



To: Financial Community

From: CMS Energy Investor Relations

Date: May 5, 2008

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<http://www.cmsenergy.com>

**Subject: CMS Energy Conference Call and Webcast
2008 First Quarter Results and Outlook**

**CMS ENERGY REPORTS FIRST QUARTER NET INCOME
OF \$103 MILLION, OR \$0.44 PER SHARE,
AND AFFIRMS EARNINGS GUIDANCE**

JACKSON, Mich., May 5, 2008 – CMS Energy announced today reported net income of \$103 million, or \$0.44 per share, for the first quarter of 2008, compared to a reported net loss of \$215 million, or \$0.97 per share, in the same quarter of 2007.

In the first quarter of 2007, the company was engaged in selling its international businesses and that resulted in a charge of \$307 million, or \$1.39 per share, that was not repeated in the first quarter of 2008.

CMS Energy's first quarter adjusted (non-Generally Accepted Accounting Principles) results, which exclude the effects of asset sales and certain other items, also were \$103 million, or \$0.44 per share, consistent with the company's plan. In the first quarter of 2007, the company had adjusted net income of \$92 million, or \$0.42 per share, primarily excluding asset sale related charges.

CMS Energy reaffirmed its guidance for 2008 adjusted earnings of \$1.20 per share. While the company expects 2008 reported earnings to be about the same as its adjusted earnings, reported earnings could vary because of gains or charges relating to previously sold assets or other factors.

David Joos, the president and chief executive officer of CMS Energy, said the company's solid first quarter results reflect the company's strategy to exit the international markets, reduce parent company debt, and invest substantially in Consumers Energy.

"We are pleased with our progress and will continue to implement our 'Growing Forward' strategy. Our plan is to invest more than \$6 billion over the next five years in energy efficiency, renewable energy, environmental and customer service enhancements, and new power generation," Joos said.

He added that Michigan needed comprehensive energy policy reform to allow the company to fully implement its Growing Forward plan.

“The state House recently approved a wide-ranging package of legislation that would support the energy infrastructure investments needed to keep power prices affordable and help ensure reliable supplies of energy for Michigan customers. There’s still work to be done, but we’re encouraged with the progress that has been made.”

CMS Energy (NYSE: CMS) is a Michigan-based company that has an electric and natural gas utility, Consumers Energy, as its primary business and also owns and operates independent power generation businesses.

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CMS Energy provides financial results on both a reported (Generally Accepted Accounting Principles) and adjusted (non-GAAP) basis. Management views adjusted earnings as a key measure of the company’s present operating financial performance, unaffected by discontinued operations, asset sales, impairments, or other items detailed in the attached summary financial statements. Certain contingent obligations arising in connection with previously disposed assets or discontinued operations have the potential to impact, favorably or unfavorably, the company's reported earnings in 2008.

This news release contains “forward-looking statements” as defined in Rule 3b-6 of the Securities Exchange Act of 1934, as amended, Rule 175 of the Securities Act of 1933, as amended, and relevant legal decisions. The forward-looking statements are subject to risks and uncertainties. They should be read in conjunction with “FORWARD-LOOKING STATEMENTS AND INFORMATION” and “RISK FACTORS” each found in the MANAGEMENT’S DISCUSSION AND ANALYSIS sections of CMS Energy’s Form 10-K and Consumers’ Form 10-K each for the Year Ended December 31, 2007. CMS Energy’s and Consumers’ “FORWARD-LOOKING STATEMENTS AND INFORMATION” and “RISK FACTORS” sections are incorporated herein by reference that discuss important factors that could cause CMS Energy’s and Consumers’ results to differ materially from those anticipated in such statements.

