



To: Financial Community

From: CMS Energy Investor Relations

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

CMS ENERGY ANNOUNCES THIRD QUARTER NET INCOME OF \$79 MILLION, OR \$0.34 PER SHARE, AND AFFIRMS EARNINGS GUIDANCE

JACKSON, Mich., Nov. 5, 2008 – CMS Energy announced today net income of \$79 million, or \$0.34 per share, for the third quarter of 2008 compared to net income of \$82 million, or \$0.34 per share, in the same quarter of 2007.

CMS Energy's third quarter adjusted (non-Generally Accepted Accounting Principles) net income, which excludes the effects of asset sales, unrealized losses on nonqualified retirement plan investments, and certain other items, was \$78 million, or \$0.33 per share. In the third quarter of 2007, the company had adjusted net income of \$32 million, or \$0.13 per share.

For the first nine months of 2008, CMS Energy had reported net income of \$228 million, or \$0.96 per share, compared to a reported net loss of \$100 million, or \$0.45 per share, for the first nine months of 2007. The 2007 nine-month results include charges and losses of \$242 million, or \$1.09 per share, primarily linked to sales of the company's international businesses.

On an adjusted basis, the company had net income of \$225 million, or \$0.95 per share, for the first nine months of 2008, compared to net income of \$142 million, or \$0.64 per share for the first nine months of 2007.

CMS Energy reaffirmed its guidance for 2008 adjusted earnings of \$1.20 per share, excluding a \$0.03 per share unrealized loss on nonqualified retirement plan investments. 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, unrealized losses on nonqualified retirement plan investments, or other factors.

David Joos, the president and chief executive officer of CMS Energy, said that the weak economy and tighter credit markets have been challenging and that the solid results in this environment reflect the core strength of CMS Energy's electric and natural gas utility, Consumers Energy.

Joos also applauded the state Legislature and Michigan Gov. Jennifer Granholm for the passage of comprehensive energy reform legislation, which the governor signed into law last month.

“This forward-looking energy policy will allow us to implement our Growing Forward strategy, our plan to invest more than \$6 billion in our Michigan utility operations over the next five years,” Joos said. “That plan includes significant investments in energy efficiency, renewable energy, environmental and customer service enhancements, and new power generation. We expect these investments will create thousands of construction jobs, boost the state’s economy, and provide reliable, affordable service to our customers.”

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 Energy’s Form 10-K each for the Year Ended December 31, 2007 and as updated in CMS Energy’s and Consumers Energy’s Forms 10-Q for the Quarters Ended March 31, 2008 and June 30, 2008. CMS Energy’s and Consumers Energy’s “FORWARD-LOOKING STATEMENTS AND INFORMATION” and “RISK FACTORS” sections are incorporated herein by reference and discuss important factors that could cause CMS Energy’s and Consumers Energy’s results to differ materially from those anticipated in such statements.

CMS Energy Corporation
Select Financial Data
(Unaudited)

