



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
2007 Third Quarter Results and Outlook**

**CMS ENERGY REPORTS THIRD QUARTER EARNINGS
AND MAINTAINS 2007 AND 2008 EARNINGS GUIDANCE**

JACKSON, Mich., Nov. 1, 2007 – CMS Energy announced today reported net income of \$82 million, or \$0.34 per share, for the third quarter of 2007, compared to a reported net loss of \$103 million, or \$0.47 per share, for the same quarter of 2006.

The third quarter results include the recognition of \$49 million from a previously received insurance payment related to a dispute in Argentina. That payment was subject to certain contingencies that have been removed, allowing the company to recognize the proceeds in net income.

For the first nine months of 2007, CMS Energy reported a net loss of \$100 million, or \$0.45 per share, compared to a net loss of \$58 million, or \$0.26 per share, for the first nine months of 2006. The 2007 nine-month results include a loss of \$242 million, or \$1.09 per share, primarily linked to sales of the company's international businesses, including discontinued operations.

The company's adjusted (non-Generally Accepted Accounting Principles) third quarter net income, which excludes asset impairment charges, the Argentina dispute insurance payment, and other items, was \$32 million, or \$0.13 per share, compared to adjusted net income of \$30 million, or \$0.13 per share, for the third quarter of 2006.

For the first nine months of 2007, the company had adjusted net income of \$142 million, or \$0.64 per share, compared to adjusted net income of \$41 million, or \$0.18 per share for the first nine months of 2006. Without the adverse effect of mark-to-market adjustments largely due to the company's former interest in the Midland Cogeneration Venture and discontinued operations primarily linked to sales of international businesses, the 2006 adjusted nine-month results would have been \$194 million, or \$0.88 per share, and the 2006 adjusted third quarter results would have been \$70 million, or \$0.31 per share.

CMS Energy maintained its guidance for 2007 adjusted earnings of about \$0.80 per share and 2008 adjusted earnings of about \$1.20 per share. CMS Energy anticipates that its 2007, and possibly 2008, reported earnings will be lower than its adjusted earnings because of the expected effects of asset sales and other factors. CMS Energy isn't providing reported earnings guidance because of those uncertainties.

David Joos, CMS Energy's president and chief executive officer, said the company has completed its international sales plan and is continuing to implement its strategy of reducing debt and investing in its Michigan utility, Consumers Energy.

"We plan to invest \$6 billion in the utility over the next five years in energy efficiency, renewable energy, environmental and customer service enhancements and new power generation and are seeking changes to Michigan's electric deregulation law to support these investments," Joos said. "These major investments will help us continue to provide safe, clean, and reliable electric and natural gas service to our customers and keep rates competitive."

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. Earnings guidance is provided on an adjusted basis including mark-to-market impacts. Mark-to-market is a non-cash accounting adjustment that primarily reflects changes in the market value of certain natural gas contracts.

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 Risk Factors" found in the Management Discussion and Analysis sections of CMS Energy's and Consumers Energy's Forms 10-Q for the quarter ended June 30, 2007 (CMS Energy's and Consumers Energy's "Forward-Looking Statements and Risk Factors" sections are both incorporated herein by reference), that 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
SUMMARIZED CONSOLIDATED STATEMENTS OF LOSS
(In Millions, Except Per Share Amounts)