CMS Energy
Select Financial Data
(Unaudited - In Millions, Except Per Share Amounts)

| | Twelve Months Ended | | |
|--|---------------------|--------------|----------|
| | 03/31/08 | 12/31/07 | 03/31/07 |
| EBIT ^{(1) Non-GAAP} | | | |
| Consolidated | \$ 776 | \$ 746 | \$ 708 |
| Consumers Energy | 743 | 708 | 735 |
| Depreciation/Amortization | | | |
| Consolidated | \$ 553 | \$ 540 | \$ 553 |
| Consumers Energy | 538 | 524 | 531 |
| EBITDA ^{(1) Non-GAAP} | | | |
| Consolidated | \$ 1,329 | \$ 1,286 | \$ 1,261 |
| Consumers Energy | 1,281 | 1,232 | 1,266 |
| MTM Impacts in EBIT & EBITDA Gain/(Loss) | | | |
| Consolidated | \$ 14 | \$ 17 | \$ (75) |
| Consumers Energy | - | - | (48) |
| Dividends and Other Distributions To Parent | \$ 270 | \$ 251 | \$ 201 |
| Interest Expense, Net | | | |
| Consolidated | \$ 435 | \$ 440 | \$ 467 |
| Energy Parent | 153 | 160 | 169 |
| Consumers Energy | 269 | 264 | 271 |
| | | As of | |
| | 03/31/08 | 12/31/07 | 03/31/07 |
| Book Value Per Share | \$ 9.79 | \$ 9.46 | \$ 9.41 |
| Shares Outstanding - End of Period | 225.3 | 225.1 | 224.2 |
| Shares Outstanding - Average | | | |
| Basic | 223.5 | 222.6 | 221.5 |
| Diluted | 236.6 | 222.6 | 221.5 |
| Debt | | | |
| Energy Parent | | | |
| Debt ⁽²⁾ | \$ 1,832 | \$ 1,710 | \$ 2,265 |
| Debt - Related Parties (FIN 46) | 178 | 178 | 178 |
| CMS Enterprises ⁽²⁾ | | | |
| Debt | 153 | 153 | 233 |
| Debt (FIN 46) | 79 | 83 | 91 |
| Consumers Energy | | | |
| Debt ⁽²⁾ (excluding securitization bonds) | 4,256 | 4,078 | 3,884 |
| Consolidated (excluding securitization bonds) | 6,498 | 6,202 | 6,651 |
| Securitization Bonds | 301 | 309 | 332 |
| Consolidated | \$ 6,799 | \$ 6,511 | \$ 6,983 |
| Unrestricted Cash & Cash Equivalents | | | |
| Consumers Energy | \$ 767 | \$ 195 | \$ 39 |
| Energy Parent/CMS Enterprises | 55 | 136 | 480 |
| FIN 46 Companies | 19 | 17 | 37 |
| Consolidated | \$ 841 | \$ 348 | \$ 556 |
| Consumers Energy | | | |
| Common Equity Ratio - Ratemaking | | | |
| Electric | 41.2% | 40.0% | 36.6% |
| Gas | 40.9% | 39.7% | 36.3% |
| Rate Base (Average) | | | |
| Electric | \$ 5,586 | \$ 5,407 | \$ 5,194 |
| Gas | 2,432 | 2,444 | 2,397 |
| Return on Average Common Equity-Financial | | | |
| Electric | 7.8% | 7.5% | 9.7% |
| Gas | 9.3% | 9.2% | 6.8% |
| Return on Rate Base | | | |
| Electric | 6.6% | 6.7% | 7.7% |
| Gas | 6.3% | 6.2% | 5.8% |

⁽¹⁾ EBIT equals Net Income+Accounting Change+Discontinued Operations+Minority Interests+Income Taxes+Fixed Charges+Writedown+Losses-Gains on Asset Sales.
EBITDA equals EBIT + Depreciation/Amortization

⁽²⁾ Includes current maturities, leases and notes payable.