	<i>In Millions</i>		
	Twelve Months Ended		
	<u>09/30/08</u>	<u>12/31/07</u>	<u>09/30/07</u>
EBIT ^{(1) Non-GAAP}			
Consolidated	\$ 849	\$ 746	\$ 752
Consumers Energy	813	708	728
Depreciation/Amortization			
Consolidated	\$ 574	\$ 540	\$ 550
Consumers Energy	559	524	530
EBITDA ^{(1) Non-GAAP}			
Consolidated	\$ 1,423	\$ 1,286	\$ 1,302
Consumers Energy	1,372	1,232	1,258
MTM Impacts in EBIT & EBITDA Gain/(Loss)			
Consolidated	\$ 12	\$ 17	\$ 39
Consumers Energy	-	-	22
Dividends and Other Distributions To Parent	\$ 1,263	\$ 251	\$ 252
Interest Expense, Net			
Consolidated	\$ 391	\$ 438	\$ 451
Energy Parent	130	160	170
Consumers Energy	247	262	262
		As of	
	<u>09/30/08</u>	<u>12/31/07</u>	<u>09/30/07</u>
Book Value Per Share	\$ 10.74	\$ 9.46	\$ 10.10
Shares Outstanding - End of Period	226.1	225.1	225.1
Shares Outstanding - Average			
Basic	223.7	222.6	222.4
Diluted	236.3	222.6	222.4
Debt			
Energy Parent			
Debt ⁽²⁾	\$ 1,803	\$ 1,710	\$ 1,997
Debt - Related Parties (FIN 46)	178	178	178
CMS Enterprises ⁽²⁾			
Debt (FIN 46)	77	83	85
CMS Capital debt ⁽²⁾	161	153	141
Consumers Energy debt (excluding securitization bonds) ⁽²⁾	4,252	4,078	4,073
Consolidated (excluding securitization bonds)	6,471	6,202	6,474
Securitization Bonds	286	309	318
Consolidated	\$ 6,757	\$ 6,511	\$ 6,792
Unrestricted Cash & Cash Equivalents			
Consumers Energy	\$ 89	\$ 195	\$ 769
CMS Capital	50	136	435
Consolidating	23	17	41
Consolidated	\$ 162	\$ 348	\$ 1,245
Consumers Energy			
Common Equity Ratio - Ratemaking			
Electric	41.8%	40.0%	38.8%
Gas	41.5%	39.7%	38.4%
Rate Base (Average)			
Electric	\$ 6,078	\$ 5,407	\$ 5,315
Gas	2,698	2,444	2,411
Return on Average Common Equity - Financial			
Electric	9.4%	7.5%	8.0%
Gas	8.2%	9.2%	8.4%
Return on Rate Base			
Electric	6.7%	6.7%	7.0%
Gas	5.4%	6.2%	6.4%

⁽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 CORPORATION
Consolidated Statements of Income (Loss)
(Unaudited)

September 30	Three Months Ended			Nine Months Ended		
	2008	2007	Var	2008	2007	Var
<i>In Millions, Except Per Share Amounts</i>						
Operating Revenue						
Electric Utility	\$ 1,074	\$ 963	\$ 111	\$ 2,775	\$ 2,663	\$ 112
Gas Utility	233	209	24	1,886	1,811	75
Enterprises	115	105	10	300	303	(3)
Other	6	5	1	16	13	3
Total Operating Revenue	1,428	1,282	146	4,977	4,790	187
Earnings from Equity Method Investees	5	-	5	3	36	(33)
Operating Expenses						
Fuel for Electric Generation	173	158	15	470	408	62
Purchased and Interchange Power	406	390	16	1,026	1,079	(53)
Cost of Gas Sold	191	171	20	1,526	1,509	17
Other Operation and Maintenance	269	271	(2)	755	869	(114)
Depreciation and Amortization	135	121	14	436	402	34
General Taxes	47	53	(6)	155	176	(21)
Asset Impairment Charges, Net of Insurance Recoveries	-	(76)	76	-	204	(204)
Gain on Asset Sales, Net	-	(18)	18	(8)	(16)	8
Total Operating Expenses	1,221	1,070	151	4,360	4,631	(271)
Operating Income						
Electric Utility	209	130	79	474	324	150
Gas Utility	(10)	(6)	(4)	114	115	(1)
Enterprises	12	91	(79)	31	(216)	247
Other	1	(3)	4	1	(28)	29
Total Operating Income	212	212	-	620	195	425
Other Income (Deductions)						
Interest and Dividends	5	33	(28)	23	78	(55)
Regulatory Return on Capital Expenditures	9	9	-	25	24	1
Foreign Currency Gain, Net	1	-	1	1	1	-
Other Income	3	4	(1)	9	15	(6)
Other Expense	(15)	(12)	(3)	(21)	(29)	8
Total Other Income	3	34	(31)	37	89	(52)
Earnings Before Interest, Taxes and Other Charges	215	246	(31)	657	284	373
Interest	86	96	(10)	257	295	(38)
Interest - Related Parties	3	3	-	10	10	-
Other Interest	8	14	(6)	26	36	(10)
Capitalized Interest	(1)	(1)	-	(4)	(5)	1
Income Tax Expense (Benefit)	37	46	(9)	126	(58)	184
Minority Interests, Net	2	4	(2)	6	10	(4)
Discontinued Operations Income (Loss)	1	-	1	-	(87)	87
Net Income (Loss)	\$ 81	\$ 84	\$ (3)	\$ 236	\$ (91)	\$ 327
Preferred Dividends	2	2	-	8	8	-
Redemption Premium on Preferred Stock	-	-	-	-	1	(1)
Net Income (Loss) - Reported	\$ 79	\$ 82	\$ (3)	\$ 228	\$ (100)	\$ 328
Discontinued Operations (Income) Loss	(1)	-	(1)	-	87	(87)
Unrealized Investment Loss	8	-	8	8	-	8
Asset Impairment Charges, Net of Insurance Recoveries	-	(49)	49	-	133	(133)
Asset Sales (Gains) Losses and Other	(8)	(1)	(7)	(11)	22	(33)
Net Income - Adjusted	\$ 78	\$ 32	\$ 46	\$ 225	\$ 142	\$ 83
Net Income (Loss) Reported - Diluted	\$ 79	\$ 82	\$ (3)	\$ 228	\$ (100)	\$ 328
Average Common Shares Outstanding - Diluted	234.3	241.3	(7.0)	236.3	222.4	13.9
Average Common Shares Outstanding - Basic	224.1	223.0	1.1	223.7	222.4	1.3
Diluted EPS - Reported	\$ 0.34	\$ 0.34	\$ -	\$ 0.96	\$ (0.45)	\$ 1.41
Discontinued Operations (Income) Loss	(0.01)	-	(0.01)	-	0.39	(0.39)
Unrealized Investment Loss	0.03	-	0.03	0.03	-	0.03
Asset Impairment Charges, Net of Insurance Recoveries	-	(0.20)	0.20	-	0.60	(0.60)
Asset Sales (Gains) Losses and Other	(0.03)	(0.01)	(0.02)	(0.04)	0.10	(0.14)
Diluted EPS - Adjusted	\$ 0.33	\$ 0.13	\$ 0.20	\$ 0.95	\$ 0.64	\$ 0.31

