexa common stock on the record date will be entitled to one vote for each share held on all matters to be voted upon at the special meeting.

As of the record date, Gexa's executive officers and directors and their affiliates, as a group, beneficially owned approximately _____ % of the common stock of Gexa. Concurrent with the signing of the merger agreement, Neil M. Leibman, David K. Holeman and each other member of the Gexa board entered into a voting agreement with FPL Group requiring them to vote, or cause to be voted, the shares owned by them or their affiliates in favor of approval of the merger agreement and the merger, as described under the heading "Related Agreements Voting Agreement", beginning on page 50 of this proxy statement/prospectus. As of the record date, these individuals collectively owned an aggregate of 3,655,435 outstanding shares (approximately _____ %) of the outstanding Gexa common stock.

Quorum; Required Votes; Abstentions and Broker Non-Votes

The presence, in person or by proxy, of the holders of a majority of the outstanding shares of Gexa common stock entitled to vote at the special meeting is necessary to constitute a quorum. Abstentions and broker non-votes, which are executed proxies returned by a broker holding shares in street name that indicate that the broker has not received voting instructions from the beneficial owner of the shares and does not have discretionary authority to vote the shares with respect to the approval of the merger agreement and the merger, will be counted for purposes of determining whether a quorum exists.

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Approval of the merger agreement and the merger requires the affirmative vote of two-thirds of the shares of Gexa common stock outstanding as of the record date and entitled to vote.

All properly executed proxies delivered and not properly revoked will be voted at the special meeting as specified in such proxies. If you do not specify a choice, your shares represented by a signed proxy will be voted "FOR" the approval of the merger agreement and the merger. The failure to submit a vote by proxy card or in person at the special meeting, an abstention or broker non-votes will have the same effect as a vote "AGAINST" the approval of the merger agreement and the merger.

Proxies; Solicitation of Proxies

To vote by proxy, you should complete your proxy card and mail it in the enclosed postage prepaid envelope. If your shares are held in an account at a brokerage firm, bank or other fiduciary, you must direct such holder how to vote your shares. Your broker, firm, bank or other fiduciary will vote your shares only if you provide directions stating how to vote by following the instructions provided to you by such holder.

Gexa is not aware of any matter other than approval of the merger agreement and the merger that will be brought before the special meeting. If, however, other matters are properly presented, the persons named as proxies will vote in accordance with their judgment with respect to those matters.

In addition to this mailing, proxies may be solicited by directors, officers or employees of Gexa in person or by telephone or electronic transmission. None of the directors, officers or employees will be directly compensated for such services. Gexa has retained _____ to assist in the distribution and solicitation of proxies. Gexa and FPL Group will share the costs for the services of _____. Gexa will bear all other costs of the solicitation of proxies from holders of Gexa common stock.

Do not send any stock certificates with your proxy cards. The exchange agent will mail transmittal forms with instructions for the surrender of stock certificates for Gexa common stock to former Gexa shareholders as soon as practicable after the completion of the merger.

Revocation of Proxies

You may revoke and change your vote at any time prior to the special meeting by:

notifying Gexa in writing at 20 Greenway Plaza, Suite 600, Houston, Texas 77002, Attention: Secretary, that your proxy is revoked;

submitting another proxy with a later date by mail; or

appearing in person and voting at the special meeting (merely attending the special meeting will not revoke your previously-granted proxy and change your vote; you must cast a vote at the special meeting).

If your shares are held in the name of a broker, firm, bank or other fiduciary, you must contact the holder of record to determine how to revoke your proxy.

Adjournments or Postponements

Although it is not expected, the special meeting may be adjourned or postponed for the purpose of soliciting additional proxies or for other reasons as determined by Gexa's board of directors. Any adjournment or postponement may be made without notice, including by an announcement made at the special meeting, with the approval of the holders of a majority of the voting power represented by the outstanding shares of our common stock present in person or represented by proxy at the special meeting, whether or not a quorum exists. Any signed proxies received by Gexa will be voted in favor of an adjournment or postponement in these circumstances unless a written note on the proxy by the shareholder directs otherwise. If the special meeting is adjourned or postponed for the purpose of soliciting additional proxies or for other reasons, Gexa's shareholders who have already sent in their proxies may revoke them at any time prior to their use.

THE MERGER

Background of the Merger

Gexa has faced major challenges as its operations and business have grown substantially during the last two years and the Texas deregulated retail electricity marketplace continued to mature. The Texas retail electricity market is intensely competitive and barriers to entry are relatively low. As a result, Gexa has in the past and, should it remain independent, would be expected to continue in the future to face competitive pressures from larger organizations that have greater financial resources to finance electricity purchases and pursue higher cost marketing opportunities than Gexa. Furthermore, as electricity prices continue to escalate, Gexa has the challenge associated with obtaining the financing necessary to fund the substantial peak electricity demands from its growing customer base.

The Gexa board has regularly evaluated different strategies and financing methods for dealing with these challenges. Gexa's ability to borrow money from traditional financial institutions, however, is, as a practical matter, restricted due to its limited operating history, lack of available collateral and various credit restrictions applicable to it. Outside of its credit agreement with TXU Portfolio Management Company LP, or TXU PM, Gexa has typically been limited to lenders that are willing to lend on a second lien or mezzanine basis, the cost of which is usually very high. Alternatively, Gexa has also accessed the private placement equity market for certain of its financing needs. However, these equity transactions are costly and may dilute the interests of Gexa's shareholders.

Gexa's board also has from time-to-time considered alternatives to traditional financing strategies, including strategic partnerships and business combinations. Since late 2002, Gexa has been approached by various competitors seeking to acquire Gexa's business, typically in the form of a request to purchase Gexa's customer base. Beginning in late May 2004, after the filing of its annual report for fiscal year 2003, Gexa's management was approached by certain nationally-known competitors in the electricity business that were potentially interested in acquiring Gexa. The initial inquiries were discussed by the Gexa board in an executive session following its May 27, 2004 meeting. At the directive of the Gexa board, management continued discussions with these various potential acquirers through the summer of 2004. Unlike many potential acquirers that had previously expressed interest, these competitors generally had strong balance sheets, electricity generation capacity and the ability to obtain more favorable credit terms for electricity purchases.

At an executive session following the August 26, 2004 Gexa board meeting, the Gexa board authorized management and Tom O'Leary, one of the directors who was involved in most of the discussions, to pursue more specific negotiations with two of the possible acquirers. The Gexa board also authorized management to respond to initial inquiries received from subsidiaries of FPL Group and directed management to interview investment bankers to assist in the evaluation of any acquisition proposals.

After these initial discussions, certain of the potential acquirers made varying non-binding proposals with offer prices ranging from \$5.00 to \$5.50 per share. In September 2004, subsidiaries of FPL Group expressed an interest in pursuing negotiations regarding a potential acquisition of Gexa. In order to facilitate discussions, Gexa entered into a confidentiality agreement with FPL Energy Power Marketing, Inc., or FPL EPM, an indirect subsidiary of FPL Group, on September 1, 2004. An initial meeting was scheduled with representatives of subsidiaries of FPL Group on September 17, 2004, to discuss generally their and Gexa's interest in pursuing a potential acquisition. In addition, some preliminary due diligence material regarding Gexa was provided to subsidiaries of FPL Group following the meeting. Representatives of the FPL Group subsidiaries continued gathering information from Gexa's senior management following the meeting; however, from early October 2004 through November 28, 2004, there were no further negotiations regarding any specific transaction and no offer was presented during this period.

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During the fourth quarter of 2004, Gexa proceeded with the completion of a private placement transaction for the sale of Gexa common stock and warrants to purchase Gexa common stock. The private placement closed on November 23, 2004. Oppenheimer acted as the placement agent in the private placement transaction. Following the completion of the private placement, Gexa retained Oppenheimer as its exclusive financial advisor in connection with the continuing evaluation of Gexa's strategic opportunities, including possible business combinations.

On November 29, 2004, Gexa and subsidiaries of FPL Group reinitiated discussions after representatives of the FPL Group subsidiaries contacted Gexa to confirm Gexa's continued interest in a transaction following the completion of its private placement. Several days later, an investment banking organization representing a large gas retailer contacted Gexa to express interest in a possible acquisition of Gexa. Throughout December 2004, management, Mr. O'Leary and Oppenheimer engaged in fact finding meetings with representatives of the FPL Group subsidiaries and the other suitor to determine if there was a sufficient level of interest to justify proceeding with formal discussions in either case.

In late December 2004, a subsidiary of FPL Group delivered a non-binding term sheet to Gexa proposing a transaction with a value range of between \$6.25 to \$6.75 per share of outstanding Gexa common stock. Gexa had previously received a non-binding proposal from the competing bidder for a proposed transaction at \$6.35 per share of outstanding Gexa common stock, but such proposal was subject to contingencies, including financing and completion of satisfactory due diligence investigation. After completing various due diligence inquiries, management and Mr. O'Leary reviewed the proposals and determined that a transaction with FPL Group and certain of its subsidiaries would be more favorable based on several factors, including:

the indication from the FPL Group subsidiaries of a higher valuation for Gexa;

the strategic advantages of an acquisition by FPL Group because of the strength of its balance sheet and its electrical generation capacity; and

the lack of a financing condition to closing a transaction with FPL Group and the fact that FPL Group subsidiaries had already completed a substantial amount of due diligence.

In order to facilitate further discussions, Gexa entered into an amendment to the confidentiality agreement with FPL EPM on December 30, 2004. The amendment included a limited exclusivity right in favor of FPL EPM and a standstill provision in favor of Gexa.

During the week of January 10, 2005, representatives of FPL Group subsidiaries and Gexa commenced more detailed due diligence discussions and management meetings, which continued thereafter. On January 27, 2005, Mr. O'Leary reported to the Gexa board the status of these on-going discussions.

On February 10, 2005, during a conference call, representatives of subsidiaries of FPL Group outlined to Gexa's management and Mr. O'Leary the terms of a purchase of Gexa in a stock-for-stock merger transaction at a value of approximately \$6.50 per share. The board was promptly notified of the offer.

Thereafter, on February 15, 2005, subsidiaries of FPL Group delivered to Gexa a non-binding term sheet reflecting the terms discussed during the February 10 conference call. The term sheet was distributed to each of the directors. At a special meeting of the board of directors held on February 17, 2005, the Gexa board reviewed and discussed the term sheet at length. Following initial board discussions, the board contacted Gexa's outside counsel, Porter & Hedges, by telephone conference to respond to various questions regarding the term sheet raised by members of the board. Outside counsel discussed, among other things, the board's fiduciary duties with respect to the proposed transaction. The board then contacted its financial advisor, Oppenheimer, by telephone conference to discuss

further the items related to the term sheet, including the offer price and general terms of the proposed transaction. After further discussions, the Gexa board authorized management to proceed with more formal negotiations with subsidiaries of FPL Group, including negotiation toward a definitive merger agreement.