| | Third Quarter (Unaudited) | | First Nine Months (Unaudited) | |
|--|------------------------------|-----------------|----------------------------------|----------------|
| | 2007 | 2006 | 2007 | 2006 |
| Operating Revenue | \$ 1,282 | \$ 1,288 | \$ 4,790 | \$ 4,404 |
| Earnings from Equity Method Investee | - | 19 | 36 | 63 |
| Operating Expenses | <u>1,088</u> | <u>1,334</u> | <u>4,647</u> | <u>4,446</u> |
| Operating Income (Loss) | \$ 194 | \$ (27) | \$ 179 | \$ 21 |
| Other Income | 52 | 32 | 105 | 85 |
| Fixed Charges | <u>113</u> | <u>120</u> | <u>338</u> | <u>369</u> |
| Income (Loss) before Minority Interests | \$ 133 | \$ (115) | \$ (54) | \$ (263) |
| Minority Interests (Obligations) | <u>3</u> | <u>38</u> | <u>8</u> | <u>(33)</u> |
| Income (Loss) before Income Taxes | \$ 130 | \$ (153) | \$ (62) | \$ (230) |
| Income Tax Expense (Benefit) | <u>46</u> | <u>(41)</u> | <u>(58)</u> | <u>(148)</u> |
| Income (Loss) from Continuing Operations | \$ 84 | \$ (112) | \$ (4) | \$ (82) |
| Income (Loss) from Discontinued Operations | <u>-</u> | <u>11</u> | <u>(87)</u> | <u>32</u> |
| Net Income (Loss) | \$ 84 | \$ (101) | \$ (91) | \$ (50) |
| Preferred Dividends | 2 | 2 | 8 | 8 |
| Redemption Premium on Preferred Stock | <u>-</u> | <u>-</u> | <u>1</u> | <u>-</u> |
| Net Income (Loss) Available to Common Stockholders | <u>\$ 82</u> | <u>\$ (103)</u> | <u>\$ (100)</u> | <u>\$ (58)</u> |
| Earnings (Loss) Per Share | | | | |
| Basic | \$ 0.37 | \$ (0.47) | \$ (0.45) | \$ (0.26) |
| Diluted | 0.34 | (0.47) | (0.45) | (0.26) |

CMS Energy Corporation
SUMMARIZED CONSOLIDATED BALANCE SHEETS
(In Millions)

| | September 30 2007 (Unaudited) | December 31 2006 |
|--|-------------------------------------|-------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,245 | \$ 249 |
| Restricted cash | 48 | 71 |
| Other current assets | 2,403 | 2,823 |
| Total current assets | <u>\$ 3,696</u> | <u>\$ 3,143</u> |
| Net plant and property | 7,961 | 7,708 |
| Investments | 25 | 566 |
| Non-current assets | 2,622 | 3,954 |
| Total assets | <u><u>\$ 14,304</u></u> | <u><u>\$ 15,371</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) | \$ 6,211 | \$ 6,370 |
| FIN 46 debt and finance leases | 263 | 275 |
| Total debt and capital and finance leases | <u>\$ 6,474</u> | <u>\$ 6,645</u> |
| Preferred stock and securities | 294 | 305 |
| Minority interest | 50 | 52 |
| Common stockholders' equity | 2,272 | 2,234 |
| Total capitalization | <u>\$ 9,090</u> | <u>\$ 9,236</u> |
| Securitization debt | 318 | 340 |
| Current liabilities | 1,451 | 1,591 |
| Non-current liabilities | 3,445 | 4,204 |
| Total Stockholders' Investment and Liabilities | <u><u>\$ 14,304</u></u> | <u><u>\$ 15,371</u></u> |

(*) Current and long-term

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

| | First Nine Months (Unaudited) | |
|---|----------------------------------|----------------------|
| | 2007 | 2006 |
| Beginning of Period Cash (**) | \$ 351 | \$ 847 |
| Cash provided by (used in) operating activities | \$ (116) | \$ 447 |
| Cash provided by (used in) investing activities | 1,394 | (436) |
| Cash flow from operating and investing activities | <u>\$ 1,278</u> | <u>\$ 11</u> |
| Cash used in financing activities | (386) | (400) |
| Currency Translation Adjustment | 2 | 1 |
| Total Cash Flow | <u>\$ 894</u> | <u>\$ (388)</u> |
| End of Period Cash (**) | <u><u>\$ 1,245</u></u> | <u><u>\$ 459</u></u> |

(**) Includes cash associated with discontinued operations.