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

Three Months Ended September 30

Adjusted (Non-GAAP) EPS:					
	<u>3Q08</u>	<u>3Q07</u>	<u>Var</u>		
Electric Utility	\$ 0.47	\$ 0.28	\$ 0.19	ENTERPRISES & PARENT	
Gas Utility	(0.07)	(0.03)	(0.04)	- Lower interest expense associated with restructuring	\$ 0.02
Enterprises & Parent (a)				- Lower overhead cost & other	0.02
Enterprises	\$ 0.02	\$ (*)	\$ 0.02	- Change in shares outstanding	0.01
Parent	(0.09)	(0.12)	0.03		<u>\$ 0.05</u>
	<u>\$ (0.07)</u>	<u>\$ (0.12)</u>	<u>\$ 0.05</u>		
Consolidated EPS	<u>\$ 0.33</u>	<u>\$ 0.13</u>	<u>\$ 0.20</u>		
Variance Explanations					
ELECTRIC UTILITY**					
- System deliveries to bundled customers of 9,947 Gwh, down (512) Gwh (primarily weather-related)			\$ (0.07)	**UTILITY Weather Impacts:	
				<u>3Q08</u>	<u>3Q07</u>
- June 2008 general rate increase (including seasonality) & Zeeland			0.28	Weather: (%)	
- MCV "Reg Out" in Sep 2007			0.04	- Percent warmer (colder) than normal using 15-year average temperatures	0.8 2.8
- Higher cost related to CEA launch			(0.02)	Electric:	
- Higher capital investment including Zeeland			(0.02)	- Increase (decrease) from normal in:	
- Other including absence of prior year interest income			(0.03)	Electric sales (Gwh)	74 358
			0.01	Earnings per share	\$ 0.01 \$ 0.04
			<u>\$ 0.19</u>	Gas:	
GAS UTILITY**				- Increase (decrease) from normal in:	
- Deliveries including transportation to end-use customers of 24.0 Bcf, down (0.8) Bcf (primarily weather-related)			\$ (0.01)	Gas sales (Bcf)	(2.3) (1.3)
- Gas rate increase - August 2007			0.01	Earnings per share	\$ (0.01) \$ (*)
- Higher cost related to CEA launch			(0.01)	Total EPS weather impacts:	<u>\$ -</u> <u>\$ 0.04</u>
- Other including absence of prior year interest income and lower pipeline capacity optimization revenue			(0.02)		
- Change in shares outstanding			(0.01)		
			<u>\$ (0.04)</u>		