On February 22, 2005, subsidiaries of FPL Group delivered to Gexa a preliminary draft of a merger agreement for the proposed transaction. Thereafter, management, Mr. O'Leary and Gexa's legal and financial advisors engaged in further discussions with various representatives of subsidiaries of FPL Group and their legal counsel to negotiate terms of the merger agreement. Neil Leibman, Gexa's Chairman and Chief Executive Officer, also engaged separate counsel to negotiate with representatives of subsidiaries of FPL Group the terms of his employment by Gexa following the consummation of the merger. In March 2005, Gexa also engaged Oppenheimer to conduct an evaluation of the fairness from a financial point of view of the proposed merger consideration to Gexa's shareholders.

After further negotiations between the parties, on March 18, 2005, the FPL Group board held a meeting and approved the proposed transaction with Gexa, subject to satisfactory completion of negotiations. The Gexa board also held a meeting on the same day to discuss the terms of the proposed transaction with FPL Group, matters that remained subject to further negotiation, and the methodology and status of Oppenheimer's report as to the fairness from a financial point of view of the merger consideration. Mr. Leibman described the terms of his proposed employment agreement following the merger, as negotiated among Mr. Leibman, his own counsel and FPL Group. After discussion by the board members of Mr. Leibman's proposed employment agreement, lawyers from Porter & Hedges reviewed in detail the board's fiduciary duties in connection with the proposed transaction, the terms of the merger agreement and the status of negotiations of the merger agreement. Representatives of Oppenheimer then described some of the methodologies that would be employed by Oppenheimer in its report on the fairness of the merger consideration. Following lengthy discussion, the Gexa board authorized management to proceed with such negotiations, subject to a review of the final terms at a later board meeting.

Thereafter, Mr. Leibman, Mr. Holeman and Mr. O'Leary, with the assistance of Gexa's legal and financial advisors, continued negotiations with representatives of subsidiaries of FPL Group and their counsel toward reaching a final definitive merger agreement. However, on March 24, 2005, in a conference call, representatives of Oppenheimer and Mr. Leibman of Gexa informed representatives of subsidiaries of FPL Group that, because of recent trading activity in Gexa's stock, the merger consideration of \$6.50 per share was no longer acceptable. Various discussions regarding a potential transaction continued on March 24, 2005, but the parties were not in agreement as to the merger consideration and various other items in the merger agreement.

On March 25, 2005, through a series of conference calls with Mr. Leibman, Mr. Holeman and Mr. O'Leary, lawyers from Porter & Hedges, representatives of Oppenheimer and representatives of subsidiaries of FPL Group, subsidiaries of FPL Group agreed to increase the merger consideration offered to Gexa shareholders to \$6.88 per share. Based on this increase, Gexa agreed to submit the terms of the transaction to its board for final approval. The lawyers from Porter & Hedges, Gexa's management and representatives of FPL Group subsidiaries and legal counsel then proceeded to negotiate the remaining issues related to the merger agreement.

On March 27, 2005, the Gexa board held a meeting by telephone to consider the final terms of the proposed merger agreement. Prior to the meeting, each director received copies of the final merger agreement and related schedules, Mr. Leibman's proposed employment agreement, the final voting agreement, board resolutions for the approval of the merger agreement and the merger and copies of Oppenheimer's presentation on the fairness from a financial point of view of the merger consideration. Mr. Leibman described the terms of his proposed employment agreement as finally negotiated with representatives of subsidiaries of FPL Group. Then, Mr. Leibman and lawyers from Porter & Hedges

reviewed the terms of the merger agreement and related agreements. Following discussion by the board, representatives of Oppenheimer presented its financial analysis with respect to the proposed merger. At the end of his presentation, representatives of Oppenheimer verbally delivered Oppenheimer's opinion that, as of such date and based upon and subject to certain assumptions and matters set forth in the opinion, the merger consideration to be received by the shareholders of Gexa was fair from a financial point of view. Oppenheimer's letter was later delivered by Oppenheimer to Gexa and is attached to this proxy statement/prospectus as Annex B and summarized under "The Merger Opinion of Financial Advisor to Gexa", on page 26 of this proxy statement/prospectus. Following the presentations and further discussions, Gexa's board unanimously determined that the merger agreement, and the transactions contemplated thereby, were advisable, fair and in the best interests of Gexa and its shareholders, unanimously adopted and approved the merger agreement and the transactions contemplated thereby, and unanimously recommended that shareholders of Gexa approve the merger agreement and the merger.

Thereafter, effective March 28, 2005, the merger agreement and related documents were executed and delivered. Prior to the opening of trading on the Nasdaq SmallCap Market and New York Stock Exchange on March 28, 2005, FPL Group and Gexa issued a joint press release announcing the execution of the merger agreement.

Recommendation of the Board; Gexa's Reasons for the Merger

Gexa's board has unanimously approved the merger agreement, has unanimously determined that the merger agreement and the merger are advisable and fair to, and in the best interests of, Gexa and the holders of Gexa's common stock and unanimously recommends that Gexa's shareholders vote "**FOR**" the approval of the merger agreement and the merger.

In reaching its determination to recommend the approval of the merger agreement and the merger, the Gexa board consulted with management, as well as its financial and legal advisors, and considered various material factors, which are discussed below. In light of the wide variety of factors that the Gexa board considered in connection with its evaluation of the merger agreement and the merger and the complexity of these matters, the Gexa board did not quantify or otherwise assign relative weights to the factors it considered. In addition, individual members of the board may have given different weights to different factors; however, the Gexa board as a whole made its determinations and recommendations based on the totality of the information presented to and considered by it. The material information and factors considered by the Gexa board were the factors described below. The directors were aware, during the course of such deliberations, of the interests of certain directors and executive officers in the merger described under "The Merger Interest of Directors and Officers in the Merger" beginning on page 32 of this proxy statement/prospectus.

Strategic Advantages of the Merger

Enhanced Strategic Position of Gexa. The Gexa board believed that through an acquisition by FPL Group, it could gain access to FPL Group's substantial resources and experience in the electricity business giving Gexa a stronger competitive position and greater opportunities for growth than Gexa would have by remaining independent. In particular, the board considered the strategic benefits of leveraging FPL Group's strong balance sheet, electrical generation capacity and name-brand recognition with Gexa's marketing platform and customer base in Texas. The material information and factors considered by the Gexa board and which supported the merger for strategic reasons were the following:

the ability to leverage FPL Group's consolidated financial strength to finance the continued growth of Gexa;

the ability to attract new customers through an association with the FPL Group name in an increasingly competitive marketplace for retail electricity providers in Texas;

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the ability to leverage FPL Group's existing electricity generation capacity in Texas and elsewhere in the United States;

the ability to leverage FPL Group's resources and creditworthiness to enter markets outside of Texas;

the immediate and long-term benefits of FPL Group's nationwide marketing presence that would be available to Gexa as a subsidiary of FPL Group;

the ability to leverage the quality and experience of the FPL Group management team; and

the redeployment of Gexa's resources, including management, from tasks related to SEC and other regulatory compliance and administrative matters.

Gexa's Business, Financial Condition and Prospects. The Gexa board considered information with respect to the financial condition, results of operation and business of Gexa, on both an historical and prospective basis, and current industry, economic and market conditions. In particular, the board considered

Gexa's limited ability to raise capital to support its growth as a result of its limited operating history, lack of available collateral and various credit restrictions applicable to it;

the effects of rising natural gas prices, including diminishing margins and increasing credit requirements for purchases of electricity;

the increasingly competitive market for customers in the deregulated electricity market in Texas and the expectation that customer acquisition costs could increase;

the difficulty for Gexa to obtain favorable credit terms in markets outside of Texas; and

the increasing costs of SEC and other regulatory compliance and the drain on Gexa's limited resources as a result of such compliance requirements.

FPL's Business, Financial Condition and Prospects. The Gexa board considered information with respect to the financial condition, results of operations and businesses of FPL Group, including the due diligence review by Gexa's management regarding FPL Group's businesses, operations, financial condition and prospects.

Terms of the Merger Agreement and Merger Consideration.

The Gexa board also considered:

Oppenheimer's opinion, described below, that as of the date of such opinion and based upon and subject to the assumptions, qualifications and limitations set forth therein, the merger consideration is fair from a financial point of view to the Gexa shareholders. For a more detailed discussion regarding the Oppenheimer opinion, please see the section below titled "Opinion of Financial Advisor to Gexa", beginning on page 26 of this proxy statement/prospectus;

that the consideration to be received by Gexa's shareholders in the merger is expected to generally be tax-free to those shareholders for U.S. federal income tax purposes;

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the historical market prices and recent trading activity of shares of Gexa common stock and FPL Group common stock, including the fact that FPL Group has a significantly higher volume of trading activity, and the value of such enhanced liquidity to Gexa's shareholders;

the dividend payment history and policy with respect to the FPL Group common stock;

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that Gexa can furnish information to and conduct negotiations with a third party in connection with an unsolicited proposal for an alternative business combination, and that Gexa's board may withdraw its recommendation of the merger agreement to Gexa's shareholders and terminate the merger agreement in the event that Gexa receives a superior offer, in each case subject to specific conditions set forth in the merger agreement, including a topping bid requirement of \$3.5 million, and payment of a termination fee of \$3.25 million, which conditions are more fully described under "The Merger Agreement - No Solicitation of Transactions", beginning on page 44);

its belief that the amount of the topping bid requirement of any potential acquirer and the related termination fee payable to FPL Group under the merger agreement, and the circumstances under which such requirements and fees would arise, are reasonable considering that: (i) FPL Group was only willing to enter the merger agreement on the express condition that Gexa agree to the topping bid requirement and related termination fee; and (ii) the Gexa board's belief that the amount of the fee would not be likely to preclude potentially interested third parties from pursuing a transaction with Gexa;

the other terms and conditions of the merger agreement, as reviewed by the board with Gexa's legal and financial advisors; and

Gexa's analysis of its strategic alternatives, including prior discussions by Gexa and its financial advisors with third parties regarding possible strategic transactions, as described under " Background of the Merger", and the view of the Gexa board that the proposed transaction with FPL Group was the most attractive opportunity for Gexa's shareholders.