CMS ENERGY
Consolidated Statements of Income (Loss)
For the Three Months Ended March 31
(Unaudited - In Millions, Except Per Share Amounts)

| | Three Months | | |
|--|--------------|----------|---------|
| | 2008 | 2007 | Var |
| Operating Revenue | | | |
| Electric Utility | \$ 860 | \$ 844 | \$ 16 |
| Gas Utility | 1,231 | 1,211 | 20 |
| Enterprises | 88 | 130 | (42) |
| Other | 5 | 4 | 1 |
| Total Operating Revenue | 2,184 | 2,189 | (5) |
| Earnings (Loss) from Equity Method Investees | (1) | 19 | (20) |
| Operating Expenses | | | |
| Fuel for Electric Generation | 162 | 125 | 37 |
| Purchased and Interchange Power | 323 | 315 | 8 |
| Cost of Gas Sold | 984 | 1,018 | (34) |
| Other Operation and Maintenance | 228 | 316 | (88) |
| Depreciation and Amortization | 173 | 160 | 13 |
| General Taxes | 60 | 68 | (8) |
| Asset Impairment Charges | - | 242 | (242) |
| Gain on Asset Sales, net | - | (12) | 12 |
| Total Operating Expenses | 1,930 | 2,232 | (302) |
| Operating Income (Loss) | | | |
| Electric Utility | 139 | 104 | 35 |
| Gas Utility | 111 | 106 | 5 |
| Enterprises | 2 | (231) | 233 |
| Other | 1 | (3) | 4 |
| Total Operating Income (Loss) | 253 | (24) | 277 |
| Other Income (Deductions) | | | |
| Interest and Dividends | 9 | 15 | (6) |
| Regulatory Return on Capital Expenditures | 8 | 8 | - |
| Other Income | 3 | 3 | - |
| Other Expense | (1) | (3) | 2 |
| Total Other Income | 19 | 23 | (4) |
| Earnings (Loss) Before Interest, Taxes and Other Charges | 272 | (1) | 273 |
| Interest | 87 | 99 | (12) |
| Interest - Related Parties | 3 | 3 | - |
| Other Interest | 11 | 5 | 6 |
| Capitalized Interest | (2) | (3) | 1 |
| Preferred Dividends of Subsidiaries | 1 | 1 | - |
| Income Tax Expense (Benefit) | 64 | (75) | 139 |
| Minority Interests, Net | 2 | 2 | - |
| Discontinued Operations Loss | - | (178) | 178 |
| Net Income (Loss) | \$ 106 | \$ (211) | \$ 317 |
| Preferred Dividends | 3 | 3 | - |
| Redemption Premium on Preferred Stock | - | 1 | (1) |
| Net Income (Loss) - Reported | \$ 103 | \$ (215) | \$ 318 |
| Discontinued Operations (Gain) Loss | (*) | 178 | (178) |
| Asset Impairment Charges | - | 157 | (157) |
| Asset Sales Gain and Other | * | (28) | 28 |
| Net Income - Adjusted including MTM of (\$1) in 2008 and \$1 in 2007 | \$ 103 | \$ 92 | \$ 11 |
| Net Income (Loss) Reported - Diluted | \$ 103 | \$ (215) | \$ 318 |
| Average Common Shares Outstanding - Diluted | 236.6 | 221.5 | 15.1 |
| Average Common Shares Outstanding - Basic | 223.5 | 221.5 | 2.0 |
| Diluted EPS - Reported | \$ 0.44 | \$(0.97) | \$ 1.41 |
| Discontinued Operations (Gain) Loss | (*) | 0.80 | (0.80) |
| Asset Impairment Charges | - | 0.71 | (0.71) |
| Asset Sales Gain and Other | * | (0.12) | 0.12 |
| Diluted EPS - Adjusted including MTM of \$ - in 2008 and \$0.01 in 2007 | \$ 0.44 | \$ 0.42 | \$ 0.02 |

* Less than \$500 thousand or \$0.01 per share.

