

FPL GROUP INC
Form 11-K
June 28, 2002

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2001**

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Commission File Number **1-8841**

FPL Group Employee Thrift Plan

(Full title of the plan)

FPL GROUP, INC.

(Name of issuer of the securities held pursuant to the plan)

**700 Universe Boulevard
Juno Beach, Florida 33408**

(Address of principal executive office)

INDEPENDENT AUDITORS' REPORT

EMPLOYEE BENEFITS COMMITTEE OF THE BOARD OF DIRECTORS OF FPL GROUP, INC.:

We have audited the accompanying statements of net assets available for benefits of the FPL Group Employee Thrift Plan (the "Plan") as of December 31, 2001 and 2000, and the related statement of changes in net assets available for benefits for the year ended December 31, 2001. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2001 and 2000, and the changes in net assets available for benefits for the year ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held for investment purposes as of December 31, 2001 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan's management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic 2001 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

DELOITTE & TOUCHE LLP
 Certified Public Accountants
 Miami, Florida
 June 21, 2002

FPL GROUP EMPLOYEE THRIFT PLAN
 STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

| | December 31, | |
|------------------------------------------------------|-------------------------|----------------------|
| | 2001 | 2000 |
| ASSETS | | |
| Accrued interest receivable - Leveraged ESOP Account | \$ 469 | \$ 2,887 |
| General investments | 807,167,851 | 873,118,580 |
| Employer securities, at fair value: | | |
| Employer securities held in the Master Trust | 333,733,512 | 426,343,833 |
| Leveraged ESOP employer securities | 278,867,244 | 379,624,369 |
| Total employer securities | 612,600,756 | 805,968,202 |
| Total | 1,419,769,076 | 1,679,089,669 |
| LIABILITIES | | |
| Interest payable - Leveraged ESOP Account | 655,090 | 693,445 |
| Acquisition indebtedness of Leveraged ESOP | 204,050,750 | 214,688,858 |
| Total | 204,705,840 | 215,382,303 |
| NET ASSETS AVAILABLE FOR BENEFITS | \$ 1,215,063,236 | 1,463,707,366 |

The accompanying Notes to Financial Statements are an integral part of these statements.

FPL GROUP EMPLOYEE THRIFT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year Ended December 31, 2001

INCOME

Contributions:

| | | |
|---------------------------------------|---------------|---------------|
| Received from Members | \$ 37,294,982 | |
| Noncash contributions (from employer) | 16,104,151 | |
| | | |
| Total contributions | | \$ 53,399,133 |

Earnings on investments:

Interest:

| | | |
|----------------------------|-----------|-----------|
| Interest-bearing cash | 444,999 | |
| Other loans (Member loans) | 1,831,827 | |
| | | |
| Total interest | | 2,276,826 |

| | | |
|------------------------|--|------------|
| Common stock dividends | | 11,340,503 |
|------------------------|--|------------|

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| | | |
|---------------------------------------------------------------|----------------------|-----------------------|
| Net appreciation (depreciation) in fair value of investments: | | |
| Master trust | (85,522,653) | |
| Registered investment companies | <u>(82,113,464)</u> | |
| Total net depreciation in fair value of investments | | (167,636,117) |
| Total | | <u>(100,619,655)</u> |

EXPENSES

| | | |
|----------------------------------------------|--|-------------------|
| Benefit payments to Members or beneficiaries | | 60,267,050 |
| Corrective distributions | | 2,679 |
| Deemed distributions of Member loans | | 51,463 |
| Administrative expenses | | <u>207,972</u> |
| Total | | <u>60,529,164</u> |

(161,148,819)

NET LOSS

TRANSFERS

| | | |
|------------------------------------------------|----------------------|---------------|
| Transfers to the Plan - net | 2,587,769 | |
| Effect of current year Leveraged ESOP activity | <u>(90,083,080)</u> | |
| Total transfers from the Plan | | (87,495,311) |

| | | |
|--------------------------------------------------------|--|---------------|
| NET ASSETS AVAILABLE FOR BENEFITS AT DECEMBER 31, 2000 | | 1,463,707,366 |
|--------------------------------------------------------|--|---------------|

| | | |
|--------------------------------------------------------|--|------------------|
| NET ASSETS AVAILABLE FOR BENEFITS AT DECEMBER 31, 2001 | | \$ 1,215,063,236 |
|--------------------------------------------------------|--|------------------|

The accompanying Notes to Financial Statements are an integral part of these statements.

FPL GROUP EMPLOYEE THRIFT PLAN
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2001

1. Description of the Plan and Significant Accounting Policies

The Plan

The following description of the FPL Group Employee Thrift Plan (Plan) provides only general information. Participating employees (Members) should refer to the Summary Plan Description in their employee handbook for a more complete description of the Plan. Fidelity Management Trust Company (Trustee) administers the trust (Trust) established under the Plan, the Employee Thrift and Retirement Savings Plan for Bargaining Unit Employees of Florida Power & Light Company (FPL Bargaining Plan) and the FPL Energy Operating Services, Inc. Employee Thrift Plan (FPL Energy OSI Plan).

The Plan is a defined contribution plan subject to the provisions of the Employee Retirement Income Securities Act of 1974, as amended (ERISA). The portion of the Plan investing in common stock (Common Stock) of FPL Group, Inc. (FPL Group or Company) has been designated as an employee stock ownership plan. Participation in the Plan is voluntary. The Plan was amended in 1999 to include employees of FPL Energy Maine Operating Services, LLC (FPL Energy Maine). Nonunion employees are eligible to participate in the Plan on the first day of the month coincident with the completion of one full month of service with FPL Group or certain of its subsidiaries or on the first day of any payroll period thereafter. The Plan includes a cash or deferred compensation arrangement (Tax Saver Option) permitted by Section 401(k) of the Internal Revenue Code of 1986, as amended (Code). The Tax Saver Option permits a Member to elect to defer federal income taxes on all or a portion of their contributions (Tax Saver Contributions) until they are distributed from the Plan. Tax Saver Contributions were limited in 2001 to a maximum of \$10,500 per Member. Under the new tax laws in effect as of January 1, 2002, the limitation on Tax Saver Contributions was increased to \$11,000 and an additional \$1,000 for each year thereafter through 2006. In addition, individuals age 50 or older who contribute the maximum allowable under the Plan have the option of contributing up to an additional \$1,000 in Tax Saver Contributions for 2002. This catch-up amount increases an additional \$1,000 for each year between 2003-06.

The Plan also includes leveraged employee stock ownership plan (Leveraged ESOP) provisions. The Leveraged ESOP is a stock bonus plan within the meaning of Treasury Regulation Section 1.401-1(b)(1)(iii) that is qualified under Section 401(a) of the Code and is designed to invest primarily in Common Stock. Pursuant to the Leveraged ESOP, the Trust purchased Common Stock from FPL Group using the proceeds of a loan (Acquisition Indebtedness) from FPL Group Capital Inc (FPL Group Capital), a subsidiary of FPL Group (see Note 3). The Common Stock acquired by the Trust is initially held in a separate account (Leveraged ESOP Account). As the Acquisition Indebtedness (including interest) is repaid, each Member's account is allocated its portion of Common Stock released from the Leveraged ESOP Account.

During 2001, the Company had in place a Flexible Dividend Program which enabled Members to choose how their dividends on certain shares of Common Stock held in the Plan are to be paid. Dividends on Common Stock acquired through the Leveraged ESOP did not qualify under this program. The options available to Members included reinvestment of dividends in Common Stock; distribution of dividends in cash; distribution of dividends in cash and contribution of an equivalent amount of their compensation to their thrift plan account; or a partial distribution with the balance reinvested in Common Stock. Due to tax law changes affecting the deductibility of dividends, beginning in 2002, the Flexible Dividend Program will eliminate the recontribution option and will now be referred to as the Dividend Payout Program. The options available to Members will include reinvestment of dividends in Common Stock or distribution of dividends in cash.

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, Members will become 100 percent vested in their accounts.