Risks of the Proposed Merger

In the course of legal, accounting and business due diligence and during the negotiation of the merger agreement, Gexa's board also considered challenges and risks inherent in the proposed transaction. The board considered each of the material risks that were known to it, including:

the opportunities for growth and the potential for increased shareholder value if Gexa were to stay independent and realize its strategic plan and financial projections over the next five years;

that the \$6.88 value for Gexa's shares of common stock is equal to the closing price of Gexa's common stock on March 24, 2005, the last day of trading prior to the joint announcement by FPL Group and Gexa of the execution of the merger agreement (although such value is higher than the 5-day and 10-day average of the closing prices of Gexa's common stock prior to such announcement);

that the value of FPL Group's common stock on the closing date could be lower than the value of FPL Group's common stock used to calculate the final exchange ratio;

that the merger might not be completed in a timely manner or at all, the possibility of a material change in Gexa's business, the conditions to FPL Group's obligations to complete the merger and FPL Group's right to terminate the merger agreement, as stated in the merger agreement;

the potential effect of public announcement of the merger on Gexa's customers and employees;

that the expected benefits of the merger may not be realized;

the requirement that Gexa pay a \$3.25 million termination fee under certain conditions described in "The Merger Agreement - Termination Fees and Expenses", beginning on page 49 of this proxy statement/prospectus;

the transaction costs associated with the merger;

that management's focus and Gexa's resources may be diverted from other strategic opportunities and from operational matters while working to implement the merger;

the limitations imposed on the conduct of Gexa's business and the solicitation of alternative business transactions prior to the completion of the merger.

The Gexa board concluded that the potential positive factors outweighed the potential risks inherent in the proposed merger. It should be noted that this explanation of the Gexa board's reasoning and all other information presented in this section are forward-looking in nature and, therefore, should be read in light of the factors discussed herein under the heading "Forward-Looking Statements" beginning on pages 14 and 52 of this proxy statement/prospectus.

Opinion of Financial Advisor to Gexa

Gexa engaged Oppenheimer & Co. Inc., or Oppenheimer, as its financial advisor to assist in the negotiation of the merger and to render its opinion as to the fairness, from a financial point of view, of the merger consideration. Gexa engaged Oppenheimer based on Oppenheimer's experience and expertise in similar transactions. Oppenheimer is a nationally recognized investment banking firm. Oppenheimer, as part of its investment banking business, is continuously engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

At the March 27, 2005 special meeting of the Gexa board of directors, Oppenheimer rendered its oral opinion, which was subsequently confirmed in writing, to the effect that, as of that date and based upon qualifications, assumptions, limitations and other matters set forth in the written opinion, the merger consideration to be received by the shareholders of Gexa was fair from a financial point of view.

The full text of Oppenheimer's written opinion, which sets forth the assumptions made, matters considered and qualifications and limitations on the review undertaken by Oppenheimer, is attached as ANNEX B to this proxy statement/prospectus and is incorporated by reference. The summary of the Oppenheimer opinion set forth below is qualified in its entirety by reference to the full text of the opinion.

HOLDERS OF GEXA COMMON STOCK ARE URGED TO READ THE OPPENHEIMER OPINION IN ITS ENTIRETY. In reading the discussion of the Oppenheimer opinion set forth below, holders of Gexa common stock should be aware that the opinion:

was provided to the Gexa board of directors for its benefit and use in connection with its consideration as to whether the merger consideration to be received by the shareholders of Gexa was fair, as of March 27, 2005, the date of the opinion, from a financial point of view, to the holders of Gexa common stock;

did not constitute a recommendation to the board of directors of Gexa in connection with the merger;

did not constitute a recommendation to any holders of Gexa common stock as to how to vote in connection with the merger;

did not address Gexa's underlying business decision to pursue the merger, the relative merits of the merger as compared to alternative business strategies that might exist for Gexa or the effects of any other transaction in which Gexa might engage;

did not express any opinion as to the price or range of prices at which the shares of common stock of Gexa and FPL Group would trade subsequent to the announcement of the merger or as to the price or range of prices at which the shares of common stock of FPL Group may trade subsequent to the consummation of the merger; and

was expressed as of March 27, 2005 and was based entirely upon circumstances existing on such date.

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Although Oppenheimer evaluated the fairness, from a financial point of view as of the date of its opinion, of the merger consideration of FPL Group common stock for each share of Gexa common stock to the holders of Gexa common stock, the purchase price per share itself was determined through arms-length negotiations between Gexa and FPL Group. Oppenheimer provided advice to Gexa during the course of such negotiations as requested by the Gexa board of directors. Gexa did not provide specific instructions to, place any limitations on the scope of the investigation by, or place any limitations on the procedures to be followed or factors to be considered by, Oppenheimer in performing its analyses or providing its opinion.

In arriving at its opinion, Oppenheimer, among other things:

reviewed the execution draft of the merger agreement between Gexa and FPL Group dated as of March 28, 2005;

reviewed certain publicly available financial statements and other information of Gexa and FPL Group;

compared implied historical exchange ratios between Gexa's common stock and FPL Group's common stock;

discussed the past and current operations and financial condition and prospects of Gexa and FPL Group, including, but not limited to, the credit profile of FPL Group, a review of Gexa's and FPL Group's recent operating history, financial performance and prospects; financial forecasts for Gexa and, from publicly available data, for FPL Group;

provided the Gexa board of directors with a detailed public information package on FPL Group and reviewed the publicly available 2005 earnings estimates for FPL Group;

reviewed and discussed with senior management of Gexa and FPL Group the strategic rationale for the acquisition of Gexa and certain alternatives to the merger;

participated in discussions and negotiations with representatives of Gexa and FPL Group;

reviewed drafts of the merger agreement and certain related documents;

performed certain material analyses. In performing these analyses, Oppenheimer made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Gexa or FPL Group. In arriving at its opinion, Oppenheimer considered the results of all of the analyses as a whole;

in connection with the analyses, noted that Gexa, through the normal course of business, had been approached on five separate occasions with preliminary non-binding acquisition proposals. Prior preliminary offers from strategic buyers ranged from a minimum offer of \$5.50 per share to a maximum offer of \$6.35 per share;

reviewed the historical prices, trading multiples and trading volume of the common shares of Gexa and FPL Group;

reviewed publicly available financial data, stock market performance data and trading multiples of companies that Oppenheimer deemed generally comparable to Gexa and FPL Group;

performed discounted cash flow analyses of Gexa based on projections developed with the input from Gexa's management for the five fiscal years ended December 31, 2009;

reviewed the terms of recent mergers and acquisitions of companies that Oppenheimer deemed generally comparable to Gexa; and

conducted such other studies, analyses, inquiries and investigations, as Oppenheimer deemed appropriate.

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In arriving at its opinion, Oppenheimer assumed and relied upon without independent verification of the accuracy and completeness of the information reviewed by it for the purposes of this opinion. Oppenheimer did not make any independent valuation or appraisal of the assets or liabilities of Gexa, nor was Oppenheimer furnished with any such appraisals.

With respect to the financial projections of Gexa, Oppenheimer has relied on representations by Gexa's management that they have been reasonably prepared on bases reflecting the best available estimates and judgments of the management of Gexa, as of March 27, 2005, as to the expected future performance of Gexa. Oppenheimer has further relied upon the assurances of the management of Gexa that they are unaware of any facts that would make such information provided to Oppenheimer incomplete, inaccurate or misleading as of the date of Oppenheimer's opinion.

In arriving at its opinion, Oppenheimer assumed that:

all of the FPL Group shares received by Gexa's shareholders would be registered under the Securities Act and the shareholders would receive the FPL Group shares on a tax free basis; and

the merger would be consummated in a timely manner and in accordance with the terms of the merger agreement, without any limitations, restrictions, conditions, amendments or modifications, regulatory or otherwise, that collectively would have a material effect on Gexa and FPL Group on a stand-alone basis.

Summary of reviews and analyses.

Oppenheimer's opinion is necessarily based on economic, market and other conditions and the information made available to Oppenheimer as of the date of the opinion. In performing its analyses, Oppenheimer made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Oppenheimer, Gexa and FPL Group. Any estimates contained in the analyses performed by Oppenheimer are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by such analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, such analyses and estimates are inherently subject to substantial uncertainty.

The following is a summary of the material reviews and financial and valuation analyses presented by Oppenheimer to the Gexa board of directors at its meeting held on March 27, 2005. In order to understand fully the reviews and financial valuation analyses used by Oppenheimer, any information presented in tabular format must be read together with the text of each summary. The tables alone do not represent a complete description of any such reviews or financial and valuation analyses. This summary does not purport to be a complete description of the analyses underlying the Oppenheimer opinion. All such reviews and financial valuation analyses were based on information available to Oppenheimer on March 27, 2005, and Oppenheimer has not undertaken, and is under no duty, to update any such reviews or financial valuation analyses upon the availability of new information.

Comparative Stock Price Performance. Oppenheimer conducted historical analyses of closing prices of Gexa common stock and FPL Group common stock. Oppenheimer observed that from March 25, 2004 to March 24, 2005, the closing price of the Gexa common stock increased 1.2% and the closing price of the FPL Group common stock increased 29.4%. Oppenheimer also noted that from March 25, 2004 to March 24, 2005, Gexa's average daily trading volume was 17,939 shares (\$98,553) and FPL Group's average daily trading volume was 889,674 shares (\$73,392,868).

Historical Premiums Analysis. Oppenheimer reviewed the historical closing prices of Gexa's common stock over various periods ending March 24, 2005 and the implied historical premium to be paid to Gexa determined by dividing the consideration price per share to be paid for Gexa's common

stock by the price per share of Gexa's common stock over such period. Oppenheimer noted the merger consideration to be paid for Gexa's common stock represented a premium to the Company's 10-day, 30-day and year-to-date average closing stock price on both a market and volume weighted average price, or VWAP, basis. The actual exchange ratio for the merger consideration will be based upon the average closing price of FPL Group's common stock for the 10-day period ending on the third business day prior to the closing of the transaction. The following table shows the implied premium to be paid for Gexa's common stock for the various periods through March 24, 2005.