CMS Energy Corporation
SUMMARY OF CONSOLIDATED EARNINGS
Reconciliations of GAAP Net Loss to Non-GAAP Adjusted Net Income
(In Millions, Except Per Share Amounts)

| | Third Quarter (Unaudited) | | First Nine Months (Unaudited) | |
|--|------------------------------|----------------|----------------------------------|----------------|
| | 2007 | 2006 | 2007 | 2006 |
| Net Income (Loss) Available to Common Stockholders | \$ 82 | \$ (103) | \$ (100) | \$ (58) |
| Reconciling Items: | | | | |
| Discontinued Operations (Income) Loss | - | (11) | 87 | (32) |
| Asset Impairment Charges, net of Insurance Recoveries | (49) | 169 | 133 | 169 |
| Asset Sales (Gain) Losses and Other | (1) | (25) | 22 | (38) |
| Adjusted Net Income - Non-GAAP Basis, Including MTM of \$4, \$(30), \$8, and \$(125), respectively | <u>\$ 32</u> | <u>\$ 30</u> | <u>\$ 142</u> | <u>\$ 41</u> |
| Average Number of Common Shares Outstanding | | | | |
| Basic | 223 | 220 | 222 | 220 |
| Diluted | 241 | 220 | 222 | 220 |
| Basic Earnings Per Average Common Share | | | | |
| Income (Loss) Per Share as Reported | \$ 0.37 | \$ (0.47) | \$ (0.45) | \$ (0.26) |
| Reconciling Items: | | | | |
| Discontinued Operations (Income) Loss | - | (0.05) | 0.39 | (0.15) |
| Asset Impairment Charges, net of Insurance Recoveries | (0.22) | 0.76 | 0.60 | 0.76 |
| Asset Sales (Gains) Losses and Other | (0.01) | (0.11) | 0.10 | (0.17) |
| Adjusted Net Income - Non-GAAP Basis, Including MTM of \$0.02, \$(0.13), \$0.03, and \$(0.57), respectively | <u>\$ 0.14</u> | <u>\$ 0.13</u> | <u>\$ 0.64</u> | <u>\$ 0.18</u> |
| Diluted Earnings Per Average Common Share | | | | |
| Income (Loss) Per Share as Reported | \$ 0.34 | \$ (0.47) | \$ (0.45) | \$ (0.26) |
| Reconciling Items: | | | | |
| Discontinued Operations (Income) Loss | - | (0.05) | 0.39 | (0.15) |
| Asset Impairment Charges, net of Insurance Recoveries | (0.20) | 0.76 | 0.60 | 0.76 |
| Asset Sales (Gains) Losses and Other | (0.01) | (0.11) | 0.10 | (0.17) |
| Adjusted Net Income - Non-GAAP Basis, Including MTM of \$0.02, \$(0.13), \$0.03, and \$(0.57), respectively | <u>\$ 0.13</u> | <u>\$ 0.13</u> | <u>\$ 0.64</u> | <u>\$ 0.18</u> |

Note: Management views adjusted (non-Generally Accepted Accounting Principles) 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 these summary financial statements. Mark-to-market (MTM) is a non-cash accounting adjustment that primarily reflects changes in the market value of certain natural gas contracts.

CMS ENERGY
Consolidated Statements of Income
For Periods Ended September 30
(Unaudited - In Millions, Except Per Share Amounts)