Contributions, Loans, Withdrawals and Transfers to (from) the Plan

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The Plan provides for basic contributions by eligible employees in whole percentages from 1% to 7% of their base compensation (Earnings), which is matched in part by the Company with shares of Common Stock. For basic Tax Saver Contributions or contributions made on an after-tax basis, the Company match is 100% on the first 3% of a Member's Earnings, 50% on the next 3% and 25% on the last 1%. The Plan also provides for supplemental contributions by Members to be made in whole percentages from 1% to 9% of their Earnings, bringing the total maximum contributions to 16%. Supplemental contributions are not matched by the Company. Contributions are subject to certain limitations. As a result of the new income tax laws in effect as of January 1, 2002, the total maximum contributions to the Plan has been increased to 20% (with supplemental contributions increasing to a maximum of 13%).

The value of a Member's contributions (including all income, gains and losses) is at all times 100% vested. For employees of FPL Energy Maine, Company matching contributions are fully vested upon attaining six months of service. For all others, Company matching contributions vest at a rate of 20% each year and are fully vested upon a Member attaining five years of service. An employee may also receive vesting credit for prior years of service with the Company or any of its subsidiaries.

The Plan's investment options include fourteen core funds, as well as a wide variety of mutual funds. The core funds are comprised of eleven "mix your own" investment options and three "pre-mixed" investment strategies. The "mix your own" investment options include various mutual funds, a separately managed portfolio of short- and long-term investment contracts, a small-capitalization equity index fund and Common Stock. The "pre-mixed" investment strategy options are made up of different allocations of investment options providing various combinations of stocks and fixed income investments.

The Plan allows Members, at any time, to change their contribution percentage, to change their investment option allocation for future contributions or to transfer their account balance attributable to Member contributions from one investment option to another. At December 31, 2001, the number of Members contributing to the Plan was 7,927. Company contributions are primarily made from Common Stock shares released from the Leveraged ESOP Account. Forfeitures of non-vested Company contributions due to termination of Plan participation are used to reduce the amount of future Company contributions to the Plan or may be applied to administrative expenses. A Member who has attained at least the age of 50 and completed five years of service will be permitted to transfer all or any portion of Company contributions made to his or her account and any earnings thereon to one or more of the other investment options. Any future Company contributions will continue to be invested in Common Stock.

A Member may borrow from his or her account a minimum of \$1,000 up to a maximum of \$50,000 or 50% of the vested value of the Member's account, whichever is less. The vested portion of a Member's account will be pledged as security for the loan. The rate of interest for loans is determined taking into account the prime rate at the time of origination. The interest rate for Member loans is fixed and ranged from 6% to 9.75% for loans outstanding at December 31, 2001.

Withdrawals by Members from certain of their accounts during their employment are permitted with certain penalties and restrictions. The penalties limit a Member's contributions to the Plan for varying periods following a withdrawal.

Transfers to (from) the Plan generally represent net transfers between the Plan and either the FPL Bargaining Plan or the FPL Energy OSI Plan. The majority of transfers arise as a result of Members transferring between bargaining unit and non-bargaining unit status while employed by Florida Power & Light Company (FPL) or FPL Energy Maine.

Basis of Accounting

The financial statements of the Plan are prepared using the accrual basis of accounting. Investment income and interest income on loans to Members is recognized when earned. Contributions by Members and Company contributions are accrued on the basis of amounts withheld through payroll deductions. Distributions to Members are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value, except insurance and financial institution investment contracts which are stated at contract value (see Investment Contracts below). Shares of registered investment companies are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end. Common Stock is valued at its quoted market price. Loans to Members are valued at cost, which approximates fair value. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility, which could result in changes in the value of such securities.

Purchases and sales of investment securities are recorded on the trade date. Gains or losses on sales of investment securities are determined using the carrying amount of the securities. The carrying amounts of securities held in Member accounts are adjusted daily; securities held in the Leveraged ESOP Account (see Note 2) are adjusted annually. Unrealized appreciation or depreciation is recorded to recognize changes in market value.

Investment Contracts

The Plan has entered into investment contracts with various insurance companies and financial institutions. The contracts are fully benefit responsive and are included in the financial statements at contract value (which represents contributions made under the contract, plus earnings, less withdrawals and administrative expenses). There are no reserves against contract values for credit risk of the contract issuer or otherwise. At December 31, 2001, the contract value and fair value of investment contracts were \$197,122,000 and \$202,525,000, respectively. At December 31, 2000 the contract value and fair value of investment contracts were \$159,658,000 and \$160,506,000, respectively. The average yield for the portfolio of investment contracts was 5.69% and 6.23% for 2001 and 2000, respectively. The crediting interest rate at December 31, 2001 and 2000 was 5.29% and 6.10%, respectively. The crediting interest rate is based on an agreed-upon formula with the issuers, but cannot be less than zero. See Note 8.

2. Employee Stock Ownership Plan Account Allocation

The assets, liabilities and net income of the Leveraged ESOP Account are not considered plan assets but are for the joint benefit of the Plan, the FPL Bargaining Plan and the FPL Energy OSI Plan. The Leveraged ESOP Account is allocated for financial reporting purposes based on each plan's relative net assets. The Plan's allocation of Common Stock held in the Leveraged ESOP Account (employer securities), Acquisition Indebtedness and interest payable have been reflected in the Statements of Net Assets Available for Benefits, but are not available for, or the obligation of, Plan Members. The employer securities will be released from the Leveraged ESOP Account and allocated to accounts of Members under the Plan in satisfaction of part or all of the Company's matching contribution obligation under the Plan as the Acquisition Indebtedness is repaid (see Note 3). ESOP shares allocated to date are classified as employer securities held by the Plan on the Statements of Net Assets Available for Benefits. The Acquisition Indebtedness will be repaid from dividends on the shares acquired by the Leveraged ESOP Account, as well as from cash contributions from FPL Group. The net effect of a change in the allocation percentage from year to year is reported as a transfer to or from the Plan. The value of the shares allocated to accounts of members under the plans is not affected by these allocations.

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Condensed financial statements of the Leveraged ESOP Account are presented below, indicating the allocations made to each plan. The effect of current year Leveraged ESOP activity on net assets is included in transfers to (from) the plan in the financial statements of each plan. Allocation of shares to the plans are presented as noncash contributions in the financial statements of each plan.

| | Total Leveraged ESOP Account | The Plan | The FPL Bargaining Plan | The FPL Energy OSI Plan |
|--------------------------------------------------------------|------------------------------------|--------------------|-------------------------------|-------------------------------|
| Allocation percentage | 100.0% | 70.9% | 28.5% | 0.6% |
| Accrued interest | \$ 662 | \$ 469 | \$ 189 | \$ 4 |
| Employer securities | 393,389,107 | 278,867,244 | 112,105,274 | 2,416,589 |
| Total assets | <u>393,389,769</u> | <u>278,867,713</u> | <u>112,105,463</u> | <u>2,416,593</u> |
| Interest payable | 924,115 | 655,090 | 263,348 | 5,677 |
| Acquisition indebtedness | 287,847,870 | 204,050,750 | 82,028,871 | 1,768,249 |
| Total liabilities | <u>288,771,985</u> | <u>204,705,840</u> | <u>82,292,219</u> | <u>1,773,926</u> |
| Net assets at December 31, 2001 | <u>\$4,617,784</u> | <u>\$4,161,873</u> | <u>29,813,244</u> | <u>\$ 642,667</u> |
| Contributions received from employer | \$22,191,545 | | | |
| Interest income | 7,950 | | | |
| Dividends | 16,222,888 | | | |
| Net depreciation in fair value of investments | (114,264,130) | | | |
| Total | (75,841,747) | | | |
| Interest expense | <u>29,115,173</u> | | | |
| Net loss | (104,956,920) | (\$4,402,283) | (29,909,887) | \$ (644,750) |
| Allocation of shares to plans | (23,072,805) | (16,104,151) | (6,383,602) | (585,052) |
| Transfers to (from) the plan | - | 423,354 | (1,016,727) | 593,373 |
| Effect of current year leveraged ESOP activity on net assets | (128,029,725) | (90,083,080) | (37,310,216) | (636,429) |
| Net assets at December 31, 2000 | <u>232,647,509</u> | <u>164,244,953</u> | <u>67,123,460</u> | <u>1,279,096</u> |

| | | | | |
|---------------------------------|--------------|-------------|-------------|------------|
| Net assets at December 31, 2001 | \$04,617,784 | \$4,161,873 | 29,\$13,244 | \$ 642,667 |
|---------------------------------|--------------|-------------|-------------|------------|

