



**To:** Financial Community

**From:** CMS Energy Investor Relations

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Ph: 517-788-2590; Fx: 517-788-1006

<http://www.cmsenergy.com>

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

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**CMS ENERGY ANNOUNCES SECOND QUARTER NET INCOME OF \$46 MILLION, OR \$0.19 PER SHARE, AND AFFIRMS EARNINGS GUIDANCE**

JACKSON, Mich., Aug. 5, 2008 – CMS Energy announced today net income of \$46 million, or \$0.19 per share, for the second quarter of 2008 compared to net income of \$33 million, or \$0.15 per share, in the same quarter of 2007.

CMS Energy’s second quarter adjusted (non-Generally Accepted Accounting Principles) net income, which excludes the effects of asset sales and certain other items, was \$44 million, or \$0.19 per share. In the second quarter of 2007, the company had adjusted net income of \$18 million, or \$0.08 per share.

For the first six months of 2008, CMS Energy had reported net income of \$149 million, or \$0.62 per share, compared to a reported net loss of \$182 million, or \$0.82 per share, for the first half of 2007. The 2007 six-month results include losses of \$292 million, or \$1.32 per share, primarily linked to sales of the company’s international businesses.

On an adjusted basis, the company had net income of \$147 million, or \$0.62 per share, for the first half of 2008, compared to net income of \$110 million, or \$0.50 per share for the first six months of 2007.

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 previous asset sales or other factors.

The solid second quarter results underscore the fundamental strength of CMS Energy’s electric and natural gas utility, Consumers Energy, and the company’s “Growing Forward” business strategy, said David Joos, the president and chief executive officer of CMS Energy.

“We will continue to implement our strategy to invest about \$6.4 billion in Michigan over the next five years, including investments in energy efficiency, renewable energy, environmental and customer service enhancements, and new power generation,” Joos said.

“We expect these investments to create thousands of jobs in Michigan and to provide a boost to the state’s economy as well as supporting our ongoing efforts to provide reliable, affordable service to our customers.”

Joos noted that state lawmakers are working on the final details of the comprehensive energy policy reform needed to allow the company to fully implement its Growing Forward strategy.

“This legislative package would support the major investments needed in Michigan to keep power prices affordable and help ensure reliable energy supplies for customers in the future,” he said.

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-Q and Consumers’ Form 10-Q each for the quarter ended March 31, 2008. 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 Corporation**  
**Select Financial Data**  
(Unaudited)