Time Period	Average Closing Stock Price		Purchase Price Premium Average Closing Stock Price	
	Market	VWAP	Market	VWAP
	10-Day	\$ 6.56	\$ 6.80	4.9%
30-Day	6.25	6.39	10.1%	7.6%
Year-to-Date	5.71	6.16	20.5%	11.6%

Premiums Paid Analysis. Oppenheimer conducted an analysis of stock price premiums paid to targets by acquirers for a diversified group of mergers and acquisitions, excluding share repurchases from January 1, 2004 through March 25, 2005, having transaction values ranging from \$50 million \$110 million, which Oppenheimer considered reasonably comparable in size to the Gexa/FPL Group transaction value, from available data from ThomsonOne Banker. Oppenheimer noted that the premiums analysis necessarily involves complex considerations and judgments concerning many factors that would affect the acquisition value and the premium paid in the transaction including, financial and operating characteristics, form of consideration, acquisition terms and other factors specific to a particular transaction. Oppenheimer compared the proposed common stock per share consideration of these transactions to the one-day prior, one-week prior and one-month prior to public announcement of the respective transaction. Oppenheimer noted that the \$6.88 offer price represented a 0.0%, 2.2% and 10.1% premium to Gexa's closing stock price one day prior, one week prior and one month prior to the public announcement. By comparison, the table below provides the range of premiums paid with respect to the comparable transactions analyzed:

Metric	Premium Paid		
	1-Day Prior	One-Week Prior	One-Month Prior
Average	27.4%	25.5%	31.7%
Median	22.4%	21.9%	28.9%
Min	(59.7%)	(55.1%)	(59.7%)
Max	103.6%	103.6%	120.7%

Relative Contribution Analysis. Oppenheimer calculated the relative financial contribution of each of Gexa and FPL Group to the pro forma combined company, based upon 2005 estimated earnings before interest, taxes, depreciation and amortization (EBITDA). Oppenheimer then compared this contribution percentage to the proportion of the market equity value and enterprise value (market equity value less cash, plus debt, minority interest, and preferred stock (book value)), each calculated as of March 24, 2005, that Gexa's shareholders would receive based on the exchange ratio of 0.174, assuming a \$6.88 offer price and a closing FPL Group stock price of \$39.49 as of March 24, 2005. Oppenheimer observed that Gexa's ownership share of the combined company would be 0.5%, based upon the 0.174 exchange ratio. Set forth below are Gexa's and FPL Group's contribution to certain categories to the illustrative pro forma combined company, including calendar year 2005 estimated EBITDA based on publicly available research estimates for FPL Group and Oppenheimer's estimates for Gexa.

Relative Contribution Percentage

	<u>Market Value</u>	<u>Enterprise Value</u>	<u>2005E EBITDA</u>
FPL Group	99.5%	99.7%	99.5%
Gexa	0.5%	0.3%	0.5%

Selected Comparable Company Analysis. Using recently published publicly available estimates, Oppenheimer compared certain trading and valuation statistics in a selected group of publicly traded companies in the Utility and Energy sectors and the Telecommunications services reseller sector, which in Oppenheimer's judgment, were generally comparable to Gexa for the purposes of this analysis from both a financial and operational perspective. Oppenheimer chose to value only the retail assets of the consolidated multi-utilities, which Oppenheimer believed were more comparable to Gexa's operations; however, Oppenheimer noted that this type of analysis did not necessarily constitute a comparable or complete valuation of these assets. As a result, Oppenheimer made certain assumptions, without independent verification, in this analysis. These companies were:

<u>Company</u>	<u>Ticker</u>
<u>Multi-Utility Retail Business Only</u>	
FPL Group (Energy)	FPL
Constellation Energy Group (New Energy Group)	CEG
Centrica (Centrica North America)	N/A
Great Plains Energy (Strategic Energy)	GXP
Reliant Energy (Retail Segment)	RRI
TXU (Retail)	TXU
<u>Company</u>	
<u>Ticker</u>	
<u>Telecommunication Services Resellers</u>	
IDT Corporation	IDTC
Net2Phone, Inc.	NTOP
Primus Telecommunications Group, Inc.	PRTL
Talk America Holdings, Inc.	TALK
Yak Communications Inc.	YAKC

Oppenheimer utilized the earnings forecasts for these companies from publicly available equity research reports. Oppenheimer's analysis was based on closing stock prices as of March 24, 2005. A summary of the projected multiples of enterprise value (market equity value less cash, plus debt, minority interests and preferred stock (book value)) calculated as of March 24, 2005 to revenues and EBITDA are set forth below:

	<u>Enterprise Value/ 2005E</u>			
	<u>Revenue</u>		<u>EBITDA</u>	
Gexa	0.2x		5.2x	
<u>Range of Multiples for Comparable Companies:</u>				
Multi-Utility Retail Only	0.1x	2.3x	3.0x	7.1x
Telecommunication Services Resellers	0.2x	0.6x	2.1x	6.2x
<u>Average of Multiples for Comparable Companies:</u>				
Multi-Utility Retail Only	0.9x		5.5x	
Telecommunication Services Resellers	0.4x		4.3x	

Oppenheimer noted that no company utilized in the comparable company analysis was identical to Gexa. In evaluating the peer group, Oppenheimer made judgments and assumptions with regard to

disaggregating selected financial information from the multi-utilities, industry performance, general business, economic, market and financial conditions and many other matters, including the impact of competition.

Discounted Cash Flow Analysis. Oppenheimer performed a discounted cash flow analysis on the projected cash flows of Gexa for the fiscal years ending December 31, 2005 through December 31, 2009 using projections and assumptions provided by the management of Gexa as guidance. In determining the theoretical or intrinsic value of Gexa, Oppenheimer calculated the estimated present value of the stand-alone, unleveraged, after-tax free cash flows that Gexa could generate for calendar years 2005 through 2009 as derived from discussions with the management of Gexa. For the purpose of this analysis, Oppenheimer calculated a range of estimated terminal values for Gexa by applying multiples ranging from 4.4x to 5.4x to Gexa's 2009 estimated EBITDA. The estimated free cash flows and terminal values were then discounted to present value using a range of discount rates of 19.0% to 31.0%. Gexa's net debt (debt less excess cash) as of December 31, 2004, was subtracted from the sum of the present value of Gexa's cash flows and the present value of Gexa's terminal value to determine the theoretical equity value of Gexa and that resultant was divided by fully-diluted Gexa shares outstanding on a treasury method basis. Based on the above assumptions, this analysis indicated an implied per share equity reference range of \$5.97 to \$6.62 per share, based on a 25% discount rate.

Selected Precedent Mergers and Acquisitions Transactions. Oppenheimer compared certain publicly available statistics from SEC filings, company press releases and publicly available research of selected precedent mergers and acquisitions from January 1, 2004 to March 25, 2005 involving companies that operate in the retail electricity distribution industry or in a similar industry, which Oppenheimer deemed comparable to the transaction between Gexa and FPL Group. Oppenheimer compared transaction enterprise value to EBITDA multiples relating to the proposed acquisition of Gexa by FPL Group. The following table presents the transactions that were analyzed:

<u>Target</u>	<u>Acquirer</u>
Residential Services Group	Centrica Plc
ATCO Group (Customers)	Centrica Plc
Strategic Energy, LLC	Great Plains Energy

Oppenheimer noted that none of the precedent merger and acquisition transactions above was identical to the merger between Gexa and FPL Group. Several of the transactions were not for the entire business, but rather a segment of a business or were completed in multiple phases or involved non-Texas operations, which make a comparison less relevant. Oppenheimer further noted that the analysis of precedent transactions necessarily involves complex considerations and judgments concerning differences in financial and operating characteristics, form of consideration, acquisition terms and other factors that would necessarily affect the acquisition value of Gexa versus the acquisition value of any other comparable company in general and the transactions above in particular. In contrast, Oppenheimer noted that the average transaction value/latest fiscal year EBITDA for the precedent merger and acquisition transactions was 3.9x.

Other Considerations. The preparation of a fairness opinion is a complex process that involves various judgments and determinations as to the most appropriate and relevant methods of financial and valuation analysis and the application of those methods to the particular circumstances. The opinion is, therefore, not necessarily susceptible to partial analysis or summary description. Oppenheimer believes that its analyses must be considered as a whole and that selecting portions of its analyses and the factors considered, without considering all of the analyses and factors, including the non-binding acquisition proposals received by Gexa, would create a misleading and incomplete view of the processes underlying its opinion. Oppenheimer did not form an opinion as to whether any individual analysis or

factor, whether positive or negative, considered in isolation, supported or failed to support its opinion. In arriving at its opinion, Oppenheimer did not assign any particular weight to any analysis or factor considered by it, but rather made qualitative judgments based upon its experience in providing such opinions and on then-existing economic, monetary, market and other conditions as to the significance of each analysis and factor. In performing its analyses, Oppenheimer, with Gexa's direction, made numerous assumptions with respect to industry performance, general business conditions and other matters, many of which are beyond the control of Gexa or Oppenheimer. Any assumed estimates implicitly contained in Oppenheimer's opinion or relied upon by Oppenheimer in rendering its opinion do not necessarily reflect actual values or predict future results or values. Any estimates relating to the value of the business or securities do not purport to be appraisals or to necessarily reflect the prices at which companies or securities may actually be sold. Oppenheimer's opinion and the analyses described herein were based on information available as of March 27, 2005, and Oppenheimer has not undertaken, and is under no duty, to update any such analyses upon the availability of new information.

Oppenheimer has previously rendered investment banking services to Gexa and has received customary fees for rendering these services. As part of its compensation for those services, Oppenheimer received and currently holds warrants to purchase 159,250 shares of Gexa common stock at an exercise price of \$6.02 per share, subject to adjustment. In the last twelve months, Oppenheimer acted as the sole placement agent for the offering of Gexa's common stock and warrants completed on November 23, 2004. Further, Oppenheimer may actively trade the equity securities of Gexa and FPL Group for its own account and for the accounts of its customers and, accordingly, at any time may hold a long or short position in such securities. Certain officers and employees of Oppenheimer also own securities in Gexa.

Under its engagement letter, Gexa agreed to pay to Oppenheimer a customary advisory fee, the majority of which is to be paid upon completion of the merger. The compensation is determined on a sliding scale depending on the value of the transaction. The engagement letter provides that the compensation for a transaction valued between \$74.0 and \$81.0 million will be \$1.1 million plus 1.75% of the incremental equity value over \$74.0 million. For purposes of determining Oppenheimer's compensation, the transaction is valued at approximately \$80.6 million. In addition, Gexa agreed to reimburse Oppenheimer for certain out-of-pocket expenses incurred by Oppenheimer in connection with the merger, including the reasonable fees and disbursements to its legal counsel. Gexa has also agreed to indemnify Oppenheimer against specific liabilities in connection with its engagement, including liabilities under the federal securities laws. Pursuant to a separate engagement letter, Gexa agreed to pay an additional \$150,000 to Oppenheimer to be paid in three equal installments due upon execution of the fairness opinion engagement letter, upon rendering the oral fairness opinion and upon inclusion of the fairness opinion in this proxy statement/prospectus, none of which is contingent on the closing of the acquisition.

The terms of the engagement letters were negotiated at arm's-length between Gexa and Oppenheimer and the Gexa board of directors was aware of the fee arrangements at the time of its approval of the merger agreement.