3. Acquisition Indebtedness

In December 1990, the Trust, which holds plan assets for the Plan, the FPL Bargaining Plan and the FPL Energy OSI Plan, borrowed \$360 million from FPL Group Capital to purchase approximately 12.4 million shares of Common Stock. The Acquisition Indebtedness is currently scheduled to mature in 2018, bears interest at a fixed rate of 9.69% per year and is to be repaid using dividends received on both Common Stock held by the Leveraged ESOP Account and ESOP shares allocated to accounts of members under the plans, along with cash contributions from FPL Group. For those dividends on shares allocated to accounts of members under the plans used to repay the loan, additional shares, equal in value to those dividends, will be allocated to accounts of members under the plans. In 2001, dividends received from shares held by the Leveraged ESOP Account and shares allocated to accounts of members under the plans totaled approximately \$16,223,000 and \$6,999,000, respectively. Cash contributed in 2001 by FPL Group for the debt service shortfall totaled approximately \$22,192,000

The unallocated shares of Common Stock acquired with the proceeds of the Acquisition Indebtedness are collateral for the Acquisition Indebtedness. As principal payments are made, a percentage of Common Stock is released as collateral and becomes available to satisfy matching contributions, as well as to repay dividends on ESOP shares allocated to accounts of members under the plans for debt service. During 2001, 519,445 shares of Common Stock were released as collateral for the Acquisition Indebtedness. The scheduled principal repayments of the Acquisition Indebtedness for the next five years and thereafter are as follows: 2002 - \$4,451,600; 2003 - \$5,023,600; 2004 - \$5,604,000; 2005 - \$6,200,000; 2006 - \$8,408,000 and thereafter - \$258,160,670.

See Note 2 for information on the Plan's allocation percentage of the Acquisition Indebtedness.

4. Parties-In-Interest Transactions

Company contributions are primarily made in Common Stock released from the Leveraged ESOP Account or in cash which is used by the Trustee to purchase Common Stock. Such amounts are reported as noncash contributions (from employer) and contributions received from employer, respectively. During 2001, all Company contributions were made in Common Stock released from the Leveraged ESOP Account.

Dividend income earned by the Plan results from dividends on Common Stock. Dividends on shares held in the Leveraged ESOP Account were used to repay the Acquisition Indebtedness (see Note 3). Certain dividends on shares held in Members' accounts are reinvested in Common Stock for the benefit of its Members pursuant to FPL Group's Dividend Reinvestment and Common Share Purchase Plan in which the Trustee participates.

5. Investments

Investments that represent five percent or more of the Plan's net assets available for benefits are as follows:

| | |
|--------------|------|
| December 31, | |
| 2001 | 2000 |

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| | | |
|-------------------------------------------|----------------|----------------|
| FPL Managed Income Fund | \$ 198,703,389 | \$ 173,027,244 |
| Spartan U.S. Equity Index Fund | 97,253,050 | 120,269,315 |
| Fidelity Magellan Fund | 98,204,703 | 116,907,988 |
| Fidelity OTC Portfolio | 68,105,376 | 98,685,199 |
| FPL Group Stock Fund ⁽¹⁾ | 203,122,153 | 272,233,329 |
| FPL Group Stock LESOP Fund ⁽²⁾ | 133,220,854 | 155,376,766 |

-
- (1) Includes short-term investments of \$1,543,728 and \$63,113 at December 31, 2001 and 2000, respectively, to provide liquidity.
- (2) Represents Company matching contributions in Common Stock which are nonparticipant-directed investments of the Plan. Includes short-term investments of \$1,065,767 and \$1,203,149 at December 31, 2001 and 2000, respectively, to provide liquidity.

6. Income Taxes

In August 2001, FPL received from the Internal Revenue Service (IRS) a favorable determination that the Plan, as amended and restated effective December 1, 2000, met the requirements of Section 401 of the Code. The Trust established under the Plan will generally be exempt from federal income taxes under Section 501(a) of the Code; Company contributions paid to the Trust under the Plan will be allowable federal income tax deductions of the Company subject to the conditions and limitations of Section 404 of the Code; and the Plan will meet the requirements of Section 401(k) of the Code allowing Tax Saver Contributions to be exempt from federal income tax at the time such contributions are made, provided that in operation the Plan and Trust meet the applicable provisions of the Code. In addition, FPL Group will be able to claim an income tax deduction for dividends used to repay the Acquisition Indebtedness and for dividends distributed directly to Members. In 2002, the tax laws were changed to expand the deductibility of dividends on Common Stock to include all dividends, whether distributed or reinvested in Common Stock, as long as all Members are given the option to receive a distribution in cash.

Company contributions to the Plan on a Member's behalf, Member's Tax Saver Contributions, and the earnings thereon generally are not taxable to the Member until such Company contributions, Tax Saver Contributions, and earnings from investments are distributed or withdrawn. A loan from a Member's account generally will not represent a taxable distribution if the loan is repaid in a timely manner and does not exceed certain limitations.

7. Expenses

Certain fees such as annual account maintenance and investment management fees are paid by Plan Members. Trustee's fees and expenses are paid by FPL Group (which may charge each company whose employees participate under the Plan its allocated share) and, therefore, are not reflected in the financial statements.

8. Master Trust

A portion of the Plan's investments are in a master trust (Master Trust) which was established for the investment of assets of the Plan, the FPL Bargaining Plan and the FPL Energy OSI Plan. Each participating plan has an undivided interest in the Master Trust. The assets of the Master Trust are held by the Trustee. The assets, income and expenses are allocated among the participating plans in proportion to the fair value of the net assets invested in each plan.

A summary of participating interest in and financial statements for the Master Trust follows.

| | Percent of Interest in Master Trust | |
|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------|
| | December 31, | |
| | 2001 | 2000 |
| <u>FPL MANAGED INCOME PORTFOLIO</u> | | |
| FPL Group Employee Thrift Plan EIN 59-0247775 PN 002 | 76.9% | 78.2% |
| Employee Thrift and Retirement Savings Plan for Bargaining Unit Employees of Florida Power & Light Company EIN 59-0247775 PN 003 | 22.9% | 21.6% |
| FPL Energy Operating Services, Inc. Employee Thrift Plan EIN 65-0471798 PN 001 | 0.2% | 0.2% |
| <u>CONSERVATIVE INVESTMENT STRATEGY</u> | | |
| FPL Group Employee Thrift Plan EIN 59-0247775 PN 002 | 77.1% | 80.6% |
| Employee Thrift and Retirement Savings Plan for Bargaining Unit Employees of Florida Power & Light Company EIN 59-0247775 PN 003 | 22.0% | 19.4% |
| FPL Energy Operating Services, Inc. Employee Thrift Plan EIN 65-0471798 PN 001 | 0.9% | 0.0% |
| <u>MODERATE GROWTH INVESTMENT STRATEGY</u> | | |
| FPL Group Employee Thrift Plan EIN 59-0247775 PN 002 | 74.8% | 74.5% |
| Employee Thrift and Retirement Savings Plan for Bargaining Unit Employees of Florida Power & Light Company EIN 59-0247775 PN 003 | 25.2% | 25.5% |

| | | |
|--------------------------------------------------------------------------------------|------|------|
| FPL Energy Operating Services, Inc. Employee Thrift Plan EIN 65-0471798 PN 001 | 0.0% | 0.0% |
|--------------------------------------------------------------------------------------|------|------|