	<i>In Millions</i>		
	<b>Twelve Months Ended</b>		
	<b>06/30/08</b>	<b>12/31/07</b>	<b>06/30/07</b>
<b>EBIT</b> <sup>(1) Non-GAAP</sup>			
Consolidated	\$ 795	\$ 746	\$ 770
Consumers Energy	760	708	763
<b>Depreciation/Amortization</b>			
Consolidated	\$ 560	\$ 540	\$ 553
Consumers Energy	545	524	532
<b>EBITDA</b> <sup>(1) Non-GAAP</sup>			
Consolidated	\$ 1,355	\$ 1,286	\$ 1,323
Consumers Energy	1,305	1,232	1,295
<b>MTM Impacts in EBIT &amp; EBITDA Gain/(Loss)</b>			
Consolidated	\$ 11	\$ 17	\$ (11)
Consumers Energy	-	-	(6)
<b>Dividends and Other Distributions To Parent</b>	\$ 284	\$ 251	\$ 242
<b>Interest Expense, Net</b>			
Consolidated	\$ 409	\$ 440	\$ 461
Energy Parent	139	160	171
Consumers Energy	256	264	266
	<b>As of</b>		
	<b>06/30/08</b>	<b>12/31/07</b>	<b>06/30/07</b>
<b>Book Value Per Share</b>	\$ 10.48	\$ 9.46	\$ 9.81
<b>Shares Outstanding - End of Period</b>	225.5	225.1	224.6
<b>Shares Outstanding - Average</b>			
Basic	223.6	222.6	222.1
Diluted	238.3	222.6	222.1
<b>Debt</b>			
Energy Parent			
Debt <sup>(2)</sup>	\$ 1,814	\$ 1,710	\$ 2,005
Debt - Related Parties (FIN 46)	178	178	178
CMS Enterprises <sup>(2)</sup>			
Debt	-	-	3
Debt (FIN 46)	79	83	89
CMS Capital debt <sup>(2)</sup>	160	153	126
Consumers Energy debt (excluding securitization bonds) <sup>(2)</sup>	3,907	4,078	4,077
Consolidated (excluding securitization bonds)	6,138	6,202	6,478
Securitization Bonds	293	309	325
Consolidated	\$ 6,431	\$ 6,511	\$ 6,803
<b>Unrestricted Cash &amp; Cash Equivalents</b>			
Consumers Energy	\$ 443	\$ 195	\$ 1,332
CMS Capital	50	136	534
Consolidating	34	17	25
Consolidated	\$ 527	\$ 348	\$ 1,891
<b>Consumers Energy</b>			
<b>Common Equity Ratio - Ratemaking</b>			
Electric	42.2%	40.0%	37.5%
Gas	41.9%	39.7%	37.2%
<b>Rate Base (Average)</b>			
Electric	\$ 5,808	\$ 5,407	\$ 5,223
Gas	2,457	2,444	2,377
<b>Return on Average Common Equity-Financial</b>			
Electric	8.1%	7.5%	9.4%
Gas	9.0%	9.2%	7.4%
<b>Return on Rate Base</b>			
Electric	6.4%	6.7%	7.7%
Gas	6.1%	6.2%	6.1%

<sup>(1)</sup> 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

<sup>(2)</sup> Includes current maturities, leases and notes payable.