Interests of Directors and Officers in the Merger

In considering the recommendation of the Gexa board that Gexa's shareholders adopt and approve the merger agreement and the merger, you should be aware that certain directors and executive officers of Gexa have interests in the merger that are different from, or in addition to, your interests as shareholders of Gexa. The Gexa board was aware of these interests and considered them, among other matters, in adopting and approving the merger agreement and the merger and in recommending that the shareholders adopt and approve the merger agreement and the merger.

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Option and Restricted Stock Acceleration. Immediately prior to the effective time of the merger, all of the options held by Gexa's directors and executive officers, as with other option holders, whether or not then vested, will be or become vested and exercisable and shall immediately thereafter be assumed and converted into options to purchase FPL Group common stock in accordance with the provisions of the merger agreement as described in "The Merger Agreement Exchange of Certificates Stock Options and Other Stock Rights", beginning on page 39 of this proxy statement/prospectus. In addition, all restricted stock grants held by Gexa's executive officers, as well as other holders of Gexa restricted stock, whether or not then vested, will be or become vested in full.

The following table discloses for each Gexa executive officer and director the number of restricted stock grants and options that will be subject to accelerated vesting upon the closing of the merger:

Name and Title	Number of Non-Vested Restricted Stock	Number of Non-Vested Stock Options	Weighted Average Exercise Price of Non-Vested Options
Neil M. Leibman, Chairman & CEO		50,000	\$ 2.00
David K. Holeman, CFO & Secretary	25,000	300,000 ⁽¹⁾	\$ 4.735
Rod Danielson, V.P. Supply & Forecasting	20,000	83,333	\$ 4.56
David Atiqi, V.P. Sales	20,000	240,000	\$ 5.035
Don Aron, Director		35,000	\$ 3.463
Dan C. Fogarty, Director		35,000	\$ 3.463
Stuart C. Gaylor, Director		35,000	\$ 3.463
Tom D. O'Leary, Director		35,000	\$ 3.463
Robert C. Orr, Jr., Director		35,000	\$ 3.463

(1) Includes 100,000 stock options that, by agreement, will be granted on May 26, 2005 and will fully vest on the effective date of the merger.

Indemnification and Insurance. Upon completion of the merger, the surviving corporation will fulfill and honor all of Gexa's existing obligations to indemnify the officers and former directors of Gexa. The surviving corporation will provide indemnification to Gexa's officers and directors to the fullest extent permitted by applicable law for indemnifiable claims arising from acts or omissions prior to the effective time for a period of six years after the effective time of the merger, except as otherwise provided for Mr. Leibman under the terms of his employment agreement as described in "Related Agreements Employment Agreement", beginning on page 50 of this proxy statement/prospectus.

Upon completion of the merger, the surviving corporation will provide directors' and officers' liability insurance covering those persons who were covered by Gexa's directors' and officers' liability insurance policy as of the date of the merger agreement for a period of at least six years. However, the surviving corporation will not be required to spend more than 200% of the annual premium currently paid by Gexa for that coverage.

Employment Agreement. Gexa, FPL Group and Neil Leibman have entered into an employment agreement as described in "Related Agreements Employment Agreement", beginning on page 50 of this proxy statement/prospectus.

Federal Income Tax Consequences to Holders of Gexa Common Stock

General

The following discussion describes the material federal income tax consequences of the merger to you.

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This discussion only addresses federal income tax consequences to shareholders holding Gexa common stock as a capital asset at the time of the merger. Additionally, this discussion does not address all aspects of taxation that may be relevant to particular shareholders in light of their personal investment or tax circumstances. Nor does this discussion address all the tax consequences for shareholders subject to special treatment under the federal income tax laws, such as insurance companies, financial institutions, broker-dealers, foreign corporations, tax-exempt organizations, persons holding Gexa common stock as part of a hedge, appreciated financial position, straddle, conversion, or other risk reduction transaction, persons subject to the alternative minimum tax, and persons who are not citizens or residents of the United States. In addition, this discussion does not address any state, local or foreign tax considerations, and may not be applicable to holders who acquired Gexa common stock pursuant to the exercise of options or warrants or otherwise as compensation.

We urge you to consult your own tax advisor as to the specific tax consequences to you of the merger, including the applicable federal, state, local and foreign tax consequences to you of the merger.

This discussion is based on the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code, applicable Department of Treasury regulations, judicial authority, and administrative interpretations, all as in effect as of the date of this proxy statement/prospectus. Future legislative, judicial, or administrative changes or interpretations may adversely affect the accuracy of the statements and conclusions described in this discussion. Any such changes or interpretations could be applied retroactively and could affect the tax consequences of the merger to you.

Material Tax Consequences of the Merger

The material federal income tax consequences of the merger will be as follows:

- (a) The merger will constitute a reorganization under Section 368(a) of the Internal Revenue Code;
- (b) FPL Group, FRM Holdings, WPRM and Gexa will each be a party to such reorganization within the meaning of Section 368(b) of the Internal Revenue Code;
- (c) No gain or loss will be recognized by FPL Group, FRM Holdings, WPRM or Gexa as a result of the merger;
- (d) You will not recognize any gain or loss upon your receipt of FPL Group common stock in exchange for your Gexa common stock, except with respect to cash you receive instead of fractional shares of FPL Group common stock;
- (e) Your aggregate tax basis in the shares of FPL Group common stock you receive in the merger will be the same as the aggregate tax basis of your Gexa common stock exchanged (except for the portion of such tax basis allocable to a fractional share of FPL Group common stock for which you receive cash);
- (f) Your holding period for shares of FPL Group common stock you receive in the merger will include the holding period of the Gexa common stock exchanged; and
- (g) If you receive cash instead of a fractional share of FPL Group common stock, you will recognize capital gain or loss equal to the difference, if any, between your tax basis in the fractional share (as described in (d) above) and the amount of cash received. Such gain or loss will be long-term capital gain or loss if you held (or are treated as having held) the Gexa common stock for more than one year at the time of the merger.

FPL Group's and Gexa's obligation to complete the merger is conditioned upon their receipt of an opinion from McDermott Will & Emery LLP and Porter & Hedges, L.L.P., respectively, that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal

Revenue Code. These opinions each rely on assumptions, including assumptions regarding the absence of changes in existing facts and law and the completion of the merger in the manner contemplated by the merger agreement, and customary, factual representations and covenants made by FPL Group, Gexa and others, including those contained in certificates of officers of FPL Group and Gexa. The accuracy of those representations, covenants or assumptions may affect the conclusions set forth in these opinions, in which case the tax consequences of the merger could differ from those discussed here. No ruling has been sought from the Internal Revenue Service as to the United States federal income tax consequences of the merger, and the opinions of counsel will not be binding upon the Internal Revenue Service or any court.

Under the terms of the merger agreement, each of Gexa, FPL Group, FRM Holdings and WPRM are obligated not to take actions, or cause to be taken, or fail to take actions that are reasonably likely to prevent the merger from being treated as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code. FPL Group or its subsidiaries could enter into any number of post merger internal restructuring transactions in compliance with this obligation. FPL Group currently has under evaluation certain post merger internal restructuring transactions, which FPL Group believes will not affect the treatment of the merger as such a tax free reorganization.

Backup Withholding

Noncorporate holders of Gexa common stock may be subject to backup withholding at a rate of 28% on cash payments received instead of a fractional share interest in FPL Group common stock. Backup withholding will not apply to you, however, if you who (a) furnish a correct taxpayer identification number and certify, under penalties of perjury, that you are not subject to backup withholding on a Form W-9, (b) provide a certificate of foreign status on Form W-8 or (c) otherwise exempt from backup withholding. A shareholder who fails to provide the correct taxpayer identification number on Form W-9 may be subject to a \$50 penalty imposed by the Internal Revenue Service. The Exchange Agent (as defined under "The Merger Agreement Exchange of Certificates") will provide a Form W-9 to you after the merger.

Reporting Requirements

You will be required to attach a statement to your tax returns for the taxable year in which the merger is completed that contains the information set forth in Section 1.368-3(b) of the Department of Treasury regulations. The statement must include your tax basis in the Gexa common stock surrendered and a description of the FPL Group common stock received in the merger.

Accounting Treatment

The merger is expected to be accounted for using the purchase method of accounting, which means that the assets and liabilities of Gexa, including its intangible assets, will be recorded on FPL Group's consolidated financial statements at their fair market value. The results of operations and cash flows of Gexa will be included in the consolidated financial statements of FPL Group prospectively commencing from the date that the merger is completed.

No Dissenters' or Appraisal Rights

You are not entitled to dissenters' rights or appraisal rights under Texas law in connection with the merger because your shares of Gexa common stock are part of a class that is listed on the Nasdaq SmallCap Market and the FPL Group common stock you will receive in exchange for your Gexa common stock will be part of a class that is listed on the New York Stock Exchange.

Dividend Policy

Quarterly dividends have been paid on FPL Group common stock during the past two years and 2005 to date in the following amounts per share (adjusted to reflect a two-for-one stock split effective March 15, 2005):

Quarter	2005	2004	2003
First	\$ 0.355	\$ 0.31	\$ 0.30
Second		\$ 0.31	\$ 0.30
Third		\$ 0.34	\$ 0.30
Fourth		\$ 0.34	\$ 0.30

The amount and timing of dividends payable on FPL Group's common stock are within the sole discretion of FPL Group's board. The FPL Group board reviews the dividend rate at least annually (in February) to determine its appropriateness in light of FPL Group's financial position and results of operations, legislative and regulatory developments affecting the electric utility industry in general and FPL in particular, competitive conditions and any other factors the board deems relevant. The ability of FPL Group to pay dividends on its common stock is dependent upon dividends paid to it by its subsidiaries, primarily FPL. There are no restrictions in effect that currently limit FPL's ability to pay dividends to FPL Group.

FPL Group's charter does not limit the dividends that may be paid on its common stock. As a practical matter, the ability of FPL Group to pay dividends on its common stock is dependent upon dividends paid to it by its subsidiaries, primarily FPL. FPL pays dividends to FPL Group in a manner consistent with FPL's long-term targeted capital structure. FPL's mortgage contains provisions which, under certain conditions, restrict the payment of dividends to FPL Group. In light of FPL's current financial condition and level of earnings, management does not expect that dividends would be affected by these limitations.

Regulatory Approvals

The HSR Act prohibits FPL Group and Gexa from completing the merger until a required notification and report form is filed and a required waiting period has expired or been terminated. On April 26, 2005, FPL Group and Gexa filed the required notification and report forms. However, neither FPL Group nor Gexa believe that the completion of the merger will result in the violation of the HSR Act or any other applicable antitrust laws.