LONG-TERM GROWTH INVESTMENT STRATEGY

| | | |
|------------------------------------------------------------|-------|-------|
| FPL Group Employee Thrift Plan EIN 59-0247775 PN 002 | 71.1% | 71.7% |
|------------------------------------------------------------|-------|-------|

| | | |
|---------------------------------------------------------------------------------------------------------------------------------|-------|-------|
| Employee Thrift and Retirement Savings Plan for Bargaining Unit Employees of Florida Power & Light Company EIN 59-0247775 | 28.9% | 28.3% |
|---------------------------------------------------------------------------------------------------------------------------------|-------|-------|

PN 003

| | | |
|--------------------------------------------------------------------------------------|------|------|
| FPL Energy Operating Services, Inc. Employee Thrift Plan EIN 65-0471798 PN 001 | 0.0% | 0.0% |
|--------------------------------------------------------------------------------------|------|------|

FPL Group Stock Fund

| | | |
|------------------------------------------------------------|-------|-------|
| FPL Group Employee Thrift Plan EIN 59-0247775 PN 002 | 67.1% | 67.4% |
|------------------------------------------------------------|-------|-------|

| | | |
|---------------------------------------------------------------------------------------------------------------------------------|-------|-------|
| Employee Thrift and Retirement Savings Plan for Bargaining Unit Employees of Florida Power & Light Company EIN 59-0247775 | 32.7% | 32.4% |
|---------------------------------------------------------------------------------------------------------------------------------|-------|-------|

PN 003

| | | |
|--------------------------------------------------------------------------------------|------|------|
| FPL Energy Operating Services, Inc. Employee Thrift Plan EIN 65-0471798 PN 001 | 0.2% | 0.2% |
|--------------------------------------------------------------------------------------|------|------|

FPL Group Stock LESOP Fund

| | | |
|------------------------------------------------------------|-------|-------|
| FPL Group Employee Thrift Plan EIN 59-0247775 PN 002 | 71.4% | 71.4% |
|------------------------------------------------------------|-------|-------|

| | | |
|---------------------------------------------------------------------------------------------------------------------------------|-------|-------|
| Employee Thrift and Retirement Savings Plan for Bargaining Unit Employees of Florida Power & Light Company EIN 59-0247775 | 28.0% | 28.3% |
|---------------------------------------------------------------------------------------------------------------------------------|-------|-------|

PN 003

FPL Energy Operating Services, Inc. Employee Thrift Plan
 EIN 65-0471798
 PN 001

0.6% 0.3%

FPL MANAGED INCOME PORTFOLIO

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

| | December 31, | |
|--------------------------------------------------------------------|-----------------------|-----------------------|
| | 2001 | 2000 |
| ASSETS | | |
| General investments: | | |
| Value of unallocated insurance and financial institution contracts | \$ 258,419,221 | \$ 221,262,195 |
| Total | 258,419,221 | 221,262,195 |
| LIABILITIES | | |
| | - | - |
| NET ASSETS AVAILABLE FOR BENEFITS | \$ 258,419,221 | \$ 221,262,195 |

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

| | Year Ended December 31, 2001 |
|-------------------------------------|------------------------------------|
| INCOME | |
| Contributions received from Members | \$ 5,811,437 |
| Earnings on investments: | |
| Interest | 13,267,652 |
| Total | 19,079,089 |
| EXPENSES | |

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| | |
|-----------------------------------------------------------|-----------------------|
| Benefit payments to Members or beneficiaries | 24,145,916 |
| Account maintenance fees | <u>9,688</u> |
| Total | <u>24,155,604</u> |
| NET LOSS | <u>(5,076,515)</u> |
| TRANSFERS | |
| Transfers into fund | 290,887,482 |
| Transfers out of fund | <u>(248,653,941)</u> |
| Net transfers | <u>42,233,541</u> |
| NET ASSETS AVAILABLE FOR BENEFITS AT DECEMBER 31, 2000 | <u>221,262,195</u> |
| NET ASSETS AVAILABLE FOR BENEFITS AT DECEMBER 31, 2001 | <u>\$ 258,419,221</u> |

CONSERVATIVE INVESTMENT STRATEGY

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

| | December 31, | |
|-------------------|----------------|---------------|
| | <u>2001</u> | <u>2000</u> |
| ASSETS | | |
| Receivables: | | |
| Income | \$ 76,641 | \$ 84,293 |
| Other | <u>47,100</u> | <u>-</u> |
| Total receivables | <u>123,741</u> | <u>84,293</u> |

General investments:

| | | |
|--------------------------------------------------------------------|----------------------|----------------------|
| Value of unallocated insurance and financial institution contracts | 10,675,074 | 10,241,252 |
| Mutual funds | <u>10,533,453</u> | <u>9,312,247</u> |
| Total general investments | <u>21,208,527</u> | <u>19,553,499</u> |
| Total | <u>21,332,268</u> | <u>19,637,792</u> |
| LIABILITIES | <u>128</u> | <u>109</u> |
| NET ASSETS AVAILABLE FOR BENEFITS | <u>\$ 21,332,140</u> | <u>\$ 19,637,683</u> |

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

| | Year Ended December 31, 2001 |
|-----------------------------------------------|------------------------------------|
| | <u> </u> |
| INCOME | |
| Contributions received from Members | \$ 658,592 |
| Earnings on investments: | |
| Interest | 597,517 |
| Dividends | 371,839 |
| Net depreciation in fair value of investments | <u>(321,613)</u> |
| Total | <u>1,306,335</u> |
| EXPENSES | |
| Benefit payments to Members or beneficiaries | 923,943 |
| Account maintenance fees | <u>1,233</u> |
| Total | <u>925,176</u> |
| NET INCOME | <u>381,159</u> |
| TRANSFERS | |
| Transfers into fund | 6,480,959 |
| Transfers out of fund | <u>(5,167,661)</u> |

Net transfers 1,313,298

NET ASSETS AVAILABLE FOR BENEFITS AT
DECEMBER 31, 2000 19,637,683

NET ASSETS AVAILABLE FOR BENEFITS AT
DECEMBER 31, 2001 \$ 21,332,140

MODERATE GROWTH INVESTMENT STRATEGY

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

| | December 31, | |
|--------------------------------------------------------------------|----------------------|----------------------|
| | <u>2001</u> | <u>2000</u> |
| ASSETS | | |
| Receivables: | | |
| Income | \$ 179,402 | \$ 271,624 |
| Other | <u>25</u> | <u>58,253</u> |
| Total receivables | <u>179,427</u> | <u>329,877</u> |
| General investments: | | |
| Value of unallocated insurance and financial institution contracts | 19,067,064 | 23,131,741 |
| Mutual funds | <u>57,909,195</u> | <u>63,199,600</u> |
| Total general investments | <u>76,976,259</u> | <u>86,331,341</u> |
| Total | <u>77,155,686</u> | <u>86,661,218</u> |
| LIABILITIES | <u>4,754</u> | <u>561</u> |
| NET ASSETS AVAILABLE FOR BENEFITS | <u>\$ 77,150,932</u> | <u>\$ 86,660,657</u> |

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

| | Year Ended December 31, <u>2001</u> |
|-------------------------------------|-------------------------------------------|
| INCOME | |
| Contributions received from Members | \$ 2,549,502 |

| | |
|-----------------------------------------------------------|----------------------|
| Earnings on investments: | |
| Interest | 1,252,764 |
| Dividends | 1,639,950 |
| Net depreciation in fair value of investments | <u>(4,092,783)</u> |
| Total | <u>1,349,433</u> |
| EXPENSES | |
| Benefit payments to Members or beneficiaries | 4,080,700 |
| Account maintenance fees | <u>6,298</u> |
| Total | <u>4,086,998</u> |
| NET LOSS | <u>(2,737,565)</u> |
| TRANSFERS | |
| Transfers into fund | 6,413,347 |
| Transfers out of fund | <u>(13,185,507)</u> |
| Net transfers | <u>(6,772,160)</u> |
| NET ASSETS AVAILABLE FOR BENEFITS AT DECEMBER 31, 2000 | <u>86,660,657</u> |
| NET ASSETS AVAILABLE FOR BENEFITS AT DECEMBER 31, 2001 | <u>\$ 77,150,932</u> |