**CMS ENERGY CORPORATION**  
**Consolidated Statements of Income (Loss)**  
**(Unaudited)**

June 30	Three Months Ended			Six Months Ended		
	2008	2007	Var	2008	2007	Var
<b>Operating Revenue</b>						
Electric Utility	\$ 841	\$ 856	\$ (15)	\$ 1,701	\$ 1,700	\$ 1
Gas Utility	422	391	31	1,653	1,602	51
Enterprises	97	68	29	185	198	(13)
Other	5	4	1	10	8	2
Total Operating Revenue	1,365	1,319	46	3,549	3,508	41
<b>Earnings (Loss) from Equity Method Investees</b>	(1)	17	(18)	(2)	36	(38)
<b>Operating Expenses</b>						
Fuel for Electric Generation	135	125	10	297	250	47
Purchased and Interchange Power	297	374	(77)	620	689	(69)
Cost of Gas Sold	351	320	31	1,335	1,338	(3)
Other Operation and Maintenance	258	282	(24)	486	598	(112)
Depreciation and Amortization	128	121	7	301	281	20
General Taxes	48	55	(7)	108	123	(15)
Asset Impairment Charges	-	38	(38)	-	280	(280)
Loss (Gain) on Asset Sales, Net	(8)	14	(22)	(8)	2	(10)
Total Operating Expenses	1,209	1,329	(120)	3,139	3,561	(422)
<b>Operating Income (Loss)</b>						
Electric Utility	126	90	36	265	194	71
Gas Utility	13	15	(2)	124	121	3
Enterprises	17	(76)	93	19	(307)	326
Other	(1)	(22)	21	-	(25)	25
Total Operating Income (Loss)	155	7	148	408	(17)	425
<b>Other Income (Deductions)</b>						
Interest and Dividends	9	30	(21)	18	45	(27)
Regulatory Return on Capital Expenditures	8	7	1	16	15	1
Other Income	3	9	(6)	6	12	(6)
Other Expense	(5)	(14)	9	(6)	(17)	11
Total Other Income	15	32	(17)	34	55	(21)
<b>Earnings Before Interest, Taxes and Other Charges</b>	170	39	131	442	38	404
Interest	84	100	(16)	171	199	(28)
Interest - Related Parties	4	4	-	7	7	-
Other Interest	7	17	(10)	18	22	(4)
Capitalized Interest	(1)	(1)	-	(3)	(4)	1
Preferred Dividends of Subsidiaries	-	-	-	1	1	-
Income Tax Expense (Benefit)	25	(29)	54	89	(104)	193
Minority Interests, Net	1	3	(2)	3	5	(2)
Discontinued Operations Income (Loss)	(1)	91	(92)	(1)	(87)	86
<b>Net Income (Loss)</b>	\$ 49	\$ 36	\$ 13	\$ 155	\$ (175)	\$ 330
Preferred Dividends	3	3	-	6	6	-
Redemption Premium on Preferred Stock	-	-	-	-	1	(1)
<b>Net Income (Loss) - Reported</b>	\$ 46	\$ 33	\$ 13	\$ 149	\$ (182)	\$ 331
Discontinued Operations (Income) Loss	1	(91)	92	1	87	(86)
Asset Impairment Charges	-	25	(25)	-	182	(182)
Asset Sales (Gains) Losses and Other	(3)	51	(54)	(3)	23	(26)
<b>Net Income - Adjusted</b>	\$ 44	\$ 18	\$ 26	\$ 147	\$ 110	\$ 37
<b>Net Income (Loss) Reported - Diluted</b>						
	\$ 46	\$ 33	\$ 13	\$ 149	\$ (182)	\$ 331
<b>Average Common Shares Outstanding - Diluted</b>	239.1	222.6	16.5	238.3	222.1	16.2
<b>Average Common Shares Outstanding - Basic</b>	223.7	222.6	1.1	223.6	222.1	1.5
<b>Diluted EPS - Reported</b>	\$ 0.19	\$ 0.15	\$ 0.04	\$ 0.62	\$ (0.82)	\$ 1.44
Discontinued Operations (Income) Loss	0.01	(0.41)	0.42	0.01	0.39	(0.38)
Asset Impairment Charges	-	0.11	(0.11)	-	0.82	(0.82)
Asset Sales (Gains) Losses and Other	(0.01)	0.23	(0.24)	(0.01)	0.11	(0.12)
<b>Diluted EPS - Adjusted</b>	\$ 0.19	\$ 0.08	\$ 0.11	\$ 0.62	\$ 0.50	\$ 0.12