In addition, the completion of the merger will require the filing of notices with or the consent of state regulatory authorities in Texas, Massachusetts, Maine and New York that regulate Gexa as a REP. FPL Group and Gexa believe that the necessary consents will be obtained on a timely basis. Except for these filings, the parties to the merger do not believe additional material governmental filings in the United States are required with respect to the merger, other than the filing of the Articles of Merger with the Texas Secretary of State.

Stock Exchange Listing

The FPL Group common stock to be issued to you in the merger will be listed on the New York Stock Exchange, subject to official notice of issuance. The completion of the merger is conditioned upon the authorization for listing on the New York Stock Exchange of such FPL Group common stock.

Delisting and Deregistration of Gexa Common Stock

Gexa common stock is currently listed on the Nasdaq SmallCap Market under the symbol "GEXA". Following the closing of the merger, Gexa common stock will be delisted from the Nasdaq SmallCap Market and deregistered under the Exchange Act.

Federal Securities Laws Consequences

All shares of FPL Group common stock received by Gexa shareholders in the merger will be freely transferable under the federal securities laws, except for shares received by persons who are deemed to be "affiliates" of Gexa prior to the completion of the merger. These shares may be resold by them only in transactions permitted by the resale provisions of Rule 145 under the Securities Act of 1933 (or Rule 144 in the case of persons who become affiliates of FPL Group) or as otherwise permitted under the Securities Act of 1933. Persons who may be deemed to be affiliates of FPL Group or Gexa generally include individuals or entities that control, are controlled by, or are under common control with, such parties.

THE MERGER AGREEMENT

The following is a summary of the material terms of the merger agreement. This summary may not contain all of the information that is important to you. This summary is qualified in its entirety by reference to the merger agreement, a copy of which is attached to this proxy statement/prospectus as Annex C and is incorporated herein by reference, and all exhibits and schedules attached to or referenced in the merger agreement. You should read the merger agreement because it, and not this document, is the legal document that governs the terms of the merger and will give you a more complete understanding of the merger.

The merger agreement has been included to provide you with information regarding its terms. It is not intended to provide any other factual information about FPL Group or Gexa. Such information can be found elsewhere in this proxy statement/prospectus and in the other public filings each of us makes with the Securities and Exchange Commission, which are available without charge at www.sec.gov.

The merger agreement contains representations and warranties we made to each other. The assertions embodied in those representations and warranties are qualified by information in confidential disclosure schedules that we have exchanged in connection with signing the merger agreement. While we do not believe that they contain information, securities laws require us to publicly disclose other than information that has already been so disclosed, the disclosure schedules do contain information that modifies, qualifies and creates exceptions to the representations and warranties set forth in the attached merger agreement. Accordingly, you should not rely on the representations and warranties as characterizations of the actual state of facts, because they are modified in important part by the underlying disclosure schedules. These disclosure schedules contain information that has been included in FPL Group's and Gexa's general prior public disclosures, as well as additional non-public information. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the agreement, which subsequent information may or may not be fully reflected in FPL Group's or Gexa's public disclosures.

In this Section, unless the context requires otherwise, references to FPL Group includes FRM Holdings and WPRM Acquisition Subsidiary, Inc., or WPRM. References to "we", "us", or "our" mean FPL Group and Gexa collectively.

Terms of the Merger

General

The merger agreement contemplates the merger of WPRM, a Texas corporation and an indirect FPL Group subsidiary, into Gexa. After the merger, Gexa will survive as an indirect wholly-owned subsidiary of FPL Group. The merger will become effective upon the filing of articles of merger with the Texas Secretary of State, or at such later time as set forth in such articles of merger. We expect this filing will occur on the same date as the closing under the merger agreement, which, unless we otherwise agree, will occur on or before the third business day after the satisfaction or waiver of the conditions set forth in the merger agreement.

Conversion of Securities

Each of your shares of Gexa common stock will, upon completion of the merger, be converted into a number of shares of FPL Group common stock equal to an exchange ratio. That exchange ratio will be determined by dividing (i) \$6.88, by (ii) the average of the daily closing sale prices of FPL Group common stock on the New York Stock Exchange Composite Transactions Tape for the 10 consecutive trading days ending on the third business day (including such third business day) immediately prior to the closing date of the merger agreement, to which we refer as the Average Closing Date FPL Group Stock Price.

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If, between the date of the merger agreement and the effective time of the merger, the number of outstanding shares of Gexa common stock or FPL Group common stock are changed into a different number or class of shares (other than as a result of the merger itself) then the number and type of shares to be received upon completion of the merger will be adjusted appropriately.

Fractional Shares

FPL Group will not issue any certificates of scrip representing fractional shares of its common stock in the merger. In lieu of any fractional shares, you will instead be entitled to receive cash (without interest) in an amount equal to such fractional amount multiplied by the Average Closing Date FPL Group Stock Price.

Exchange of Certificates

Exchange Procedure

After we complete the merger, Computershare Investor Services, LLC, or the Exchange Agent, will mail to each of you a letter of transmittal and instructions for use in surrendering your shares of Gexa common stock in exchange for shares of FPL Group common stock. Upon surrender of your Gexa stock certificate(s) to the Exchange Agent, along with a duly executed letter of transmittal and other documents that may be required by the Exchange Agent, you will be issued that number of whole shares of FPL Group common stock and cash instead of any fractional share of FPL Group common stock, plus any dividends or distributions, which you have the right to receive in the merger. Your Gexa stock certificate(s) will then be cancelled. FPL Group anticipates that rather than issuing physical certificates representing shares of FPL Group common stock, such shares will be issued and delivered through the Exchange Agent's Direct Registration System which provides uncertificated share issuances and stock ownership using book-entry record keeping, following which, shareholders may request physical certificates.

Dividends and Distributions

No dividends or other distributions declared or made after the effective time of the merger on FPL Group common stock with a record date after such effective time will be paid to you, unless you surrender your Gexa stock certificates. Likewise, no cash payment in lieu of fractional shares will be paid to you until you surrender your Gexa stock certificates.

Stock Options and Other Stock Rights

Once we complete the merger, each option and warrant to purchase shares of Gexa common stock whether vested or unvested, will be assumed by FPL Group. This means that each such option and warrant will be deemed to constitute an option or warrant to acquire shares of FPL Group common stock on the same terms and conditions pursuant to which such options and warrants were issued by Gexa, except to the extent that, as a result of the merger, the terms of such options and warrants provide for accelerated vesting.

The number of shares of FPL Group common stock issuable upon exercise of these options and warrants and the exercise price at which such options and warrants may be exercised will be determined as follows:

the number of shares of FPL Group common stock to be subject to such options and warrants will be equal to the product (rounded to the fourth decimal place) of (x) the number of shares of Gexa common stock subject to the option or warrant, and (y) the exchange ratio;

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the exercise price per share of each option or warrant will be an amount (rounded to the nearest \$0.01) equal to (x) the exercise price per share of Gexa common stock subject to the option or warrant divided by (y) the exchange ratio; and

pursuant to the terms under which such options and warrants were issued, fractional shares resulting from the adjustments summarized above will be eliminated.

After we complete the merger, FPL Group will deliver to the holders of the options and warrants notices setting forth these adjustments.

No Further Ownership Rights in Gexa Common Stock

As soon as we complete the merger, the stock transfer books of Gexa will be closed, and there will be no further registration of transfers of Gexa common stock. Any certificates presented to the surviving company after the effective date of the merger will be canceled and exchanged as provided above in the section labeled " Conversion of Securities".

Return of Merger Consideration to FPL Group

Any shares and cash in lieu of fractional shares and related dividends or distributions provided to the Exchange Agent that remain undistributed six months after the date we complete the merger will be returned to FPL Group. Any Gexa shareholder who has not previously complied with the exchange procedures may then look only to FPL Group for payment.

No Liability

Neither FPL Group nor Gexa will be liable to any Gexa shareholder or FPL Group shareholder for any undistributed FPL Group common stock or cash in lieu of fractional shares that is delivered to a public official pursuant to any applicable abandoned property or similar laws.

Representations and Warranties

The merger agreement contains various representations and warranties of Gexa, subject to exceptions set forth in the merger agreement and the disclosure schedules referenced in the merger agreement, relating to, among other things, the following:

the organization and qualification of Gexa, its subsidiaries and the ownership of its subsidiaries;

its capitalization;

the correctness and completeness of its filings with the Securities and Exchange Commission and its financial statements;

its authority relative to the merger agreement;

its compliance with applicable laws and permits;

the consents and approvals required for the merger;

the merger not contravening its organizational documents, contracts, governmental approvals or permits;

litigation matters;

the payment of its taxes and other tax matters;

certain agreements with its officers and key employees or plans that are altered upon the occurrence of the merger;

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its employee benefits and related plans and compliance of such plans with applicable laws, including the Employee Retirement Income Security Act of 1976, as amended;

the existence and enforceability of material and other significant agreements;

environmental matters;

absence of certain changes or events since December 31, 2004;

the accuracy of information supplied by Gexa for inclusion in this document;

its real estate and interests in real property, including leases;

its intellectual property;

the amount, quality and collectability of its accounts receivable;

its significant customers and customer relations;

the lack of any requirement to be registered under the Investment Company Act of 1940;

the absence of any brokers or finders entitled to a fee in connection with the merger, other than Oppenheimer;

the shareholder vote required to approve the merger;

the receipt by Gexa of the opinion by Oppenheimer with respect to the fairness of the merger consideration;

the absence of any ownership of FPL Group common stock by Gexa or its subsidiaries;

the inapplicability of appraisal or dissenters' rights as a result of the merger under Texas law;

its insurance;

certain matters relating to Gexa Gold Corporation, formerly a Nevada corporation;

regulatory matters relating to its business as a retail electric provider;

the inapplicability to it of the Public Utility Holding Company Act of 1935, the Federal Power Act or state laws regarding the regulation of electric utilities;

full disclosure of information and absence of undisclosed liabilities; and

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lack of a material adverse change in Gexa and its subsidiaries since December 31, 2004.

The merger agreement also contains customary representations and warranties, subject to exceptions set forth in the merger agreement and the disclosure schedules referenced in the merger agreement, made, jointly and severally, by FPL Group, FRM Holdings and WPRM as to, among other things, the following:

their organization and qualification;

their capitalization;

their authority relative to the merger agreement;

their consents and approvals required for the merger;

the merger not contravening their organizational documents, contracts, governmental approvals or permits;

the accuracy of information supplied by them for inclusion or incorporation by reference in this proxy statement/prospectus;

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the absence of any brokers or finders entitled to a fee from FPL Group in connection with the merger;

the accuracy and completeness of FPL Group's filings with the Securities and Exchange Commission and FPL Group's financial statements;

the absence of any requirement to obtain a shareholder vote to approve the merger or merger agreement;

the absence of any ownership of Gexa common stock by FPL Group or its subsidiaries; and

the lack of a material adverse change with respect to FPL Group since December 31, 2004.