LONG-TERM GROWTH INVESTMENT STRATEGY

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

| December 31, | |
|--------------|-------------|
| <u>2001</u> | <u>2000</u> |



ASSETS

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| | | |
|--------------------------------------------------------------------|----------------------|----------------------|
| Receivables: | | |
| Income | \$ 99,017 | \$ 167,348 |
| Other | <u>-</u> | <u>66,150</u> |
| Total receivables | <u>99,017</u> | <u>233,498</u> |
| General investments: | | |
| Value of unallocated insurance and financial institution contracts | 8,571,304 | 11,042,921 |
| Mutual funds | <u>76,627,483</u> | <u>87,877,354</u> |
| Total general investments | <u>85,198,787</u> | <u>98,920,275</u> |
| Total | <u>85,297,804</u> | <u>99,153,773</u> |
| LIABILITIES | <u>101,333</u> | <u>11,465</u> |
| NET ASSETS AVAILABLE FOR BENEFITS | <u>\$ 85,196,471</u> | <u>\$ 99,142,308</u> |

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

| | Year Ended December 31, 2001 |
|-----------------------------------------------|------------------------------------|
| | <u> </u> |
| INCOME | |
| Contributions received from Members | \$ 4,699,952 |
| Earnings on investments: | |
| Interest | 580,528 |
| Dividends | 1,572,000 |
| Net depreciation in fair value of investments | <u>(9,460,417)</u> |
| Total | <u>(2,607,937)</u> |
| EXPENSES | |
| Benefit payments to Members or beneficiaries | 3,030,819 |
| Account maintenance fees | <u>9,397</u> |
| Total | <u>3,040,216</u> |

| | |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| NET LOSS | <u>(5,648,153)</u> |
| TRANSFERS | |
| Transfers into fund | 5,727,013 |
| Transfers out of fund | <u>(14,024,697)</u> |
| Net transfers | <u>(8,297,684)</u> |
| NET ASSETS AVAILABLE FOR BENEFITS AT DECEMBER 31, 2000 | 99,142,308  |
| NET ASSETS AVAILABLE FOR BENEFITS AT DECEMBER 31, 2001 | \$ 85,196,471  |

FPL GROUP STOCK FUND

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

| | December 31, | |
|-----------------------------------|-----------------------|-----------------------|
| | <u>2001</u> | <u>2000</u> |
| ASSETS | | |
| Cash | \$ - | \$ 2,506,730 |
| Receivables: | | |
| Income | 3,978 | 8,527 |
| Other | <u>372,436</u> | <u>3,978,665</u> |
| Total receivables | <u>376,414</u> | <u>3,987,192</u> |
| General investments: | | |
| Money market | <u>2,300,687</u> | <u>92,880</u> |
| Employer securities | <u>301,110,276</u> | <u>400,536,783</u> |
| Total | <u>303,787,377</u> | <u>407,123,585</u> |
| LIABILITIES | <u>1,022,944</u> | <u>2,672,185</u> |
| NET ASSETS AVAILABLE FOR BENEFITS | <u>\$ 302,764,433</u> | <u>\$ 404,451,400</u> |

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

| | Year Ended December 31, 2001 |
|-----------------------------------------------------------|------------------------------------|
| INCOME | |
| Contributions received from Members | \$ 5,198,303 |
| Earnings on investments: | |
| Interest | 142,391 |
| Dividends | 12,244,254 |
| Net depreciation in fair value of investments | (85,198,762) |
| Total | (67,613,814) |
| EXPENSES | |
| Benefit payments to Members or beneficiaries | 23,906,653 |
| Account maintenance fees | 40,607 |
| Total | 23,947,260 |
| NET LOSS | (91,561,074) |
| TRANSFERS | |
| Transfers into fund | 110,746,876 |
| Transfers out of fund | (120,872,769) |
| Net transfers | (10,125,893) |
| NET ASSETS AVAILABLE FOR BENEFITS AT DECEMBER 31, 2000 | 404,451,400 |
| NET ASSETS AVAILABLE FOR BENEFITS AT DECEMBER 31, 2001 | \$ 302,764,433 |

FPL GROUP STOCK LESOP FUND
(nonparticipant-directed)

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

| | December 31, | |
|------------------------------------------|-----------------------|-----------------------|
| | 2001 | 2000 |
| ASSETS | | |
| Receivables: | | |
| Income | \$ 2,656 | \$ 8,121 |
| Other | 193,213 | 426,553 |
| Total receivables | 195,869 | 434,674 |
| General investments: | | |
| Money market | 1,484,652 | 1,684,073 |
| Employer securities | 185,018,790 | 215,800,107 |
| Total | 186,699,311 | 217,918,854 |
| LIABILITIES | 108,300 | 273,505 |
| NET ASSETS AVAILABLE FOR BENEFITS | \$ 186,591,011 | \$ 217,645,349 |

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

| | Year Ended December 31, 2001 |
|-----------------------------------------------|------------------------------------|
| INCOME | |
| Contributions received from Members | \$ 23,072,805 |
| Earnings on investments: | |
| Interest | 71,694 |
| Dividends | 6,999,238 |
| Net depreciation in fair value of investments | (46,424,027) |
| Total | (16,280,290) |
| EXPENSES | |
| Benefit payments to Members or beneficiaries | 14,942,113 |

| | |
|-----------------------------------------------------------|----------------------|
| Account maintenance fees | 42,992 |
| Total | <u>14,985,105</u> |
| NET LOSS | <u>(31,265,395)</u> |
| TRANSFERS | |
| Transfers into fund | 7,053,391 |
| Transfers out of fund | <u>(6,842,334)</u> |
| Net transfers | <u>211,057</u> |
| NET ASSETS AVAILABLE FOR BENEFITS AT DECEMBER 31, 2000 | <u>217,645,349</u> |

NET ASSETS AVAILABLE FOR BENEFITS AT
DECEMBER 31, 2001 \$ 186,591,011

FORM 5500: Schedule H, FLORIDA POWER & LIGHT COMPANY - EIN 59-0247775
4i FPL GROUP EMPLOYEE THRIFT PLAN
PLAN YEAR 2001 SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT YEAR END
PLAN #002

| <u>FUND NAME</u> | <u>UNITS/SHARES</u> 12/31/01 | <u>PRICE</u> 12/31/01 | <u>HISTORICAL</u> <u>COST</u> | <u>MARKET VALUE</u> 12/31/01 |
|-------------------------|---------------------------------|--------------------------|----------------------------------|---------------------------------|
| FIDELITY FUND | 32,420.42 | \$ 28.88 | \$ 1,206,018.38 | \$ 936,301.59 |
| FIDELITY PURITAN | 39,516.91 | \$17.67 | 734,871.02 | 698,263.75 |
| FIDELITY TREND | 199.26 | \$49.04 | 11,470.24 | 9,771.71 |
| FIDELITY GINNIE MAE | 114,190.33 | \$10.86 | 1,236,437.61 | 1,240,107.01 |
| FIDELITY MAGELLAN | 942,282.70 | \$104.22 | 93,918,475.76 | 98,204,703.00 |
| FIDELITY EQUITY INC | 27,411.85 | \$48.77 | 1,395,247.15 | 1,336,875.80 |
| FIDELITY GROWTH CO | 82,154.89 | \$53.22 | 6,286,468.46 | 4,372,283.30 |
| FIDELITY INVST GR BD | 142,785.68 | \$7.34 | 1,034,744.41 | 1,048,046.89 |
| FIDELITY INTER BOND | 48,940.67 | \$10.32 | 501,032.61 | 505,067.71 |
| FIDELITY CAP & INC | 75,330.17 | \$6.78 | 658,816.66 | 510,738.54 |
| FIDELITY VALUE | 39,460.66 | \$51.51 | 1,940,555.83 | 2,032,618.73 |
| FIDELITY GOVT INCOME | 52,304.12 | \$9.97 | 509,969.89 | 521,472.03 |
| FID INDEPENDENCE FD | 60,777.08 | \$15.77 | 1,492,062.18 | 958,454.54 |
| FIDELITY OTC PORT | 2,184,965.54 | \$31.17 | 93,320,127.52 | 68,105,375.74 |