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

**Three Months Ended June 30**

<b>Three Months Ended June 30</b>			
<b>Adjusted (Non-GAAP) EPS:</b>			
	<u>2Q08</u>	<u>2Q07</u>	<u>Var</u>
<b>Electric Utility</b>	\$ 0.24	\$ 0.18	\$ 0.06
<b>Gas Utility</b>	0.01	0.02	(0.01)
<b>Enterprises &amp; Parent (a)</b>			
<b>Enterprises</b>	\$ 0.03	\$ ( *)	\$ 0.03
<b>Parent</b>	(0.09)	(0.12)	0.03
	<u>\$ (0.06)</u>	<u>\$ (0.12)</u>	<u>\$ 0.06</u>
<b>Consolidated EPS</b>	<u>\$ 0.19</u>	<u>\$ 0.08</u>	<u>\$ 0.11</u>
<b>Variance Explanations</b>			
<b>ELECTRIC UTILITY**</b>			
- System deliveries of 9,082 Gwh, down (451) Gwh ( primarily weather-related )			\$ (0.07)
- June 2008 general rate increase & Zeeland			0.09
- MCV "Reg Out" in Sep 2007			0.07
- Higher service restoration cost			(0.02)
- Higher capital investment including Zeeland			(0.02)
- Other including benefits from reduction, in 2008, of amounts excluded from recovery under the PSCR mechanism			0.03
- Change in shares outstanding			(0.02)
			<u>\$ 0.06</u>
<b>GAS UTILITY**</b>			
- Deliveries including transportation to end-use customers of 42.7 Bcf, down (2.6) Bcf ( primarily weather-related )			\$ (0.01)
- Gas rate increase - August 2007			0.02
- Other including higher O&M and lower pipeline capacity optimization revenue			(0.02)
- Change in shares outstanding			-
			<u>\$ (0.01)</u>
<b>ENTERPRISES &amp; PARENT</b>			
- Absence of earnings from assets sold			\$ (0.06)
- Benefits from DIG restructuring			0.02
- Lower interest expense associated with restructuring			0.04
- Lower overhead cost			0.05
- Change in shares outstanding			0.01
			<u>\$ 0.06</u>
<b>**UTILITY Weather Impacts:</b>			
	<u>2Q08</u>	<u>2Q07</u>	
<b>Weather: ( % )</b>			
- Percent warmer (colder) than normal using 15-year average temperatures	(0.6)	2.6	
<b>Electric:</b>			
- Increase (decrease) from normal in:			
Electric sales (Gwh)	(13)	288	
Earnings per share	\$ ( *)	\$ 0.04	
<b>Gas:</b>			
- Increase (decrease) from normal in:			
Gas sales (Bcf)	(4.2)	(1.6)	
Earnings per share	\$ (0.02)	\$ (0.01)	
<b>Total EPS weather impacts:</b>	<u>\$ (0.02)</u>	<u>\$ 0.03</u>	

\* Less than \$0.01 per share

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

**Six Months Ended June 30**

<b>Six Months Ended June 30</b>			
<b>Adjusted (Non-GAAP) EPS:</b>			
	<u>YTD08</u>	<u>YTD07</u>	<u>Var</u>
Electric Utility	\$ 0.53	\$ 0.42	\$ 0.11
Gas Utility	0.27	0.28	(0.01)
<b>Enterprises &amp; Parent (a)</b>			
Enterprises	\$ 0.02	\$ 0.04	\$ (0.02)
Parent	(0.20)	(0.24)	0.04
	<u>\$ (0.18)</u>	<u>\$ (0.20)</u>	<u>\$ 0.02</u>
<b>Consolidated EPS</b>	<u><u>\$ 0.62</u></u>	<u><u>\$ 0.50</u></u>	<u><u>\$ 0.12</u></u>
<b>Variance Explanations</b>			
<b>ELECTRIC UTILITY**</b>			
- System deliveries of 18,473 Gwh, down (542) Gwh			\$ (0.08)
- June 2008 general rate increase & Zeeland			0.15
- MCV "Reg Out" in Sep 2007			0.11
- Higher capital investment including Zeeland			(0.06)
- Palisades plant sale to Entergy - loss of equity return			(0.02)
- Other including benefits from retention of a portion of the sale of certain sulfur dioxide allowances			0.04
- Change in shares outstanding			(0.03)
			<u>\$ 0.11</u>
<b>GAS UTILITY**</b>			
- Deliveries including transportation to end-use customers of 179.9 Bcf, down (2.8) Bcf			\$ (0.01)
- Gas rate increase - August 2007			0.08
- Line loss adjustment			(0.02)
- Higher capital investment			(0.02)
- Other cost and rounding			(0.02)
- Change in shares outstanding			(0.02)
			<u>\$ (0.01)</u>
<b>ENTERPRISES &amp; PARENT</b>			
- Absence of earnings from assets sold			\$ (0.15)
- Benefits from DIG restructuring			0.03
- Lower interest expense associated with restructuring			0.05
- Lower overhead cost			0.08
- Change in shares outstanding			0.01
			<u>\$ 0.02</u>
<b>**UTILITY Weather Impacts:</b>			
		<u>YTD08</u>	<u>YTD07</u>
<b>Weather: ( % )</b>			
- Percent warmer (colder) than normal using 15-year average temperatures		(1.7)	1.6
<b>Electric:</b>			
- Increase (decrease) from normal in:			
Electric sales (Gwh)		19	289
Earnings per share		*	\$ 0.04
<b>Gas:</b>			
- Increase (decrease) from normal in:			
Gas sales (Bcf)		(0.6)	(2.8)
Earnings per share		*	\$ (0.01)
<b>Total EPS weather impacts:</b>		<u>*</u>	<u>\$ 0.03</u>

\* Less than \$0.01 per share.