Covenants

It is a condition to the obligation of each party to complete the merger that the other party has performed or complied with its obligations under the merger agreement generally in all material respects. The following summarizes the most significant of these covenants.

Each of FPL Group, FRM Holdings and Gexa has agreed to the following:

to keep secret and hold in confidence documents and information relating to the other party, and to refrain from issuing any press release or other public announcement relating to the merger without the other party's consent, subject to certain exceptions;

to prepare and cause this proxy statement/prospectus to be filed with the Securities and Exchange Commission;

to take reasonable commercial efforts to cause the conditions precedent to the merger to be satisfied;

to not take any action that would result in any of its representations or warranties in the merger agreement being materially untrue or any of the conditions not to be satisfied;

to advise the other of any material notice or other communication or claim from any third party that relates to the completion of the merger or which has or may result in a material adverse effect with respect to Gexa, the material failure of any part to the merger agreement to comply with its obligations, the occurrence of an event that would cause a party's representations and warranties to be materially untrue; and

to take all commercially reasonable actions necessary to comply promptly with all legal requirements that may be imposed on it with respect to the merger.

Gexa also has agreed, among other things, that it will:

conduct its business in the ordinary course of business and consistent with past practice;

subject to certain exceptions, not take any of the following actions:

pay any dividends on its capital stock;

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split, combine or reclassify any of its capital stock;

purchase, redeem or otherwise acquire any of its or its subsidiaries' capital stock;

issue, pledge or otherwise encumber any shares of its capital stock (except issuance upon exercise of options or warrants);

adopt or amend in a material respect any bonus or benefit plan or compensation of its directors, officers or employees;

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amend its or its subsidiaries' organizational documents;

except for activities in the ordinary course of business, sell, lease, license, mortgage or otherwise encumber or dispose of any of its material properties or assets;

except for borrowings in the ordinary course of business associated with the purchase and sale of electricity and transmission and distribution under existing credit facilities, issue or sell any debt securities or guarantee any debt securities of another person or make any loans or capital contributions to any other person (other than to Gexa or its subsidiaries);

change any accounting principle used by it;

enter into certain relationships and related transactions with directors, executive officers, shareholders owning more than 5% of its voting securities or the immediate family of any of the foregoing;

enter into, adversely modify or terminate customer contracts, except for non-payment or in the ordinary course of its business;

make capital expenditures in excess of \$50,000 individually or \$250,000 in the aggregate;

make any tax election or settle any tax liability that would be reasonably expected to have a material adverse effect on Gexa;

satisfy obligations in excess of \$100,000, except in the ordinary course of its business;

settle or compromise any pending or threatened claim relating to the merger;

commit or agree to do any act restricted by the merger agreement covenants;

fail to maintain its insurance coverage;

fail to invest its available cash balances as permitted by the merger agreement;

grant waivers or assign, terminate or amend any material contract or allow its permits or licenses to lapse or not renew;

enter into, terminate, assign or amend any contract other than in the ordinary course of its business but, if in the ordinary course, only if it involves total consideration of less than \$50,000 in the aggregate;

take any action that would result in a misrepresentation or breach of warranty under the merger agreement; and

fail to balance its purchases and sales of electricity in accordance with Gexa's current policy;

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take all action necessary to convene a special meeting of its shareholders as promptly as possible after the effective date of the registration statement of which this proxy statement/prospectus is a part to consider and vote, among other things, upon the merger agreement, the merger, and to use reasonable efforts to obtain the requisite shareholder approval for the merger agreement and merger;

solicit or facilitate another transaction that would prevent or delay the merger, as more fully described below in the section labeled " No Solicitation of Transactions";

use its commercially reasonable efforts to obtain certain agreements from those persons who may be deemed to be affiliates of Gexa under Rule 145 of the Securities Act;

afford FRM Holdings and its agents access to Gexa's properties, books and records;

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prior to the effective date of the merger, deliver to FPL Group a consolidated balance sheet of Gexa and its subsidiaries, a statement of Gexa's working capital, each as of a date not earlier than 60 days prior to the closing date (but not prior to May 31, 2005), and a certificate of Gexa's chief financial officer certifying the accuracy of these financial statements; and

file with the Public Utility Commission of Texas, or PUCT, an amendment application with respect to its Texas retail electric provider license to reflect the change of ownership resulting from the merger and, if necessary, file an application for recertification as a retail electric provider.

In addition, FPL Group has agreed to use its commercially reasonable efforts to cause the shares of FPL Group common stock issued in the merger to be listed on the New York Stock Exchange.

No Solicitation of Transactions

Gexa has agreed that neither it nor any of its subsidiaries or respective agents will, directly or indirectly, take any of the following actions:

solicit, initiate, encourage, endorse, recommend or facilitate any inquiry, proposal or offer that constitutes or may be reasonably expected to lead to the acquisition or purchase of a substantial amount of assets or any equity interest in Gexa or any of its subsidiaries or a tender or exchange offer, merger, consolidation, recapitalization or any other transaction that would or could reasonably be expected to prevent or naturally delay the merger;

propose, enter into, participate in any discussions or negotiations regarding or otherwise facilitate any such proposal; or

withdraw or modify, or propose publicly to withdraw or modify, in a manner adverse to FPL Group, FRM Holdings or WPRM, any approval or recommendation by the board of Gexa or any committee thereof of the merger agreement or the merger, approve or recommend, or propose to approve or recommend, to Gexa's shareholders, any Qualified Transaction Proposal (as defined below), or cause Gexa or any of its subsidiaries to enter into an agreement with respect to any Qualified Transaction Proposal, unless the board of Gexa reasonably determines in good faith (after consultation with its outside financial advisors) that (x) such Qualified Transaction Proposal is a Superior Acquisition Proposal (as defined below) and (y) (after consultation with outside legal counsel) that there is a substantial likelihood that the failure to take such action would be a breach of the board of Gexa's fiduciary obligations to Gexa shareholders under applicable law.

However, prior to the special meeting, Gexa may take the following actions:

furnish information (under an appropriate confidentiality letter concerning Gexa) to a third party that has made an unsolicited proposal that the Gexa board determines in good faith, after consultation with its financial advisors, is capable of being financed and not subject to material financing contingencies (to which we refer as a Qualified Transaction Proposal);

engage in discussions or negotiations with the third party that has made such an unsolicited proposal; or

following receipt of the unsolicited proposal, take and disclose to its shareholders a position with respect to such proposal.

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In the case of each action referred to above, however, the Gexa board must conclude the following:

that in the good faith determination of the board, after consultation with outside legal counsel, that there is a substantial likelihood that the failure to take such action would be a breach of the board's fiduciary obligations to Gexa's shareholders;

that the third party that made the unsolicited proposal has the ability and the financial wherewithal to complete an acquisition of Gexa that is on terms that the board reasonably determines in good faith would result in a transaction (to which we refer as a Superior Acquisition Proposal):

that is more favorable, from a financial point of view, to Gexa's shareholders by at least \$3,500,000 than the transaction contemplated in the merger agreement;

that has a substantial likelihood of being completed; and

for which the financing is then fully committed or, in the good faith judgment of the board, after consultation with its outside financial advisors, is reasonably capable of being financed by the third party.

In the event that the Gexa board concludes that the unsolicited proposal is a Superior Acquisition Proposal after following the procedures outlined above, Gexa may terminate the merger agreement, but only after the following:

Gexa provides FPL Group with at least five business days' notice of its intention to terminate the merger agreement;

during such five-business day period, Gexa negotiates in good faith with FPL Group to make modifications to the merger agreement with the intent of enabling Gexa to accept the terms of the merger agreement; and

after such negotiation period expires and taking into consideration any modifications made to the merger agreement during such period, the board of Gexa confirms its determination, after consultation with its outside legal counsel and outside financial advisor, that the third party transaction remains a Superior Acquisition Proposal.

If Gexa terminates the merger agreement as a result of its acceptance of a Superior Acquisition Proposal, then Gexa must pay FPL Group a \$3.25 million termination fee as further described in the section entitled "The Merger Agreement Termination Fees and Expenses" beginning on page 49 of this proxy statement/prospectus.

If, at any time, the Gexa board receives a proposal from a third party, then Gexa must immediately inform FPL Group of the material terms and conditions of such proposal and the identity of the person making it and will keep FPL Group fully informed regarding any significant details or developments with respect to any such proposal and of all significant steps Gexa is taking in response to such proposal.

Employment Matters

Employees who are currently employed by Gexa or its subsidiaries prior to the closing of the merger will remain employees of Gexa or its subsidiaries following the merger, except to the extent such individuals terminate their employment voluntarily or as a result of their death, retirement or disability. However, such employees will not have a right to continued employment for any period of time after the merger, except as required by law or contract.

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For a period of one year following the closing date of the merger, FPL Group will cause Gexa to maintain employee health and welfare plans (excluding bonus or equity-based plans that are not being expressly assumed in the merger) that are substantially comparable to Gexa's plans prior to the merger, unless FPL Group determines in its sole discretion to move employees to FPL Group plans.

Indemnification and Insurance

All rights of indemnification under Gexa's articles of incorporation, bylaws and indemnification contracts existing in favor of Gexa's directors and officers that were entered into on or prior to March 28, 2005 will survive the merger, but only with respect to indemnifiable claims arising from acts or omissions of such persons prior to the effective date of the merger. FRM Holdings will cause the surviving company to fulfill and honor these obligations for a period of six years following such date.

For six years after the date we complete the merger, FRM Holdings will cause the surviving company to obtain directors' and officers' liability insurance for acts or omissions occurring prior to the merger covering each person covered by Gexa's directors' and officers' liability insurance at or prior to March 28, 2005. However, the surviving company will not be required to pay more than 200% of the current annual premiums Gexa pays for such insurance.

Limitations of Liability

The merger agreement limits the liability of FPL Group or its affiliates from any cause whatsoever arising from the merger agreement or any other transaction document which it expressly joins as a party or is bound to not more than \$40 million.

The merger agreement also includes a damages disclaimer to the effect that no party to the merger agreement or the voting agreement shall be liable to any other person for lost profits or any exemplary, punitive, demonstrative, special or consequential damages by reason of any claim or cause of action whatsoever.