* Less than \$0.01 per share

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

Nine Months Ended September 30

<u>Adjusted (Non-GAAP) EPS:</u>					
	<u>YTD08</u>	<u>YTD07</u>	<u>Var</u>		
Electric Utility	\$ 1.00	\$ 0.72	\$ 0.28	ENTERPRISES & PARENT	
Gas Utility	0.20	0.25	(0.05)	- Absence of earnings from assets sold	\$ (0.18)
Enterprises & Parent (a)				- Benefits from DIG restructuring	0.03
Enterprises	\$ 0.04	\$ 0.03	\$ 0.01	- Lower interest expense associated with restructuring	0.09
Parent	(0.29)	(0.36)	0.07	- Lower overhead cost & other	0.12
	<u>\$ (0.25)</u>	<u>\$ (0.33)</u>	<u>\$ 0.08</u>	- Change in shares outstanding	0.02
Consolidated EPS	<u>\$ 0.95</u>	<u>\$ 0.64</u>	<u>\$ 0.31</u>		<u>\$ 0.08</u>
Variance Explanations					
ELECTRIC UTILITY**					
- System deliveries to bundled customers of 28,420 Gwh, down (1,054) Gwh (primarily weather-related)			\$ (0.14)		
- June 2008 general rate increase (including seasonality) & Zeeland			0.44	**UTILITY Weather Impacts:	
- MCV "Reg Out" in Sep 2007			0.16		<u>YTD08</u> <u>YTD07</u>
- Higher cost related to CEA launch			(0.03)	Weather: (%)	
- Higher capital investment including Zeeland			(0.07)	- Percent warmer (colder) than normal using 15-year average temperatures	
- Palisades plant sale to Entergy - loss of equity return			(0.02)	Electric:	
- Change in shares outstanding			(0.06)	- Increase (decrease) from normal in:	
			<u>\$ 0.28</u>	Electric sales (Gwh)	94 647
				Earnings per share	\$ 0.01 \$ 0.08
GAS UTILITY**				Gas:	
- Deliveries including transportation to end-use customers of 203.9 Bcf, down (3.5) Bcf			\$ (0.01)	- Increase (decrease) from normal in:	
- Gas rate increase - August 2007			0.09	Gas sales (Bcf)	(2.9) (4.1)
- Line loss adjustment			(0.02)	Earnings per share	\$ (0.01) \$ (0.02)
- Higher cost related to CEA launch			(0.01)	Total EPS weather impacts:	<u>\$ -</u> <u>\$ 0.06</u>
- Higher capital investment			(0.02)		
- Other including absence of prior year interest income, lower pipeline capacity optimization revenue and higher uncollectible expense			(0.06)		
- Change in shares outstanding			(0.02)		
			<u>\$ (0.05)</u>		

CMS ENERGY CORPORATION
Earnings Segment Results GAAP Reconciliation
(Unaudited)