**CMS ENERGY CORPORATION**  
**Earnings Segment Results GAAP Reconciliation**  
**(Unaudited)**

<b>June 30</b>	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b><u>Electric Utility</u></b>				
Reported	\$ 0.23	\$ 0.18	\$ 0.52	\$ 0.41
Asset Sales Loss and Other, net	0.01	-	0.01	0.01
Adjusted	<u>\$ 0.24</u>	<u>\$ 0.18</u>	<u>\$ 0.53</u>	<u>\$ 0.42</u>
<b><u>Gas Utility</u></b>				
Reported	\$ 0.01	\$ 0.02	\$ 0.27	\$ 0.27
Asset Sales Loss and Other, net	-	-	-	0.01
Adjusted	<u>\$ 0.01</u>	<u>\$ 0.02</u>	<u>\$ 0.27</u>	<u>\$ 0.28</u>
<b><u>Enterprises</u></b>				
Reported	\$ 0.05	\$ (0.15)	\$ 0.04	\$ (1.04)
Asset Impairment Charges, net	-	0.07	-	0.77
Asset Sales (Gain) Loss and Other, net	(0.02)	0.08	(0.02)	0.31
Adjusted	<u>\$ 0.03</u>	<u>\$ *</u>	<u>\$ 0.02</u>	<u>\$ 0.04</u>
<b><u>Corporate Interest and Other</u></b>				
Reported	\$ (0.09)	\$ (0.31)	\$ (0.20)	\$ (0.07)
Asset Impairment Charges, net	-	0.04	-	0.05
Asset Sales (Gain) Loss and Other, net	-	0.15	-	(0.22)
Adjusted	<u>\$ (0.09)</u>	<u>\$ (0.12)</u>	<u>\$ (0.20)</u>	<u>\$ (0.24)</u>
<b><u>Discontinued Operations</u></b>				
Reported	\$ (0.01)	\$ 0.41	\$ (0.01)	\$ (0.39)
Discontinued Operations (Gain) Loss	0.01	(0.41)	0.01	0.39
Adjusted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Totals</u></b>				
Reported	\$ 0.19	\$ 0.15	\$ 0.62	\$ (0.82)
Discontinued Operations (Gain) Loss	0.01	(0.41)	0.01	0.39
Asset Impairment Charges, net	-	0.11	-	0.82
Asset Sales (Gain) Loss and Other, net	(0.01)	0.23	(0.01)	0.11
Adjusted	<u>\$ 0.19</u>	<u>\$ 0.08</u>	<u>\$ 0.62</u>	<u>\$ 0.50</u>
Average Common Shares Outstanding - Diluted (in millions)	<u>239.1</u>	<u>222.6</u>	<u>238.3</u>	<u>222.1</u>

\* Less than \$0.01 per share.