Conditions to the Merger

The respective obligations of FPL Group and Gexa to complete the merger depend on the fulfillment of each of the following conditions:

the approval of the merger agreement and merger by the holders of two-thirds of Gexa's outstanding common stock;

the effectiveness of the registration statement of which this proxy statement/prospectus is a part;

receipt of all state securities authorizations necessary to issue the shares of FPL Group common stock in the merger;

the New York Stock Exchange listing of the shares of FPL Group common stock to be issued in the merger, subject to official notice of issuance;

the absence of any order issued by any court or any other legal restraint preventing or restraining the completion of the merger or subjecting FPL Group or Gexa to substantial damages as a result of the completion of the merger, provided that the party invoking this condition has used commercially reasonable efforts, not resulting in expenses to such party in excess of \$250,000, to have such legal restraint removed;

expiration or termination of all HSR Act waiting periods;

the making of all material filings required to be made with, and the procurement of all consents and authorizations required to be obtained from, governmental entities in order to complete the merger; and

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the delivery by Oppenheimer of its opinion, dated as of March 27, 2005, to Gexa and its board to the effect that the merger consideration is fair to Gexa's shareholders from a financial point of view, which opinion has been delivered.

Gexa's and FPL Group's respective obligations to complete the merger also depend on the satisfaction or waiver by the other party of the following conditions:

the representations and warranties made by the other party will have been true and correct as of the date of the merger agreement and, with certain exceptions, at and as of the date the merger is completed;

the other party will have performed the obligations required to be performed by it under the merger agreement prior to the time the merger is completed; and

except as disclosed prior to the date of the merger agreement, since December 31, 2004, there shall not have occurred any event resulting or reasonably likely to result in a material adverse change in the other party's business, assets, properties, results of operations or financial condition.

The obligation of FPL Group to complete the merger also depends on the satisfaction or waiver of the following conditions:

Gexa will have obtained all necessary third party consents;

Neil Leibman's post-merger employment agreement with Gexa shall not have been amended, and he shall have executed and delivered the related escrow agreement;

FRM Holdings and FPL Group will have received a legal opinion from Porter & Hedges, L.L.P., counsel to Gexa;

Gexa will have terminated certain contractual obligations;

FPL Group will have received an opinion from McDermott Will & Emery LLP, tax counsel to FPL Group, dated as of the date we complete the merger, stating that the merger will constitute a reorganization for U.S. federal income tax purposes within the meaning of Section 368(a) of the Internal Revenue Code;

Gexa will have delivered the required letters from all persons who may be deemed to be "affiliates" for purposes of Rule 145 under the Securities Act;

FPL Group will have received evidence of the release of certain liens;

FPL Group will have received an opinion from Greenberg Traurig, P.A., counsel to FPL Group, dated as of the date we complete the merger, stating that a court would not order the substantive consolidation of the assets and liabilities of Gexa and FRM Holdings with FPL Group or its affiliates in connection with certain legal proceedings;

To the extent necessary, Gexa will have delivered to FPL Group letters from each of Marcie Zlotnik, Neil Leibman and James Burke consenting to amend their respective stock options so that such options are adjusted and exercisable for shares of FPL Group common stock as contemplated by the merger agreement;

unless Continental Airlines, Inc. terminates its agreement with Gexa, such agreement will have been amended to give Continental Airlines, Inc.'s consent to the merger, eliminate any obligation of Gexa to issue shares to Continental Airlines, Inc. in payment for frequent flyer miles earned by new Gexa customers and, instead, pay cash for such miles and

terminate any registration rights of Continental Airlines, Inc. under the agreement;

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approval by the PUCT of Gexa's amended application of its Texas retail electric provider license or, as necessary, recertification as such;

receipt by FPL Group of Gexa's closing balance sheet and working capital statement, which statement will set forth working capital (as defined in the merger agreement) of at least \$13.5 million; and

pursuant to the Texas Business Corporation Law, or TBCL, Gexa's board will have approved and not withdrawn its approval of the merger agreement, the voting agreement and the transactions contemplated by those agreements.

The obligation of Gexa to complete the merger also depends on the satisfaction or waiver of the following conditions:

Gexa will have received an opinion from Porter & Hedges, L.L.P., counsel to Gexa, dated as of the date we complete the merger, stating that the merger will constitute a reorganization for U.S. federal income tax purposes within the meaning of Section 368(a) of the Internal Revenue Code;

the directors' and officers' liability insurance to be obtained in favor of persons who were covered by such insurance at or prior to March 28, 2005, will become effective as of the date of the merger; and

Gexa will have received a legal opinion from counsel to FPL Group regarding the merger.

Termination

The merger agreement may be terminated and the merger may be abandoned, at any time before we complete the merger and before or after you approve the merger, in the following circumstances:

- (a) by FPL Group and Gexa's mutual written consent;
- (b) by FPL Group or Gexa, if the other has materially breached any representation or agreement that would result in a failure to be satisfied of the conditions to such terminating party's obligations to complete the merger and which, if not a willful breach, has not been cured within 15 business days following receipt by the breaching party of notice of such breach, but only if the terminating party is not then itself in material breach of any representation or agreement;
- (c) by FPL Group or Gexa, if we do not complete the merger before July 31, 2005, or by August 31, 2005 in the event that the proxy statement is not mailed to shareholders by July 1, 2005 because the registration statement has not been declared effective by the Securities and Exchange Commission and the failure to complete the merger by July 31, 2005 has not been caused by a breach of the merger agreement by the party seeking the extension; however, neither FPL Group nor Gexa may terminate the merger agreement under these circumstances if the failure has been caused by such party's material breach of the merger agreement;
- (d) by FPL Group or Gexa, if the holders of two-thirds of Gexa's common stock do not vote to approve the merger agreement prior to the dates set forth above;
- (e) by FPL Group or Gexa, if a governmental entity has taken any action hindering the completion of the merger and such action has become final and nonappealable;
- (f) by FPL Group if any of the following occur:
 - (i)

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the Gexa board withdraws or modifies, in a manner adverse to FPL Group, its recommendation to you to adopt the merger or fails to present its recommendations, or resolves to do any of the foregoing;

- (ii) the Gexa board recommends to you a Superior Acquisition Proposal or fails to present to you for a vote the merger as contemplated by the merger agreement;
 - (iii) Gexa enters into any agreement with respect to a Superior Acquisition Proposal; or
 - (iv) Gexa fails to perform or is otherwise in breach of its covenants regarding obtaining your approval of the merger or non-solicitation of transaction proposals; or
- (g) by Gexa if the Gexa board determines, in its good faith judgment, that a Qualified Transaction Proposal is a Superior Acquisition Proposal so long as Gexa does so in compliance with the terms of the merger agreement as more fully described in " No Solicitation of Transactions" above.

If the merger agreement is terminated as set forth above, all further obligations of the parties under the merger agreement will terminate, except that the parties' obligations under the merger agreement relating to confidentiality, publicity, FPL Group's limitation of liability, the effect of termination and certain other provisions relating to contract construction, such as interpretation and governing law, will survive. However, if the merger agreement is terminated because a party materially breached any representation, warranty or covenant in the merger agreement, the terminating party may pursue all remedies available at law or in equity, subject, in the case of claims against FPL Group, to the liability limits set forth in the merger agreement.

Termination Fees and Expenses

All expenses incurred in the merger will be paid by the party incurring such expenses, except that the filing fee applicable to the HSR Act and the printing and mailing costs associated with the delivery of the proxy statement and registration statement/prospectus to you will be shared between Gexa and FPL Group.

Gexa has agreed to pay FPL Group \$3.25 million if the merger agreement is terminated by virtue of the following:

the provisions outlined above in clause (b) under the section labeled " Termination" and, within 12 months after the termination of the merger agreement, Gexa has entered into an agreement providing for a combination of Gexa with, or the sale of a significant portion of Gexa to, a third party;

the provisions outlined above in clause (d) under the section labeled " Termination" and, within 12 months after the termination of the merger agreement, Gexa has entered into an agreement providing for a combination of Gexa with, or the sale of a significant portion of Gexa to, a third party;

the provisions outlined above in clause (f) under the section labeled " Termination"; or

the provisions outlined above in clause (g) under the section labeled " Termination".

The \$3.25 million payment will be FPL Group's sole remedy under the merger agreement in the case of termination by virtue of the provisions outlined in clauses (d), (f) or (g) under the section labeled " Termination".

RELATED AGREEMENTS

Voting Agreement

The following description summarizes the material provisions of the voting agreement entered into by FPL Group and certain holders of Gexa's common stock. This description is qualified in its entirety by the voting agreement, which is attached as Annex C to this proxy statement/prospectus, and which is incorporated into this proxy statement/prospectus by reference.

In connection with the execution of the merger agreement, the following shareholders, who in the aggregate own approximately 36.3% of Gexa's outstanding common stock as of March 28, 2005, entered into a voting agreement with FPL Group:

Neil M. Leibman, certain of his family members and Sundowner Holdings, Inc. and Boxer Capital Ltd., both of which are controlled by Mr. Leibman;

Stuart C. Gaylor and Gaylor Investment Trust Partnership, a trust controlled by Mr. Gaylor;

Don S. Aron;

Dan C. Fogarty;

Robert C. Orr, Jr.;

Tom D. O'Leary; and

David K. Holeman.

Under the terms of the voting agreement, each of these shareholders agreed to vote all of their shares of Gexa's common stock in favor of the merger, the merger agreement and the transactions contemplated by the merger agreement. In the event that any such shareholder fails to so vote, the voting agreement provides for the grant of a proxy to FPL Group (or its designees) to vote and otherwise act with respect to such shares of Gexa common stock at any meeting of shareholders or consent in lieu of any such meeting or otherwise, on the merger, the merger agreement and the transactions contemplated by the merger agreement. Under the terms of the voting agreement, if a shareholder acquires the right to vote any additional shares of common stock, the voting agreement will apply to such additional shares.

Each shareholder that is a party to the voting agreement also agreed as follows:

not to enter into any other voting agreement or grant a proxy or power of attorney with respect to the shares of common stock held by such shareholder or form any "group" for purposes of the Securities Exchange Act of 1934, in each such case, which is inconsistent with the terms of the voting agreement;

except as permitted under the merger agreement, not to solicit any action or proposal that could reasonably be expected to prevent or delay the merger or propose or assist with any such discussions; and

not transfer their shares of Gexa's common stock.

These shareholders were not, and will not be, paid any additional consideration in connection with the voting agreement. The voting agreement will terminate if the merger is completed or if the merger agreement is terminated in accordance with its terms.

Employment Agreement

At FPL Group's request, Gexa and Neil Leibman entered into a new employment agreement to be effective upon the completion of the merger. Under the terms of the employment agreement,

Mr. Leibman's current employment agreement with Gexa will terminate automatically and be replaced in its entirety by the new employment agreement on the effective date.

Following the merger, Mr. Leibman will serve as the President of Gexa. His employment agreement is effective for three years from the effective date of the merger. During the term of the empl