September 30	Three Months Ended		Nine Months Ended	
	2008	2007	2008	2007
<u>Electric Utility</u>				
Reported	\$ 0.46	\$ 0.28	\$ 0.98	\$ 0.71
Unrealized Investment Loss	0.01	-	0.01	-
Asset Sales Loss and Other, net	-	-	0.01	0.01
Adjusted	<u>\$ 0.47</u>	<u>\$ 0.28</u>	<u>\$ 1.00</u>	<u>\$ 0.72</u>
<u>Gas Utility</u>				
Reported	\$ (0.08)	\$ (0.03)	\$ 0.19	\$ 0.24
Unrealized Investment Loss	0.01	-	0.01	-
Asset Sales Loss and Other, net	-	-	-	0.01
Adjusted	<u>\$ (0.07)</u>	<u>\$ (0.03)</u>	<u>\$ 0.20</u>	<u>\$ 0.25</u>
<u>Enterprises</u>				
Reported	\$ 0.01	\$ 0.24	\$ 0.05	\$ (0.78)
Unrealized Investment Loss	0.01	-	0.01	-
Asset Impairment Charges, net of insurance recoveries	-	(0.20)	-	0.55
Asset Sales (Gain) Loss and Other, net	-	(0.04)	(0.02)	0.26
Adjusted	<u>\$ 0.02</u>	<u>\$ *</u>	<u>\$ 0.04</u>	<u>\$ 0.03</u>
<u>Corporate Interest and Other</u>				
Reported	\$ (0.06)	\$ (0.15)	\$ (0.26)	\$ (0.23)
Asset Impairment Charges, net of insurance recoveries	-	-	-	0.05
Asset Sales (Gain) Loss and Other, net	(0.03)	0.03	(0.03)	(0.18)
Adjusted	<u>\$ (0.09)</u>	<u>\$ (0.12)</u>	<u>\$ (0.29)</u>	<u>\$ (0.36)</u>
<u>Discontinued Operations</u>				
Reported	\$ 0.01	\$ -	\$ -	\$ (0.39)
Discontinued Operations (Gain) Loss	(0.01)	-	-	0.39
Adjusted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Totals</u>				
Reported	\$ 0.34	\$ 0.34	\$ 0.96	\$ (0.45)
Discontinued Operations (Gain) Loss	(0.01)	-	-	0.39
Unrealized Investment Loss	0.03	-	0.03	-
Asset Impairment Charges, net of insurance recoveries	-	(0.20)	-	0.60
Asset Sales (Gain) Loss and Other, net	(0.03)	(0.01)	(0.04)	0.10
Adjusted	<u>\$ 0.33</u>	<u>\$ 0.13</u>	<u>\$ 0.95</u>	<u>\$ 0.64</u>
Average Common Shares Outstanding - Diluted (in millions)	<u>234.3</u>	<u>241.3</u>	<u>236.3</u>	<u>222.4</u>

* Less than \$0.01 per share.

Consumers Energy Company
Consolidated Statements of Income
(Unaudited)

In Millions

September 30	Three Months Ended			Nine Months Ended		
	2008	2007	Var	2008	2007	Var
Operating Revenue						
Electric	\$ 1,074	\$ 963	\$ 111	\$ 2,775	\$ 2,663	\$ 112
Gas	233	209	24	1,886	1,811	75
Total Operating Revenue	1,307	1,172	135	4,661	4,474	187
Operating Expenses						
Fuel for Electric Generation	128	122	6	373	298	75
Purchased and Interchange Power	405	383	22	1,015	1,055	(40)
Purchased Power - Related Parties	20	20	-	57	59	(2)
Cost of Gas Sold	135	113	22	1,368	1,309	59
Other	201	201	-	565	619	(54)
Maintenance	44	41	3	124	143	(19)
Depreciation and Amortization	131	117	14	425	390	35
General Taxes	44	51	(7)	146	166	(20)
Gain on Asset Sales, Net	-	-	-	-	(2)	2
Total Operating Expenses	1,108	1,048	60	4,073	4,037	36
Operating Income						
Electric	209	130	79	474	324	150
Gas	(10)	(6)	(4)	114	115	(1)
Other	-	-	-	-	(2)	2
Total Operating Income	199	124	75	588	437	151
Other Income (Deductions)						
Interest and Dividends	4	24	(20)	20	55	(35)
Regulatory Return on Capital Expenditures	9	9	-	25	24	1
Other Income	4	5	(1)	9	19	(10)
Other Expense	(11)	(1)	(10)	(17)	(4)	(13)
Total Other Income	6	37	(31)	37	94	(57)
Interest Charges						
Interest on Long-Term Debt	56	59	(3)	169	177	(8)
Interest on Long-Term Debt - Related Parties	-	-	-	-	2	(2)
Other Interest	6	10	(4)	17	25	(8)
Capitalized Interest	(1)	(1)	-	(4)	(5)	1
Total Interest Charges	61	68	(7)	182	199	(17)
Income Before Income Taxes	144	93	51	443	332	111
Income Taxes	53	33	20	162	115	47
Net Income	91	60	31	281	217	64
Preferred Stock Dividends	1	-	1	2	1	1
Net Income Available to Common Stockholder						
Electric	108	67	41	232	158	74
Gas	(18)	(8)	(10)	46	53	(7)
Other	-	1	(1)	1	5	(4)
	\$ 90	\$ 60	\$ 30	\$ 279	\$ 216	\$ 63