**Consumers Energy Company**  
**Consolidated Statements of Income**  
(Unaudited)

June 30	<i>In Millions</i>					
	Three Months Ended			Six Months Ended		
	2008	2007	Var	2008	2007	Var
<b>Operating Revenue</b>						
Electric	\$ 841	\$ 856	\$ (15)	\$ 1,701	\$ 1,700	\$ 1
Gas	422	391	31	1,653	1,602	51
<b>Total Operating Revenue</b>	<b>1,263</b>	<b>1,247</b>	<b>16</b>	<b>3,354</b>	<b>3,302</b>	<b>52</b>
<b>Operating Expenses</b>						
Fuel for Electric Generation	118	88	30	245	176	69
Purchased and Interchange Power	293	365	(72)	610	672	(62)
Purchased Power - Related Parties	17	20	(3)	37	39	(2)
Cost of Gas Sold	289	261	28	1,233	1,196	37
Other	194	198	(4)	364	418	(54)
Maintenance	44	45	(1)	80	102	(22)
Depreciation and Amortization	124	117	7	294	273	21
General Taxes	45	51	(6)	102	115	(13)
<b>Total Operating Expenses</b>	<b>1,124</b>	<b>1,145</b>	<b>(21)</b>	<b>2,965</b>	<b>2,991</b>	<b>(26)</b>
<b>Operating Income</b>						
Electric	126	88	38	265	192	73
Gas	13	15	(2)	124	121	3
Other	-	(1)	1	-	(2)	2
<b>Total Operating Income</b>	<b>139</b>	<b>102</b>	<b>37</b>	<b>389</b>	<b>311</b>	<b>78</b>
<b>Other Income (Deductions)</b>						
Interest and Dividends	9	20	(11)	16	31	(15)
Regulatory Return on Capital Expenditures	8	7	1	16	15	1
Other Income	2	9	(7)	5	16	(11)
Other Expense	(5)	-	(5)	(6)	(3)	(3)
<b>Total Other Income</b>	<b>14</b>	<b>36</b>	<b>(22)</b>	<b>31</b>	<b>59</b>	<b>(28)</b>
<b>Interest Charges</b>						
Interest on Long-Term Debt	55	59	(4)	113	118	(5)
Interest on Long-Term Debt - Related Parties	-	-	-	-	2	(2)
Other Interest	4	14	(10)	11	15	(4)
Capitalized Interest	(1)	(1)	-	(3)	(4)	1
<b>Total Interest Charges</b>	<b>58</b>	<b>72</b>	<b>(14)</b>	<b>121</b>	<b>131</b>	<b>(10)</b>
<b>Income Before Income Taxes</b>	<b>95</b>	<b>66</b>	<b>29</b>	<b>299</b>	<b>239</b>	<b>60</b>
<b>Income Taxes</b>	<b>35</b>	<b>22</b>	<b>13</b>	<b>109</b>	<b>82</b>	<b>27</b>
<b>Net Income</b>	<b>60</b>	<b>44</b>	<b>16</b>	<b>190</b>	<b>157</b>	<b>33</b>
<b>Preferred Stock Dividends</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>
<b>Net Income Available to Common Stockholder</b>						
Electric	57	40	17	124	91	33
Gas	2	4	(2)	64	61	3
Other	1	-	1	1	4	(3)
	<b>\$ 60</b>	<b>\$ 44</b>	<b>\$ 16</b>	<b>\$ 189</b>	<b>\$ 156</b>	<b>\$ 33</b>