CMS ENERGY
Adjusted (Non-GAAP) Earnings Per Share Variance Analysis
(Unaudited)

| Three Months Ended March 31 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|-----------|-----------|-----------|-----|------------------|---------|---------|---------|-------------|------|------|---|-------------------------------------|--|--|--|-------------|----------|---------|-----------|--------|--------|--------|------|--|-----------|-----------|-----------|-------------------------|---------|---------|---------|--|--|------|------|-----------------------|--|--|--|-------|-----|------------------|--|--|---------------------------------------|--|--|----------------------|----|---|--------------------|---------|---|-------------|--|--|---------------------------------------|--|--|-----------------|---|-----|--------------------|---------|-----------|-----------------------------------|---------|-----------|
| <p>Adjusted (Non-GAAP) EPS:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 10%; text-align: center; border-bottom: 1px solid black;">1Q08</th> <th style="width: 10%; text-align: center; border-bottom: 1px solid black;">1Q07</th> <th style="width: 20%; text-align: center; border-bottom: 1px solid black;">Var</th> </tr> </thead> <tbody> <tr> <td>Electric Utility</td> <td style="text-align: right;">\$ 0.28</td> <td style="text-align: right;">\$ 0.24</td> <td style="text-align: right;">\$ 0.04</td> </tr> <tr> <td>Gas Utility</td> <td style="text-align: right;">0.26</td> <td style="text-align: right;">0.26</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Enterprises & Parent (a)</td> <td></td> <td></td> <td></td> </tr> <tr> <td> Enterprises</td> <td style="text-align: right;">\$ (*)</td> <td style="text-align: right;">\$ 0.04</td> <td style="text-align: right;">\$ (0.04)</td> </tr> <tr> <td> Parent</td> <td style="text-align: right;">(0.10)</td> <td style="text-align: right;">(0.12)</td> <td style="text-align: right;">0.02</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">\$ (0.10)</td> <td style="text-align: right; border-top: 1px solid black;">\$ (0.08)</td> <td style="text-align: right; border-top: 1px solid black;">\$ (0.02)</td> </tr> <tr> <td>Consolidated EPS</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 0.44</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 0.42</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 0.02</td> </tr> </tbody> </table> <p>Variance Explanations</p> <p>ELECTRIC UTILITY**</p> <ul style="list-style-type: none"> - System deliveries to bundled customers of 9,391 Gwh, down 91 Gwh (primarily low-margin industrial customers) \$ - - Zeeland rate increase 0.06 - MCV "Reg Out" in Sep 2007 0.05 - Benefits from 2006 PSCR ruling 0.04 - Higher capital investment including Zeeland (0.04) - Palisades plant sale to Entergy - loss of equity return (0.02) - Other cost and rounding (0.03) - Change in shares outstanding (0.02) <li style="text-align: right;"><u>\$ 0.04</u> <p>GAS UTILITY**</p> <ul style="list-style-type: none"> - Deliveries including transportation to end-use customers of 137.1 Bcf, down 0.2 Bcf \$ (0.01) - Gas rate increase - August 2007 0.06 - Line loss adjustment (0.02) - Higher capital investment (0.02) - Other cost and rounding 0.01 - Change in shares outstanding (0.02) <li style="text-align: right;"><u>\$ -</u> | | 1Q08 | 1Q07 | Var | Electric Utility | \$ 0.28 | \$ 0.24 | \$ 0.04 | Gas Utility | 0.26 | 0.26 | - | Enterprises & Parent (a) | | | | Enterprises | \$ (*) | \$ 0.04 | \$ (0.04) | Parent | (0.10) | (0.12) | 0.02 | | \$ (0.10) | \$ (0.08) | \$ (0.02) | Consolidated EPS | \$ 0.44 | \$ 0.42 | \$ 0.02 | <p>ENTERPRISES & PARENT</p> <ul style="list-style-type: none"> - Absence of earnings from assets sold \$ (0.11) - Lower interest expense \$ 0.05 - Lower overhead cost and other 0.03 - Change in shares outstanding 0.01 <li style="text-align: right;"><u>\$ (0.02)</u> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>**UTILITY Weather Impacts:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center; border-bottom: 1px solid black;">1Q08</th> <th style="width: 20%; text-align: center; border-bottom: 1px solid black;">1Q07</th> </tr> </thead> <tbody> <tr> <td>Weather: (%)</td> <td></td> <td></td> </tr> <tr> <td>- Percent warmer (colder) than normal using 15-year average temperatures</td> <td style="text-align: center;">(4.2)</td> <td style="text-align: center;">0.5</td> </tr> <tr> <td>Electric:</td> <td></td> <td></td> </tr> <tr> <td>- Increase (decrease) from normal in:</td> <td></td> <td></td> </tr> <tr> <td> Electric sales (Gwh)</td> <td style="text-align: center;">32</td> <td style="text-align: center;">1</td> </tr> <tr> <td> Earnings per share</td> <td style="text-align: center;">\$ 0.01</td> <td style="text-align: center;">*</td> </tr> <tr> <td>Gas:</td> <td></td> <td></td> </tr> <tr> <td>- Increase (decrease) from normal in:</td> <td></td> <td></td> </tr> <tr> <td> Gas sales (Bcf)</td> <td style="text-align: center;">4</td> <td style="text-align: center;">(1)</td> </tr> <tr> <td> Earnings per share</td> <td style="text-align: center;">\$ 0.02</td> <td style="text-align: center;">\$ (0.01)</td> </tr> <tr> <td>Total EPS weather impacts:</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 3px double black;">\$ 0.03</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 3px double black;">\$ (0.01)</td> </tr> </tbody> </table> </div> | | 1Q08 | 1Q07 | Weather: (%) | | | - Percent warmer (colder) than normal using 15-year average temperatures | (4.2) | 0.5 | Electric: | | | - Increase (decrease) from normal in: | | | Electric sales (Gwh) | 32 | 1 | Earnings per share | \$ 0.01 | * | Gas: | | | - Increase (decrease) from normal in: | | | Gas sales (Bcf) | 4 | (1) | Earnings per share | \$ 0.02 | \$ (0.01) | Total EPS weather impacts: | \$ 0.03 | \$ (0.01) |
| | 1Q08 | 1Q07 | Var | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Electric Utility | \$ 0.28 | \$ 0.24 | \$ 0.04 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gas Utility | 0.26 | 0.26 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Enterprises & Parent (a) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Enterprises | \$ (*) | \$ 0.04 | \$ (0.04) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Parent | (0.10) | (0.12) | 0.02 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | \$ (0.10) | \$ (0.08) | \$ (0.02) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Consolidated EPS | \$ 0.44 | \$ 0.42 | \$ 0.02 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1Q08 | 1Q07 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Weather: (%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| - Percent warmer (colder) than normal using 15-year average temperatures | (4.2) | 0.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Electric: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| - Increase (decrease) from normal in: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Electric sales (Gwh) | 32 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Earnings per share | \$ 0.01 | * | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gas: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| - Increase (decrease) from normal in: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gas sales (Bcf) | 4 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Earnings per share | \$ 0.02 | \$ (0.01) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total EPS weather impacts: | \$ 0.03 | \$ (0.01) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