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| | | | | |
|-------------------------|------------|---------|---------------|---------------|
| FIDELITY OVERSEAS | 707,196.64 | \$27.42 | 23,692,266.80 | 19,391,331.80 |
| FIDELITY EUROPE | 14,419.86 | \$24.76 | 478,896.05 | 357,035.81 |
| FIDELITY PAC BASIN | 14,059.63 | \$13.85 | 286,292.82 | 194,725.90 |
| FIDELITY REAL ESTATE | 91,368.59 | \$18.52 | 1,702,529.12 | 1,692,146.17 |
| FIDELITY BALANCED | 54,011.21 | \$14.90 | 869,196.38 | 804,767.03 |
| FIDELITY INTL GR&INC | 6,861.77 | \$18.76 | 164,677.08 | 128,726.78 |
| FIDELITY CAP APPREC | 7,923.89 | \$20.55 | 182,743.20 | 162,835.91 |
| FIDELITY CONV SEC | 52,317.42 | \$19.90 | 1,175,301.37 | 1,041,116.64 |
| FIDELITY CANADA | 5,769.42 | \$18.97 | 139,974.40 | 109,445.89 |
| FIDELITY UTILITIES | 44,898.59 | \$13.49 | 920,450.14 | 605,681.97 |
| FIDELITY BLUE CHIP | 62,343.19 | \$42.94 | 3,312,861.67 | 2,677,016.63 |
| FID ASSET MANAGER | 12,411.67 | \$15.50 | 213,174.82 | 192,380.81 |
| FIDELITY DISC EQUITY | 10,933.43 | \$22.10 | 303,301.21 | 241,628.80 |
| FIDELITY LOW PR STK | 160,684.79 | \$27.42 | 4,172,932.66 | 4,405,976.78 |
| SPARTAN 500 INDEX | 19,222.42 | \$78.89 | 1,784,005.95 | 1,516,456.87 |
| FIDELITY WORLDWIDE | 3,828.56 | \$14.66 | 61,904.66 | 56,126.64 |
| FIDELITY EQ INC II | 46,733.06 | \$21.03 | 1,124,552.94 | 982,796.21 |
| FIDELITY STK SELECTR | 3,496.95 | \$21.13 | 90,896.27 | 73,890.58 |
| FID ASSET MGR GROWTH | 22,420.75 | \$14.34 | 416,981.86 | 321,513.53 |
| FIDELITY EMERG MRKTS | 3,650.71 | \$7.80 | 33,182.74 | 28,475.53 |
| FIDELITY AGGR GROWTH | 433,858.82 | \$19.02 | 19,677,007.10 | 8,251,994.82 |
| FIDELITY DIVERS INTL | 84,510.24 | \$19.08 | 1,902,826.38 | 1,612,455.36 |
| FID ASSET MGR INCOME | 14,204.72 | \$11.33 | 161,551.88 | 160,939.49 |
| FIDELITY DIVD GROWTH | 165,014.37 | \$28.33 | 4,827,038.49 | 4,674,857.13 |
| FIDELITY NEW MKT INC | 29,118.04 | \$10.91 | 327,151.94 | 317,677.86 |
| FIDELITY EXP & MULTI | 18,837.46 | \$16.97 | 337,635.31 | 319,671.68 |
| FID FOCUSED STOCK | 7,929.82 | \$11.76 | 122,992.41 | 93,254.73 |
| FIDELITY GLOBAL BAL | 2,895.15 | \$15.98 | 53,328.48 | 46,264.44 |
| FID AGGRESSIVE INT'L | 12,634.89 | \$12.07 | 194,356.16 | 152,503.07 |
| FID SM CAP INDEPEND | 10,353.35 | \$16.80 | 161,303.55 | 173,936.34 |
| FIDELITY MID-CAP STK | 225,757.76 | \$22.57 | 5,612,790.95 | 5,095,352.56 |
| FIDELITY LG-CAP STK | 29,809.20 | \$14.56 | 547,666.73 | 434,021.92 |
| FIDELITY CONTRA II | 52,754.15 | \$10.35 | 681,571.14 | 546,005.46 |
| FIDELITY SM CAP STK | 44,462.37 | \$14.36 | 583,080.57 | 638,479.54 |
| FIDELITY EUR CAP APP | 11,120.47 | \$16.50 | 211,975.13 | 183,487.68 |
| FID ASSET MGR AGGRES | 2,093.67 | \$10.76 | 27,355.62 | 22,527.88 |

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| | | | | |
|-------------------------|----------------|---------|----------------|----------------|
| FIDELITY LATIN AMER | 1,130.36 | \$12.01 | 16,710.61 | 13,575.59 |
| FIDELITY JAPAN | 72,756.53 | \$9.10 | 1,049,824.12 | 662,084.45 |
| FIDELITY SE ASIA | 8,878.91 | \$10.98 | 121,822.25 | 97,490.45 |
| FID FOUR IN ONE IDX | 611.075 | \$21.93 | 15,060.42 | 13,400.86 |
| FIDELITY GR & INC II | 12,212.60 | \$9.23 | 120,575.76 | 112,722.26 |
| FIDELITY STRAT INC | 2,933.57 | \$9.15 | 27,135.52 | 26,842.18 |
| FID FREEDOM INCOME | 26,392.71 | \$10.93 | 291,650.38 | 288,472.33 |
| FID FREEDOM 2000 | 83,398.42 | \$11.52 | 975,285.01 | 960,749.84 |
| FID FREEDOM 2010 | 56,653.78 | \$12.61 | 814,692.12 | 714,404.16 |
| FID FREEDOM 2020 | 20,076.72 | \$12.58 | 301,206.77 | 252,565.18 |
| FID FREEDOM 2030 | 17,642.36 | \$12.56 | 259,657.36 | 221,588.07 |
| SPTN TOTAL MKT INDEX | 20,651.34 | \$29.56 | 681,647.46 | 610,453.70 |
| SPTN EXTND MKT INDEX | 12,425.23 | \$23.70 | 351,171.33 | 294,477.95 |
| SPARTAN INTL INDEX | 3,966.17 | \$24.44 | 116,839.44 | 96,933.12 |
| FIDELITY SH TERM BD | 32,970.66 | \$8.80 | 286,049.88 | 290,141.75 |
| FIDELITY INTL BOND | 2,108.27 | \$7.98 | 17,136.02 | 16,824.01 |
| FIDELITY INT GOV INC | 7,286.36 | \$9.81 | 71,708.43 | 71,479.14 |
| FIDELITY HIGH INCOME | 58,348.80 | \$8.13 | 595,353.24 | 474,375.78 |
| FIDELITY FIFTY | 35,878.97 | \$16.12 | 663,969.47 | 578,368.91 |
| FIDELITY RET GOVT MM | 11,820,633.85 | \$1.00 | 11,820,633.85 | 11,820,633.85 |
| SPARTAN US EQ INDEX | 2,393,037.65 | \$40.64 | 70,010,520.24 | 97,253,049.96 |
| FIDELITY US BD INDEX | 1,847,462.61 | \$10.80 | 19,661,854.86 | 19,952,596.19 |
| FID INST SH-INT GOVT | 8,716.04 | \$9.45 | 83,268.65 | 82,366.53 |
| FID FREEDOM 2040 | 611.901 | \$7.39 | 4,876.01 | 4,521.96 |
| FPL MANAGED INCOME * | 198,703,389.23 | \$1.00 | 198,703,389.23 | 198,703,389.23 |
| BGI RUSSELL 2000 K | 71,679.36 | \$8.52 | 605,676.14 | 610,708.14 |
| INVESCO TOTAL RETURN | 1,733.70 | \$25.01 | 44,645.32 | 43,359.74 |
| NB GUARDIAN TRUST | 913.28 | \$11.39 | 11,998.03 | 10,402.25 |
| SCUDDER INTL FUND S | 130.199 | \$36.66 | 5,053.47 | 4,773.09 |
| DOMINI SOCIAL EQUITY | 11,076.26 | \$27.37 | 401,927.47 | 303,157.31 |
| INVESCO EQUITY INC | 4,630.04 | \$12.06 | 72,740.21 | 55,838.23 |
| AIM WEINGARTEN A | 1,162.43 | \$13.49 | 15,780.93 | 15,681.22 |
| SCUDDER GLOBAL DISC | 111.706 | \$23.43 | 2,668.88 | 2,617.27 |
| JANUS ADVISER GROWTH | 2,661.61 | \$20.69 | 63,960.97 | 55,068.79 |
| JANUS ADV AGGR GRTH | 4,761.06 | \$21.43 | 128,339.83 | 102,029.48 |