CONSUMERS ENERGY COMPANY
Electric and Gas Statistics
(Unaudited)

September 30	Three Months Ended			Nine Months Ended		
	2008	2007	% Change	2008	2007	% Change
Electric Deliveries						
kWh (Mil)						
Residential	3,472	3,689	(5.9)	9,705	10,111	(4.0)
Commercial	3,262	3,383	(3.6)	9,158	9,440	(3.0)
Industrial	2,664	2,828	(5.8)	8,017	8,398	(4.5)
Other	47	53	(11.3)	160	165	(3.0)
Wholesale	91	132	(31.1)	246	373	(34.0)
Retail Open Access	411	374	9.9	1,134	987	14.9
Total System Deliveries	9,947	10,459	(4.9)	28,420	29,474	(3.6)
Intersystem	281	320	(12.2)	978	891	9.8
Total	10,228	10,779	(5.1)	29,398	30,365	(3.2)
Weather-adjusted System Deliveries	9,873	10,101	(2.3)	28,326	28,827	(1.7)
Gas Delivered to Customers						
(Mcf 000)						
Residential	9,681	10,307	(6.1)	110,869	113,347	(2.2)
Commercial	3,442	3,401	1.2	37,744	37,922	(0.5)
Industrial	978	798	22.6	8,314	8,149	2.0
Other	51	134	(61.9)	371	503	(26.2)
Transportation	9,886	10,185	(2.9)	46,598	47,521	(1.9)
Total Gas Deliveries	24,038	24,825	(3.2)	203,896	207,442	(1.7)
Transported to MCV	6,875	7,128	(3.5)	21,664	21,466	0.9
Off-System Transportation	1,935	3,083	(37.2)	6,709	9,273	(27.7)
Total	32,848	35,036	(6.2)	232,269	238,181	(2.5)
Weather-adjusted Gas Deliveries	26,306	26,115	0.7	206,750	211,576	(2.3)

(In Millions)

September 30	Three Months Ended			Nine Months Ended		
	2008	2007	% Change	2008	2007	% Change
Electric Revenue						
Residential	\$ 432	\$ 395	9.4	\$ 1,077	\$ 1,038	3.8
Commercial	338	307	10.1	881	857	2.8
Industrial	234	204	14.7	624	596	4.7
Other	8	9	(11.1)	23	24	(4.2)
Total Sales Revenue	1,012	915	10.6	2,605	2,515	3.6
Wholesale	6	6	-	18	17	5.9
Retail Open Access	4	4	-	11	11	-
Intersystem Revenue	38	25	52.0	99	67	47.8
Miscellaneous Revenue	14	13	7.7	42	53	(20.8)
Total Electric Utility Revenue	\$ 1,074	\$ 963	11.5	\$ 2,775	\$ 2,663	4.2
Gas Revenue						
Residential	\$ 152	\$ 137	10.9	\$ 1,301	\$ 1,244	4.6
Commercial	43	36	19.4	401	385	4.2
Industrial	11	8	37.5	85	79	7.6
Other	1	1	-	4	4	-
Total Sales Revenue	207	182	13.7	1,791	1,712	4.6
Transportation	7	7	-	33	32	3.1
Miscellaneous Revenue	19	20	(5.0)	62	67	(7.5)
Total Gas Utility Revenue	\$ 233	\$ 209	11.5	\$ 1,886	\$ 1,811	4.1

CMS Energy Corporation
SUMMARIZED CONSOLIDATED BALANCE SHEETS
(In Millions)