(a) 1Q07 reflects reclassification of discontinued operations.

* Less than \$0.01 per share.

CMS ENERGY
Earnings Segment Results GAAP Reconciliation
For Periods Ended March 31
(Unaudited - In Millions, Except per Share Amounts)

| | <i>Three Months</i> | |
|---|---------------------|------------------|
| | EPS | |
| | 2008 | 2007 |
| <u>Electric Utility</u> | | |
| Reported | \$ 0.28 | \$ 0.23 |
| Asset Sales Loss and Other, net | - | 0.01 |
| Adjusted | <u>\$ 0.28</u> | <u>\$ 0.24</u> |
| <u>Gas Utility</u> | | |
| Reported and Adjusted | <u>\$ 0.26</u> | <u>\$ 0.26</u> |
| <u>Enterprises</u> | | |
| Reported | \$ (*) | \$ (0.90) |
| Asset Impairment Charges, net | - | 0.71 |
| Asset Sales Loss and Other, net | * | 0.23 |
| Adjusted | <u>\$ (*)</u> | <u>\$ 0.04</u> |
| <u>Corporate Interest and Other</u> | | |
| Reported | \$ (0.10) | \$ 0.24 |
| Asset Sales Gain and Other, net | - | (0.36) |
| Adjusted | <u>\$ (0.10)</u> | <u>\$ (0.12)</u> |
| <u>Discontinued Operations</u> | | |
| Reported | * | \$ (0.80) |
| Discontinued Operations (Gain) Loss | (*) | 0.80 |
| Adjusted | <u>\$ -</u> | <u>\$ -</u> |
| <u>Totals</u> | | |
| Reported | \$ 0.44 | \$ (0.97) |
| Discontinued Operations (Gain) Loss | (*) | 0.80 |
| Asset Impairment Charges, net | - | 0.71 |
| Asset Sales Gain and Other, net | * | (0.12) |
| Adjusted | <u>\$ 0.44</u> | <u>\$ 0.42</u> |
| Average Common Shares Outstanding - Diluted | <u>236.6</u> | <u>221.5</u> |