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| | | | | |
|----------------------|------------|---------|---------------|---------------|
| JANUS ADV CAP APPREC | 3,462.75 | \$21.31 | 86,047.95 | 73,791.12 |
| JANUS ADVISER INTL | 2,605.29 | \$24.54 | 73,841.56 | 63,933.91 |
| JANUS ADV BALANCED | 11,259.55 | \$22.90 | 267,434.29 | 257,843.72 |
| JANUS ADV FLEX INC | 105.252 | \$11.85 | 1,264.36 | 1,247.24 |
| AIM BLUE CHIP A | 4,114.47 | \$12.15 | 61,609.86 | 49,990.83 |
| AMR BALANCED PA | 574.706 | \$12.00 | 6,882.38 | 6,896.47 |
| AMR LARGE CAP VAL PA | 3,503.17 | \$14.80 | 48,538.62 | 51,846.93 |
| AMR INTL EQUITY PA | 3,889.50 | \$14.16 | 64,781.91 | 55,075.34 |
| AMR SH TERM BOND PA | 845.117 | \$9.50 | 8,090.91 | 8,028.62 |
| PIMCO TOT RETURN ADM | 104,152.48 | \$10.46 | 1,100,059.64 | 1,089,434.94 |
| TMPL FOREIGN SM CO A | 6,028.79 | \$13.03 | 86,369.29 | 78,555.20 |
| MSI EQUITY GROWTH B | 8,203.03 | \$17.08 | 161,371.90 | 140,107.76 |
| MUTUAL DISCOVERY A | 14,634.02 | \$18.08 | 293,279.54 | 264,583.11 |
| BARON GROWTH | 21,323.68 | \$30.67 | 658,066.76 | 653,997.32 |
| BARON ASSET FUND | 3,318.67 | \$44.46 | 168,965.28 | 147,547.94 |
| BRANDYWINE FUND | 688,865.96 | \$23.35 | 23,083,486.72 | 16,085,020.14 |
| CALVERT NEWVIS SM CP | 14,431.62 | \$17.76 | 246,043.66 | 256,305.55 |
| CALVERT SIF BALANCED | 651.933 | \$26.09 | 17,267.31 | 17,008.94 |
| CALVERT CAP ACC A | 7,338.26 | \$23.66 | 162,289.41 | 173,623.24 |
| CALVERT INTL EQTY A | 3.083 | \$14.77 | 44.99 | 45.53 |
| MONTGOMERY GLOBAL 20 | 760.087 | \$8.95 | 14,180.92 | 6,802.77 |
| UAM/FMA SM COMPANY | 10,735.78 | \$18.51 | 196,707.85 | 198,719.37 |
| UAM/FPA CRESCENT | 27,498.16 | \$17.19 | 440,024.56 | 472,693.39 |
| UAM/RHJ SMALL CAP | 8,114.74 | \$16.59 | 135,127.67 | 134,623.46 |
| PBHG EMERGING GROWTH | 18,975.27 | \$16.01 | 590,680.69 | 303,794.06 |
| ARIEL FUND | 28,569.52 | \$37.72 | 1,029,011.31 | 1,077,642.28 |
| ARIEL APPRECIATION | 48,060.55 | \$37.02 | 1,683,722.27 | 1,779,201.61 |
| ARIEL PREMIER BOND | 16,623.95 | \$10.23 | 167,548.09 | 170,063.00 |
| ALGER CAP APPRECIATN | 653,940.28 | \$12.87 | 11,923,397.99 | 8,416,211.43 |
| ALGER MID CAP GROWTH | 300,852.66 | \$14.87 | 4,664,122.42 | 4,473,679.07 |
| ALGER SMALL CAP RTM | 41,784.00 | \$14.98 | 1,118,145.77 | 625,924.36 |

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| | | | | |
|----------------------------------------|------------|---------|--------------|--------------|
| DREY FNDRS BALNCED F | 221.174 | \$8.19 | 1,875.14 | 1,811.42 |
| DREY FNDRS G & I F | 17,461.38 | \$4.69 | 121,367.99 | 81,893.87 |
| DREY FNDRS GROWTH F | 15,842.78 | \$10.53 | 311,499.06 | 166,824.51 |
| DREY FNDRS MC GRTH F | 37,611.61 | \$3.47 | 193,718.45 | 130,512.23 |
| DREY FNDRS WW GRTH F | 17,241.56 | \$11.72 | 282,284.55 | 202,071.11 |
| DREY FNDRS PASSPRT F | 27,056.79 | \$9.67 | 674,372.05 | 261,639.14 |
| FKLN SMMIDCAP GRTH A | 34,226.13 | \$31.17 | 1,523,306.54 | 1,066,828.60 |
| PBHG GROWTH FUND | 54,110.72 | \$20.36 | 2,578,526.32 | 1,101,694.17 |
| INVESCO DYNAMICS | 121,853.87 | \$15.93 | 2,962,569.76 | 1,941,132.04 |
| INVESCO SM CO GROWTH | 19,980.02 | \$12.14 | 349,839.79 | 242,557.51 |
| INVESCO GROWTH INV | 501,765.01 | \$2.60 | 2,198,448.13 | 1,304,589.02 |
| INVESCO HIGH YIELD | 30,194.40 | \$3.65 | 154,364.23 | 110,209.60 |
| INVESCO SEL INCOME | 10,132.18 | \$5.38 | 59,947.06 | 54,511.12 |
| INVESCO VALUE EQUITY | 4,049.75 | \$19.62 | 95,687.57 | 79,456.14 |
| JANUS FLEX INCOME | 47,708.54 | \$9.22 | 442,400.99 | 439,872.73 |
| TEMPLETON FOREIGN A | 383,610.39 | \$9.25 | 3,939,897.25 | 3,548,396.13 |
| DREY FNDRS DISCVRY F | 44,724.36 | \$28.45 | 1,750,930.10 | 1,272,407.97 |
| MSI INTL MAGNUM B | 105.817 | \$9.32 | 1,006.96 | 986.21 |
| MSI GLOBAL VAL EQ B | 10,842.18 | \$15.33 | 207,553.01 | 166,210.69 |
| MSIFT BALANCED ADV | 2,717.82 | \$10.98 | 30,837.79 | 29,841.70 |
| MSIFT FIXED INC ADV | 8,863.06 | \$11.62 | 103,936.27 | 102,988.75 |
| MSIFT HIGH YIELD ADV | 8,900.07 | \$5.61 | 65,594.72 | 49,929.39 |
| MSIFT MIDCAP GTH ADV | 41,402.42 | \$17.19 | 1,169,624.16 | 711,707.55 |
| MSIFT VALUE ADVISER | 23,323.53 | \$15.22 | 357,673.70 | 354,984.09 |
| MSI SM CO GROWTH B | 98,694.52 | \$9.36 | 1,201,368.27 | 923,780.71 |
| MSI ACTIVE INTL B | 1,194.75 | \$8.77 | 14,792.90 | 10,477.98 |
| MSI EMERGING MKTS B | 19,630.54 | \$10.74 | 222,008.03 | 210,831.99 |
| MUTUAL SHARES CL A MANAGERS SPECIAL EQ | 18,876.56 | \$19.37 | 385,950.65 | 365,638.95 |
| NB FOCUS TRUST | 2,008.59 | \$70.60 | 146,380.20 | 141,806.19 |
| NB PARTNERS TRUST | 35,304.75 | \$25.30 | 1,024,529.22 | 893,210.05 |
| NB GENESIS TRUST | 38,057.44 | \$29.11 | 1,037,105.04 | 1,107,852.00 |
| NB MANHATTAN TRUST | 13,806.48 | \$10.28 | 298,967.74 | 141,930.66 |
| NB PARTNERS TRUST | 1,143.84 | \$16.02 | 19,990.43 | 18,324.35 |
| NB SOCIALLY RESP TR | 50.723 | \$12.47 | 656.99 | 632.53 |