| | Three Months Ended | | | Nine Months Ended | | |
|--|--------------------|-----------|-----------|-------------------|-----------|-----------|
| | 2007 | 2006 | Var | 2007 | 2006 | Var |
| Operating Revenue | | | | | | |
| Electric Utility | \$ 963 | \$ 976 | \$ (13) | \$ 2,663 | \$ 2,496 | \$ 167 |
| Gas Utility | 209 | 201 | 8 | 1,811 | 1,576 | 235 |
| Enterprises | 105 | 108 | (3) | 303 | 323 | (20) |
| Other | 5 | 3 | 2 | 13 | 9 | 4 |
| Total Operating Revenue | 1,282 | 1,288 | (6) | 4,790 | 4,404 | 386 |
| Earnings from Equity Method Investees | - | 19 | (19) | 36 | 63 | (27) |
| Operating Expenses | | | | | | |
| Fuel for Electric Generation | 130 | 224 | (94) | 326 | 587 | (261) |
| Fuel Costs Mark to Market (MTM) at the MCV Partnership | - | 28 | (28) | - | 226 | (226) |
| Purchased and Interchange Power | 390 | 205 | 185 | 1,079 | 476 | 603 |
| Cost of Gas Sold | 199 | 196 | 3 | 1,591 | 1,439 | 152 |
| Other Operation and Maintenance | 271 | 339 | (68) | 869 | 974 | (105) |
| Depreciation, Depletion and Amortization | 121 | 124 | (3) | 402 | 402 | - |
| General Taxes | 53 | (21) | 74 | 176 | 103 | 73 |
| Asset impairment charges, net of insurance recoveries | (76) | 239 | (315) | 204 | 239 | (35) |
| Total Operating Expenses | 1,088 | 1,334 | (246) | 4,647 | 4,446 | 201 |
| Operating Income (Loss) | | | | | | |
| Electric Utility | 130 | 170 | (40) | 322 | 331 | (9) |
| Gas Utility | (6) | (17) | 11 | 115 | 65 | 50 |
| Enterprises | 73 | (143) | 216 | (232) | (360) | 128 |
| Other | (3) | (37) | 34 | (26) | (15) | (11) |
| Total Operating Income (Loss) | 194 | (27) | 221 | 179 | 21 | 158 |
| Other Income (Deductions) | | | | | | |
| Gain on Asset Sales, Net | 18 | - | 18 | 16 | - | 16 |
| Interest and Dividends | 33 | 21 | 12 | 78 | 54 | 24 |
| Regulatory Return on Capital Expenditures | 9 | 8 | 1 | 24 | 18 | 6 |
| Foreign Currency Gain (Loss), Net | - | (2) | 2 | 1 | - | 1 |
| Other Income | 4 | 7 | (3) | 15 | 28 | (13) |
| Other Expense | (12) | (2) | (10) | (29) | (15) | (14) |
| Total Other Income | 52 | 32 | 20 | 105 | 85 | 20 |
| Earnings Before Interest, Taxes and Other Charges | 246 | 5 | 241 | 284 | 106 | 178 |
| Interest | 96 | 112 | (16) | 295 | 342 | (47) |
| Interest - Related Parties | 3 | 3 | - | 10 | 11 | (1) |
| Other Interest | 14 | 6 | 8 | 36 | 19 | 17 |
| Capitalized Interest | (1) | (2) | 1 | (5) | (7) | 2 |
| Preferred Dividends of Subsidiaries | 1 | 1 | - | 2 | 4 | (2) |
| Income Tax Expense (Benefit) | 46 | (41) | 87 | (58) | (148) | 90 |
| Minority Interests (Obligations), Net | 3 | 38 | (35) | 8 | (33) | 41 |
| Discontinued Operations Income (Loss) | - | 11 | (11) | (87) | 32 | (119) |
| Net Income (Loss) | \$ 84 | \$ (101) | \$ 185 | \$ (91) | \$ (50) | \$ (41) |
| Preferred Dividends | 2 | 2 | - | 8 | 8 | - |
| Redemption Premium on Preferred Stock | - | - | - | 1 | - | 1 |
| Net Income (Loss) - Reported | \$ 82 | \$ (103) | \$ 185 | \$ (100) | \$ (58) | \$ (42) |
| Discontinued Operations (Income) Loss | - | (11) | 11 | 87 | (32) | 119 |
| Net Asset Sales (Gain) Loss and Other | (50) | 144 | (194) | 155 | 131 | 24 |
| Net Income - Adjusted including MTM | \$ 32 | \$ 30 | \$ 2 | \$ 142 | \$ 41 | \$ 101 |
| MTM Gain (Loss) | 4 | (30) | 34 | 8 | (125) | 133 |
| Net Income - Adjusted excluding MTM | \$ 28 | \$ 60 | \$ (32) | \$ 134 | \$ 166 | \$ (32) |
| Net Income (Loss) Reported - Diluted | \$ 82 | \$ (103) | \$ 185 | \$ (100) | \$ (58) | \$ (42) |
| Average Common Shares Outstanding - Diluted | 241.3 | 220.1 | 21.2 | 222.4 | 219.6 | 2.8 |
| Average Common Shares Outstanding - Basic | 223.0 | 220.1 | 2.9 | 222.4 | 219.6 | 2.8 |
| Diluted EPS - Reported | \$ 0.34 | \$ (0.47) | \$ 0.81 | \$ (0.45) | \$ (0.26) | \$ (0.19) |
| Discontinued Operations (Income) Loss | - | (0.05) | 0.05 | 0.39 | (0.15) | 0.54 |
| Net Asset Sales (Gain) Loss and Other | (0.21) | 0.65 | (0.86) | 0.70 | 0.59 | 0.11 |
| Diluted EPS - Adjusted including MTM | \$ 0.13 | \$ 0.13 | \$ 0.00 | \$ 0.64 | \$ 0.18 | \$ 0.46 |
| MTM Gain (Loss) | 0.02 | (0.13) | 0.15 | 0.03 | (0.57) | 0.60 |
| Diluted EPS - Adjusted, excluding MTM | \$ 0.11 | \$ 0.26 | \$ (0.15) | \$ 0.61 | \$ 0.75 | \$ (0.14) |

