

CMS Energy
Earnings Reconciliation By Quarter and Year

**Reconciliation of reported measures prepared in accordance with
Generally Accepted Accounting Principles (GAAP) versus non-GAAP measures**

<i>(In millions, except per share amounts)</i>	Unaudited			
	2006			
	1Q	2Q	3Q	Sept YTD
Reported Net Income (Loss) - GAAP	(\$27)	\$72	(\$103)	(\$58)
After-Tax Items:				
Electric and Gas Utility Other	-	-	-	-
Enterprises Other	2	1	(32)	(29)
Corporate Interest and Other	-	(16)	7	(9)
Discontinued Operations Income	(9)	(12)	(11)	(32)
Asset Impairment Charges	-	-	169	169
Adjusted Income (Loss), Including MTM of \$(74), \$(21), \$(30), and \$(125)	(\$34)	\$45	\$30	\$41
Average Shares Outstanding, Basic	219.1	219.6	220.1	219.6
Average Shares Outstanding, Diluted	219.1	229.6	220.1	219.6
Reported Earnings (Loss) Per Share - GAAP	(\$0.12)	\$0.31	(\$0.47)	(\$0.26)
After-Tax Items				
Electric and Gas Utility Other	-	-	-	-
Enterprises Other	0.01	-	(0.13)	(0.12)
Corporate Interest and Other	-	(0.07)	0.02	(0.05)
Discontinued Operations Income	(0.04)	(0.05)	(0.05)	(0.15)
Asset Impairment Charges	-	-	0.76	0.76
Adjusted Earnings (Loss) Per Share, Including MTM of \$(0.34), \$(0.10), \$(0.13), and \$(0.57)	(\$0.15)	\$0.19	\$0.13	\$0.18

<i>(In millions, except per share amounts)</i>	Unaudited			
	2007			
	1Q	2Q	3Q	Sept YTD
Reported Net Income (Loss) - GAAP	(\$215)	\$33	\$82	(\$100)
After-Tax Items:				
Electric and Gas Utility Other	4	-	-	4
Enterprises Other	49	19	(10)	58
Corporate Interest and Other	(81)	32	9	(40)
Discontinued Operations (Income) Loss	178	(91)	-	87
Asset Impairment Charges (Recoveries)	157	25	(49)	133
Adjusted Income, Including MTM of \$1, \$3, \$4, and \$8	\$92	\$18	\$32	\$142
Average Shares Outstanding, Basic	221.5	222.6	223.0	222.4
Average Shares Outstanding, Diluted	221.5	222.6	241.3	222.4
Reported Earnings (Loss) Per Share - GAAP	(\$0.97)	\$0.15	\$0.34	(\$0.45)
After-Tax Items				
Electric and Gas Utility Other	0.01	-	-	0.02
Enterprises Other	0.23	0.08	(0.04)	0.26
Corporate Interest and Other	(0.36)	0.15	0.03	(0.18)
Discontinued Operations (Income) Loss	0.80	(0.41)	-	0.39
Asset Impairment Charges (Recoveries)	0.71	0.11	(0.20)	0.60
Adjusted Earnings Per Share, Including MTM of \$0.01, \$0.01, \$0.02, and \$0.03	\$0.42	\$0.08	\$0.13	\$0.64

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