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|-------------------------|------------|---------|--------------|--------------|
| AIM VALUE A FUND | 13,006.65 | \$10.87 | 157,830.75 | 141,382.27 |
| PIMCO CAP APPR ADMIN | 10,736.96 | \$16.34 | 237,807.66 | 175,441.84 |
| PIMCO MID CAP ADMIN | 7,942.24 | \$19.32 | 195,994.61 | 153,444.11 |
| PIMCO GLOBAL BOND AD | 2,748.93 | \$8.49 | 24,258.45 | 23,338.43 |
| PIMCO HIGH YIELD ADM | 52,960.54 | \$9.36 | 528,654.88 | 495,710.65 |
| PIMCO LOW DUR ADM | 14,253.47 | \$10.07 | 143,560.37 | 143,532.46 |
| PIMCO LT US GOVT ADM | 58,227.61 | \$10.20 | 621,350.17 | 593,921.68 |
| STRONG ADVANTAGE | 547.612 | \$9.75 | 5,400.10 | 5,339.22 |
| STRONG SHORTTERM BND | 22,905.99 | \$9.24 | 217,489.58 | 211,651.29 |
| STRONG DISCOVERY | 2,512.49 | \$16.84 | 37,069.45 | 42,310.33 |
| STRONG GROWTH FUND | 107,207.13 | \$17.68 | 3,560,562.21 | 1,895,422.06 |
| STRONG ADV COM STK Z | 7,972.77 | \$19.78 | 161,274.19 | 157,701.47 |
| STRONG OPPORTUNITY | 28,018.36 | \$39.29 | 1,178,948.17 | 1,100,841.18 |
| STRONG LG CAP GROWTH | 28,167.64 | \$23.55 | 1,009,678.48 | 663,347.96 |
| STRONG GOVT SECURITY | 77,075.74 | \$10.79 | 813,657.35 | 831,647.20 |
| STRONG MULTI CAP VAL | 115.511 | \$52.60 | 6,312.01 | 6,075.87 |
| TEMPLETON DEV MKTS A | 19,429.78 | \$9.88 | 215,224.35 | 191,966.22 |
| TEMPLETON GROWTH A | 19,608.09 | \$18.00 | 357,400.17 | 352,945.52 |
| TEMPLETON GLOBAL BD | 3,129.02 | \$7.97 | 25,756.96 | 24,938.29 |
| TRP EQUITY INCOME | 352,428.16 | \$23.65 | 8,899,665.64 | 8,334,925.98 |
| TEMPLETON WORLD A | 27,159.63 | \$14.86 | 462,144.68 | 403,592.10 |
| USAA CORNERSTONE | 46.441 | \$23.38 | 1,115.42 | 1,085.76 |
| USAA GNMA TRUST | 8,513.91 | \$9.92 | 83,868.80 | 84,457.98 |
| USAA INCOME FUND | 28,478.90 | \$12.06 | 350,174.17 | 343,455.47 |
| USAA INCOME STOCK | 4,224.60 | \$16.83 | 74,904.86 | 71,100.07 |
| USAA INTERNATIONAL | 1,201.55 | \$16.78 | 20,866.89 | 20,161.96 |
| USAA GROWTH FUND | 1,998.95 | \$14.47 | 38,568.62 | 28,924.88 |
| USAA EMERGING MKTS | 5,367.19 | \$6.93 | 37,742.65 | 37,194.62 |
| AIM CONSTELLATION A | 2,544.95 | \$22.10 | 64,726.73 | 56,243.44 |
| CS CAP APPREC COM | 29,676.82 | \$17.89 | 805,549.80 | 530,918.25 |

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|--------------------------------------------|---------------|---------|----------------|----------------|
| CS EMERGING GRTH COM | 2,291.68 | \$26.99 | 108,048.10 | 61,852.42 |
| CS GLOBAL FX INC COM | 9,104.06 | \$9.59 | 89,552.88 | 87,307.94 |
| CS STRATEGIC VAL COM | 19,552.30 | \$13.39 | 272,152.64 | 261,805.33 |
| CS INTL EQUITY COM | 4,828.20 | \$11.92 | 105,092.85 | 57,552.19 |
| RS EMERGING GROWTH A | 6,745.81 | \$32.01 | 222,011.65 | 215,933.38 |
| JANUS ADV WORLDWIDE | 3,494.63 | \$29.32 | 124,815.39 | 102,462.63 |
| TCW GAL SM CAP GR N | 4,901.94 | \$18.78 | 94,359.39 | 92,058.33 |
| TCW GAL AGGR GRTH N | 6,800.88 | \$12.25 | 86,564.09 | 83,310.81 |
| SCUDDER 21STC GROWTH | 383.907 | \$17.30 | 6,473.74 | 6,641.59 |
| MSI VALUE EQUITY B | 21,054.97 | \$9.67 | 214,283.73 | 203,601.60 |
| AIM BALANCED A | 3,258.83 | \$25.94 | 95,426.16 | 84,534.16 |
| AIM GLOBAL AGGR GRTH | 1,158.86 | \$13.23 | 18,826.90 | 15,331.74 |
| MANAGERS BOND FUND | 27,656.76 | \$22.32 | 622,520.43 | 617,298.97 |
| MANAGERS CAP APPREC | 224.038 | \$29.29 | 6,463.58 | 6,562.06 |
| MANAGERS VALUE | 1,624.05 | \$27.45 | 46,436.79 | 44,580.08 |
| RS SMALLER CO GROWTH | 3,670.60 | \$21.79 | 75,303.42 | 79,982.32 |
| TCW GALILEO SEL EQ N | 6,174.56 | \$16.42 | 94,306.35 | 101,386.34 |
| CALVERT SO AFRICA A | 2.237 | \$11.33 | 33.65 | 25.35 |
| CS SMALL CAP VAL COM | 10,466.41 | \$20.43 | 224,393.30 | 213,828.67 |
| FPL CONS INV STRGY * | 890,659.38 | \$18.46 | 11,494,278.79 | 16,441,572.23 |
| MODERATE GRWTH STRGY * | 2,467,715.73 | \$23.37 | 33,355,460.68 | 57,670,516.64 |
| LONG-TERM STRGY * | 2,506,892.14 | \$24.15 | 39,190,098.27 | 60,541,445.22 |
| FPL GROUP STOCK * | 13,398,558.90 | \$15.16 | 135,796,037.88 | 203,122,152.85 |
| FPL GROUP STK LESOP * | 8,712,940.11 | \$15.29 | 109,991,595.02 | 133,220,854.23 |
| LEVERAGED ESOP EMPLOYER SECURITIES * | 4,944,454.68 | \$56.40 | 143,389,185.74 | 278,867,244.00 |
| PARTICIPANT LOAN BALANCES | | | | |
| (6.00% TO 9.75%; | | | 23,069,237.69 | 23,069,237.69 |

MATURING 2002-2006)

[REDACTED]

[REDACTED]

TOTAL ASSETS HELD
FOR INVESTMENT
PURPOSES

\$ 1,180,834,815.60

\$ 1,419,768,606.63

[REDACTED]

[REDACTED]

*PARTY-IN-INTEREST

SIGNATURES

The Plan.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Employee Benefits Plan Administrative Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 27, 2002

FPL Group Employee Thrift Plan

(Name of Plan)

By: JAMES K. PETERSON

James K. Peterson

Vice President, Human Resources of FPL

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 333-87869 on Form S-8 of FPL Group, Inc. of our report dated June 21, 2002, appearing in this Annual Report on Form 11-K of the FPL Group Employee

Thrift Plan for the year ended December 31, 2001.

DELOITTE & TOUCHE LLP

Miami, Florida

June 27, 2002