* Less than \$0.01 per share.

Consumers Energy Company
Consolidated Statements of Income
For Three Months Ended March 31
(Unaudited - In Millions)

| | <u>2008</u> | <u>2007</u> | <u>Var</u> |
|---|--------------|--------------|-------------|
| Operating Revenue | | | |
| Electric | \$860 | \$844 | \$16 |
| Gas | 1,231 | 1,211 | 20 |
| Total Operating Revenue | 2,091 | 2,055 | 36 |
| Operating Expenses | | | |
| Fuel for Electric Generation | 127 | 88 | 39 |
| Purchased and Interchange Power | 317 | 307 | 10 |
| Purchased Power - Related Parties | 20 | 19 | 1 |
| Cost of Gas Sold | 944 | 935 | 9 |
| Other | 170 | 220 | (50) |
| Maintenance | 36 | 57 | (21) |
| Depreciation and Amortization | 170 | 156 | 14 |
| General Taxes | 57 | 64 | (7) |
| Total Operating Expenses | 1,841 | 1,846 | (5) |
| Operating Income | | | |
| Electric | 139 | 104 | 35 |
| Gas | 111 | 106 | 5 |
| Other | - | (1) | 1 |
| Total Operating Income | 250 | 209 | 41 |
| Other Income (Deductions) | | | |
| Interest | 7 | 11 | (4) |
| Regulatory Return on Capital Expenditures | 8 | 8 | - |
| Other Income | 3 | 7 | (4) |
| Other Expense | (1) | (3) | 2 |
| Total Other Income | 17 | 23 | (6) |
| Interest Charges | | | |
| Interest on Long-Term Debt | 58 | 59 | (1) |
| Interest on Long-Term Debt - Related Parties | - | 2 | (2) |
| Other Interest | 7 | 1 | 6 |
| Capitalized Interest | (2) | (3) | 1 |
| Total Interest Charges | 63 | 59 | 4 |
| Income Before Income Taxes | 204 | 173 | 31 |
| Income Taxes | 74 | 60 | 14 |
| Net Income | 130 | 113 | 17 |
| Preferred Stock Dividends | 1 | 1 | - |
| Net Income Available to Common Stockholder | | | |
| Electric | 67 | 51 | 16 |
| Gas | 62 | 57 | 5 |
| Other | - | 4 | (4) |
| | \$129 | \$112 | \$17 |

CONSUMERS ENERGY COMPANY
Electric and Gas Statistics
March 31

| | Three Months Ended | | |
|----------------------------|---------------------------|-------------|-----------------|
| | 2008 | 2007 | % Change |
| Electric Deliveries | | | |
| kWh (Mil) | | | |
| Residential | 3,460 | 3,439 | 0.6 |
| Commercial | 2,889 | 2,934 | (1.5) |
| Industrial | 2,576 | 2,640 | (2.4) |
| Other | 64 | 64 | - |
| Total System Deliveries | 8,989 | 9,077 | (1.0) |
| Wholesale | 72 | 118 | (39.0) |
| Retail Open Access | 330 | 287 | 15.0 |
| Subtotal | 9,391 | 9,482 | (1.0) |
| Intersystem | 357 | 280 | 27.5 |
| Total | 9,748 | 9,762 | (0.1) |