**CONSUMERS ENERGY COMPANY**  
**Electric and Gas Statistics**  
**(Unaudited)**

June 30	Three Months Ended			Six Months Ended		
	2008	2007	% Change	2008	2007	% Change
<b>Electric Deliveries</b>						
kWh (Mil)						
Residential	2,773	2,983	(7.0)	6,233	6,422	(2.9)
Commercial	3,007	3,123	(3.7)	5,896	6,057	(2.7)
Industrial	2,777	2,930	(5.2)	5,353	5,570	(3.9)
Other	49	48	2.1	113	112	0.9
Wholesale	83	123	(32.5)	155	241	(35.7)
Retail Open Access	393	326	20.6	723	613	17.9
Total System Deliveries	9,082	9,533	(4.7)	18,473	19,015	(2.9)
Intersystem	340	291	16.8	697	571	22.1
Total	9,422	9,824	(4.1)	19,170	19,586	(2.1)
Weather-adjusted System Deliveries	9,095	9,245	(1.6)	18,454	18,726	(1.5)
<b>Gas Delivered</b>						
(Mcf 000)						
Residential	21,323	22,880	(6.8)	101,188	103,040	(1.8)
Commercial	6,946	7,521	(7.6)	34,302	34,521	(0.6)
Industrial	1,516	1,576	(3.8)	7,336	7,351	(0.2)
Other	127	141	(9.9)	320	369	(13.3)
Transportation	12,808	13,243	(3.3)	36,712	37,336	(1.7)
Total Gas Deliveries	42,720	45,361	(5.8)	179,858	182,617	(1.5)
Transported to MCV	5,822	6,508	(10.5)	5,822	14,338	(59.4)
Off-System Transportation	1,151	2,770	(58.4)	1,151	6,090	(81.1)
Total	49,693	54,639	(9.1)	186,831	203,045	(8.0)
Weather-adjusted Gas Deliveries	46,883	46,949	(0.1)	180,446	185,462	(2.7)

(In Millions)

June 30	Three Months Ended			Six Months Ended		
	2008	2007	% Change	2008	2007	% Change
<b>Electric Revenue</b>						
Residential	\$ 292	\$ 307	(4.9)	\$ 645	\$ 643	0.3
Commercial	279	289	(3.5)	543	550	(1.3)
Industrial	206	206	-	390	392	(0.5)
Other	7	7	-	15	15	-
Total Sales Revenue	784	809	(3.1)	1,593	1,600	(0.4)
Wholesale	8	6	33.3	12	11	9.1
Retail Open Access	3	4	(25.0)	7	7	-
Intersystem Revenue	31	18	72.2	61	42	45.2
Miscellaneous Revenue	15	19	(21.1)	28	40	(30.0)
Total Electric Utility Revenue	\$ 841	\$ 856	(1.8)	\$ 1,701	\$ 1,700	0.1
<b>Gas Revenue</b>						
Residential	\$ 289	\$ 265	9.1	\$ 1,149	\$ 1,107	3.8
Commercial	83	78	6.4	358	349	2.6
Industrial	18	15	20.0	74	71	4.2
Other	1	1	-	3	3	-
Total Sales Revenue	391	359	8.9	1,584	1,530	3.5
Transportation	10	9	11.1	26	25	4.0
Miscellaneous Revenue	21	23	(8.7)	43	47	(8.5)
Total Gas Utility Revenue	\$ 422	\$ 391	7.9	\$ 1,653	\$ 1,602	3.2

**CMS Energy Corporation**  
**SUMMARIZED CONSOLIDATED BALANCE SHEETS**  
(In Millions)

	June 30 2008 (Unaudited)	December 31 2007
<b>Assets</b>		
Cash and cash equivalents	\$ 527	\$ 348
Restricted cash	28	34
Other current assets	2,092	2,498
Total current assets	\$ 2,647	\$ 2,880
Net plant and property	8,895	8,728
Investments	8	11
Non-current assets	2,340	2,573
Total Assets	<u>\$ 13,890</u>	<u>\$ 14,192</u>
<b>Stockholders' Investment and Liabilities</b>		
Capitalization		
Debt and capital and finance leases (*)		
Long-term debt and capital leases (excluding		
FIN 46 debt, finance leases and securitization debt)	\$ 5,881	\$ 5,941
FIN 46 debt and finance leases	257	261
Total debt and capital and finance leases	\$ 6,138	\$ 6,202
Preferred stock and securities	293	294
Minority interest	52	53
Common stockholders' equity	2,362	2,130
Total capitalization	\$ 8,845	\$ 8,679
Securitization debt	293	309
Current liabilities	1,365	1,750
Non-current liabilities	3,387	3,454
Total Stockholders' Investment and Liabilities	<u>\$ 13,890</u>	<u>\$ 14,192</u>