	September 30 2008 <u>(Unaudited)</u>	December 31 2007 <u></u>
Assets		
Cash and cash equivalents	\$ 162	\$ 348
Restricted cash	31	34
Other current assets	2,637	2,498
Total current assets	<u>\$ 2,830</u>	<u>\$ 2,880</u>
Net plant and property	8,995	8,728
Investments	11	11
Non-current assets	2,241	2,573
Total Assets	<u><u>\$ 14,077</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)	\$ 6,216	\$ 5,941
FIN 46 debt and finance leases	255	261
Total debt and capital and finance leases	<u>\$ 6,471</u>	<u>\$ 6,202</u>
Preferred stock and securities	293	294
Minority interest	53	53
Common stockholders' equity	2,429	2,130
Total capitalization	<u>\$ 9,246</u>	<u>\$ 8,679</u>
Securitization debt	286	309
Current liabilities	1,226	1,750
Non-current liabilities	3,319	3,454
Total Stockholders' Investment and Liabilities	<u><u>\$ 14,077</u></u>	<u><u>\$ 14,192</u></u>

(*) Current and long-term

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

	Nine Months (Unaudited)	
	2008	2007 (**)
Beginning of Period Cash	\$ 348	\$ 351
Cash provided by (used in) operating activities	\$ 183	\$ (115)
Cash provided by (used in) investing activities	(538)	1,394
Cash flow from operating and investing activities	<u>\$ (355)</u>	<u>\$ 1,279</u>
Cash provided by (used in) financing activities	169	(387)
Currency Translation Adjustment	-	2
Total Cash Flow	<u><u>\$ (186)</u></u>	<u><u>\$ 894</u></u>
End of Period Cash	<u><u>\$ 162</u></u>	<u><u>\$ 1,245</u></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)

	2007					
	1Q	2Q	3Q	Sept YTD	4Q	Dec YTD
Reported net income (loss) - GAAP	(\$215)	\$33	\$82	(\$100)	(\$127)	(\$227)
After-tax items:						
Electric and gas utility	4	-	-	4	-	4
Enterprises	49	19	(10)	58	222	280
Corporate interest and other	(81)	32	9	(40)	(38)	(78)
Discontinued operations (income) loss	178	(91)	-	87	2	89
Asset impairment charges, net	157	25	(49)	133	-	133
Adjusted income - non-GAAP	\$92	\$18	\$32	\$142	\$59	\$201
Average shares outstanding, basic	221.5	222.6	223.0	222.4	223.4	222.6
Average shares outstanding, diluted	221.5	222.6	241.3	222.4	223.4	222.6
Reported earnings (loss) per share - GAAP	(\$0.97)	\$0.15	\$0.34	(\$0.45)	(\$0.57)	(\$1.02)
After-tax items:						
Electric and gas utility	0.01	-	-	0.02	-	(0.07)
Enterprises	0.23	0.08	(0.04)	0.26	0.99	1.25
Corporate interest and other	(0.36)	0.15	0.03	(0.18)	(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	(0.20)	0.60	-	0.60
Adjusted earnings per share - non-GAAP	\$0.42	\$0.08	\$0.13	\$0.64	\$0.26	\$0.84

(In millions, except per share amounts)

	2008			
	1Q	2Q	3Q	Sept YTD
Reported net income - GAAP	\$103	\$46	\$79	\$228
After-tax items:				
Electric and gas utility	-	1	6	7
Enterprises	*	(4)	(*)	(4)
Corporate interest and other	-	-	(6)	(6)
Discontinued operations (income) loss	(*)	1	(1)	*
Adjusted income - non-GAAP	\$103	\$44	\$78	\$225
Average shares outstanding, basic	223.5	223.7	224.1	223.7
Average shares outstanding, diluted	236.6	239.1	234.3	236.3
Reported earnings per share - GAAP	\$0.44	\$0.19	\$0.34	\$0.96
After-tax items:				
Electric and gas utility	-	0.01	0.02	0.03
Enterprises	*	(0.02)	0.01	(0.01)
Corporate interest and other	-	-	(0.03)	(0.03)
Discontinued operations (income) loss	(*)	0.01	(0.01)	*
Adjusted earnings per share - non-GAAP	\$0.44	\$0.19	\$0.33	\$0.95

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.