Gas Delivered to Customers

| | | | |
|---------------------------|---------|---------|--------|
| Mcf (000) | | | |
| Residential | 79,865 | 80,160 | (0.4) |
| Commercial | 27,356 | 27,000 | 1.3 |
| Industrial | 5,820 | 5,775 | 0.8 |
| Other | 193 | 228 | (15.4) |
| Subtotal | 113,234 | 113,163 | 0.1 |
| Transportation | 23,904 | 24,093 | (0.8) |
| Subtotal | 137,138 | 137,256 | (0.1) |
| Transported to MCV | 8,967 | 7,830 | 14.5 |
| Total | 146,105 | 145,086 | 0.7 |
| Off-System Transportation | 3,623 | 3,420 | 5.9 |
| Total | 149,728 | 148,506 | 0.8 |

| | Three Months Ended | | |
|-----------------------------------|---------------------------|-------------|-----------------|
| | 2008 | 2007 | % Change |
| (In Millions of Dollars) | | | |
| Electric Revenue | | | |
| Residential | \$ 353 | \$ 336 | 5.1 |
| Commercial | 264 | 261 | 1.1 |
| Industrial | 184 | 186 | (1.1) |
| Other | 8 | 8 | - |
| Total Sales to Ultimate Customers | 809 | 791 | 2.3 |
| Other Electric Revenue | 13 | 21 | (38.1) |
| Wholesale | 4 | 5 | (20.0) |
| Intersystem Revenue | 30 | 24 | 25.0 |
| Retail Open Access | 4 | 3 | 33.3 |
| Total Electric Utility Revenue | \$ 860 | \$ 844 | 1.9 |
| Gas Revenue | | | |
| Residential | \$ 860 | \$ 842 | 2.1 |
| Commercial | 275 | 271 | 1.5 |
| Industrial | 56 | 56 | - |
| Other | 2 | 2 | - |
| Total Sales Revenue | 1,193 | 1,171 | 1.9 |
| Transportation Fees | 16 | 16 | - |
| Miscellaneous Revenue | 22 | 24 | (8.3) |
| Total Gas Utility Revenue | \$ 1,231 | \$ 1,211 | 1.7 |

Please note that this was created as of the date listed, and reflects management views as of those dates. This information also contains forward-looking statements. The statements include CMS Energy's assumptions, projections, expectations, intentions or beliefs about future events that involve risk and uncertainty. CMS Energy cautions that these statements may and often do vary from actual results and the differences between these statements and actual results can be material. Accordingly, CMS Energy cannot assure you that actual results will not differ materially from those expressed or implied by the forward-looking statements. Such risks and uncertainties include, but are not limited to, the factors noted in CMS Energy's filings with the Securities and Exchange Commission, which includes the most recently filed Form 10-Q or Form 10-K. CMS Energy disclaims any obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

CMS Energy Corporation
SUMMARIZED CONSOLIDATED BALANCE SHEETS
(In Millions)

| | March 31 2008 (Unaudited) | December 31 2007 |
|--|---------------------------------|-------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 841 | \$ 348 |
| Restricted cash | 123 | 34 |
| Other current assets | 1,923 | 2,498 |
| Total current assets | <u>\$ 2,887</u> | <u>\$ 2,880</u> |
| Net plant and property | 8,786 | 8,728 |
| Investments | 9 | 11 |
| Non-current assets | 2,560 | 2,573 |
| Total assets | <u><u>\$ 14,242</u></u> | <u><u>\$ 14,192</u></u> |
| Stockholders' Investment and Liabilities | | |
| Capitalization | | |
| Debt and capital and finance leases (*) | | |
| Long-term debt and capital leases (excluding | | |
| FIN 46 debt, finance leases and securitization debt) | \$ 6,241 | \$ 5,941 |
| FIN 46 debt and finance leases | 257 | 261 |
| Total debt and capital and finance leases | <u>\$ 6,498</u> | <u>\$ 6,202</u> |
| Preferred stock and securities | 294 | 294 |
| Minority interest | 53 | 53 |
| Common stockholders' equity | 2,205 | 2,130 |
| Total capitalization | <u>\$ 9,050</u> | <u>\$ 8,679</u> |
| Securitization debt | 301 | 309 |
| Current liabilities | 1,378 | 1,750 |
| Non-current liabilities | 3,513 | 3,454 |
| Total Stockholders' Investment and Liabilities | <u><u>\$ 14,242</u></u> | <u><u>\$ 14,192</u></u> |