(\*) Current and long-term

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

	First Half (Unaudited)	
	2008	2007 (**)
Beginning of Period Cash	\$ 348	\$ 351
Cash provided by operating activities	\$ 651	\$ 401
Cash provided by (used in) investing activities	(344)	1,479
Cash flow from operating and investing activities	\$ 307	\$ 1,880
Cash used in financing activities	(128)	(342)
Currency Translation Adjustment	-	2
Total Cash Flow	<u>\$ 179</u>	<u>\$ 1,540</u>
End of Period Cash	<u>\$ 527</u>	<u>\$ 1,891</u>

(\*\*) Beginning cash includes cash associated with discontinued operations.

**CMS Energy Corporation**  
**Earnings By Quarter and Year GAAP Reconciliation**  
**(Unaudited)**

(In millions, except per share amounts)

	<b>2007</b>					
	<b>1Q</b>	<b>2Q</b>	<b>June YTD</b>	<b>3Q</b>	<b>4Q</b>	<b>Dec YTD</b>
<b>Reported net income (loss) - GAAP</b>	(\$215)	\$33	(\$182)	\$82	(\$127)	(\$227)
<b>After-tax items:</b>						
Electric and gas utility	4	-	4	-	-	4
Enterprises	49	19	68	(10)	222	280
Corporate interest and other	(81)	32	(49)	9	(38)	(78)
Discontinued operations (income) loss	178	(91)	87	-	2	89
Asset impairment charges, net	157	25	182	(49)	-	133
<b>Adjusted income - non-GAAP</b>	<b>\$92</b>	<b>\$18</b>	<b>\$110</b>	<b>\$32</b>	<b>\$59</b>	<b>\$201</b>
<b>Average shares outstanding, basic</b>	221.5	222.6	222.1	223.0	223.4	222.6
<b>Average shares outstanding, diluted</b>	221.5	222.6	222.1	241.3	223.4	222.6
<b>Reported earnings (loss) per share - GAAP</b>	(\$0.97)	\$0.15	(\$0.82)	\$0.34	(\$0.57)	(\$1.02)
<b>After-tax items:</b>						
Electric and gas utility	0.01	-	0.02	-	-	(0.07)
Enterprises	0.23	0.08	0.31	(0.04)	0.99	1.25
Corporate interest and other	(0.36)	0.15	(0.22)	0.03	(0.17)	(0.32)
Discontinued operations (income) loss	0.80	(0.41)	0.39	-	0.01	0.40
Asset impairment charges, net	0.71	0.11	0.82	(0.20)	-	0.60
<b>Adjusted earnings per share - non-GAAP</b>	<b>\$0.42</b>	<b>\$0.08</b>	<b>\$0.50</b>	<b>\$0.13</b>	<b>\$0.26</b>	<b>\$0.84</b>

(In millions, except per share amounts)

	<b>2008</b>		
	<b>1Q</b>	<b>2Q</b>	<b>June YTD</b>
<b>Reported net income - GAAP</b>	\$103	\$46	\$149
<b>After-tax items:</b>			
Electric and gas utility	-	1	1
Enterprises	*	(4)	(4)
Corporate interest and other	-	-	-
Discontinued operations	(*)	1	1
<b>Adjusted income - non-GAAP</b>	<b>\$103</b>	<b>\$44</b>	<b>\$147</b>
<b>Average shares outstanding, basic</b>	223.5	223.7	223.6
<b>Average shares outstanding, diluted</b>	236.6	239.1	238.3
<b>Reported earnings per share - GAAP</b>	\$0.44	\$0.19	\$0.62
<b>After-tax items:</b>			
Electric and gas utility	-	0.01	0.01
Enterprises	*	(0.02)	(0.02)
Corporate interest and other	-	-	-
Discontinued operations	(*)	0.01	0.01
<b>Adjusted earnings per share - non-GAAP</b>	<b>\$0.44</b>	<b>\$0.19</b>	<b>\$0.62</b>

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.