(*) Current and long-term

CMS Energy Corporation
SUMMARIZED STATEMENTS OF CASH FLOWS
(In Millions)

| | First Quarter (Unaudited) | |
|---|------------------------------|----------------------|
| | 2008 | 2007 (**) |
| Beginning of Period Cash | \$ 348 | \$ 351 |
| Cash provided by operating activities | \$ 474 | \$ 315 |
| Cash provided by (used in) investing activities | (152) | 6 |
| Cash flow from operating and investing activities | <u>\$ 322</u> | <u>\$ 321</u> |
| Cash provided by (used in) financing activities | 171 | (57) |
| Currency Translation Adjustment | - | 1 |
| Total Cash Flow | <u><u>\$ 493</u></u> | <u><u>\$ 265</u></u> |
| End of Period Cash | <u><u>\$ 841</u></u> | <u><u>\$ 616</u></u> |

(**) Includes cash associated with discontinued operations.

CMS Energy
Earnings By Quarter and Year GAAP Reconciliation

| <i>(In millions, except per share amounts)</i> | 2007 | | | | Dec YTD |
|--|----------|--------|--------|----------|----------|
| | 1Q | 2Q | 3Q | 4Q | |
| Reported net income (loss) - GAAP | (\$215) | \$33 | \$82 | (\$127) | (\$227) |
| After-tax items: | | | | | |
| Electric and gas utility | 4 | - | - | - | 4 |
| Enterprises | 49 | 19 | (10) | 222 | 280 |
| Corporate interest and other | (81) | 32 | 9 | (38) | (78) |
| Discontinued operations (income) loss | 178 | (91) | - | 2 | 89 |
| Asset impairment charges, net | 157 | 25 | (49) | - | 133 |
| Adjusted income - non-GAAP | \$92 | \$18 | \$32 | \$59 | \$201 |
| Average shares outstanding, basic | 221.5 | 222.6 | 223.0 | 223.4 | 222.6 |
| Average shares outstanding, diluted | 221.5 | 222.6 | 241.3 | 223.4 | 222.6 |
| Reported earnings (loss) per share - GAAP | (\$0.97) | \$0.15 | \$0.34 | (\$0.57) | (\$1.02) |
| After-tax items: | | | | | |
| Electric and gas utility | 0.01 | - | - | - | (0.07) |
| Enterprises | 0.23 | 0.08 | (0.04) | 0.99 | 1.25 |
| Corporate interest and other | (0.36) | 0.15 | 0.03 | (0.17) | (0.32) |
| Discontinued operations (income) loss | 0.80 | (0.41) | - | 0.01 | 0.40 |
| Asset impairment charges, net | 0.71 | 0.11 | (0.20) | - | 0.60 |
| Adjusted earnings per share - non-GAAP | \$0.42 | \$0.08 | \$0.13 | \$0.26 | \$0.84 |

| <i>(In millions, except per share amounts)</i> | 2008 |
|--|--------|
| | 1Q |
| Reported net income - GAAP | \$103 |
| After-tax items: | |
| Electric and gas utility | - |
| Enterprises | * |
| Corporate interest and other | - |
| Discontinued operations | (*) |
| Asset impairment charges, net | - |
| Adjusted income - non-GAAP | \$103 |
| Average shares outstanding, basic | 223.5 |
| Average shares outstanding, diluted | 236.6 |
| Reported earnings per share - GAAP | \$0.44 |
| After-tax items: | |
| Electric and gas utility | - |
| Enterprises | * |
| Corporate interest and other | - |
| Discontinued operations | (*) |
| Asset impairment charges, net | - |
| Adjusted earnings per share - non-GAAP | \$0.44 |

Note: Year-to-date (YTD) EPS may not equal sum of quarters due to share count differences.

*Less than \$500 thousand or \$0.01 per share.