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

| Three Months Ended September 30 | | | |
|--|---------------|---------------|-----------------|
| Adjusted (Non-GAAP) EPS: | | | |
| | <u>3Q07</u> | <u>3Q06</u> | <u>Var</u> |
| Electric Utility | \$0.28 | \$0.42 | (\$0.14) |
| Gas Utility | (0.03) | (0.09) | 0.06 |
| Enterprises* | (0.02) | 0.07 | (0.09) |
| Corporate Interest and Other* | (0.12) | (0.14) | 0.02 |
| MTM Impacts | 0.02 | (0.13) | 0.15 |
| EPS | <u>\$0.13</u> | <u>\$0.13</u> | <u>\$0.00</u> |
| Variance Explanations | | | |
| Electric Utility | | | |
| - System deliveries to bundled customers down 30 Gwh to 10,458 Gwh and unfavorable sales mix; | | | (\$0.02) |
| - Impacts of Palisades plant sale to Entergy, primarily loss of equity return and other; | | | (0.05) |
| - Higher operating expenses and other; | | | (0.04) |
| - Change in shares outstanding. | | | (0.03) |
| | | | <u>(\$0.14)</u> |
| Gas Utility | | | |
| - Deliveries to bundled and transportation end-use customers down 0.3 Bcf to 24.8 Bcf, primarily due to weather; | | | NM |
| - Gas rate increase; | | | \$0.03 |
| - Higher system efficiency and other; | | | 0.02 |
| - Change in shares outstanding. | | | 0.01 |
| | | | <u>\$0.06</u> |
| Enterprises | | | |
| - Absence of earnings from MCV Partnership; | | | (\$0.05) |
| - Absence of equity earnings from assets sold; | | | (0.10) |
| - Domestic operations, lower overheads and other | | | 0.06 |
| | | | <u>(\$0.09)</u> |
| Corporate Interest and Other | | | |
| - Lower interest expense and other. | | | <u>\$0.02</u> |
| Utility Weather Impacts: | | | |
| Electric: | <u>3Q07</u> | <u>3Q06</u> | |
| - Percent warmer (colder) than normal using 15-year average temperatures | 2.6 | 1.1 | |
| - Increase (decrease) from normal in: | | | |
| Electric sales (Gwh) | 358 | 385 | |
| Earnings per share | \$0.04 | \$0.05 | |
| Gas: | <u>3Q07</u> | <u>3Q06</u> | |
| - Percent (warmer) colder than normal using 15-year average temperatures | (2.8) | (1.1) | |
| - Increase (decrease) from normal in: | | | |
| Gas sales (Bcf) | (1.3) | NM | |
| Earnings per share | NM | NM | |
| Total EPS weather impacts: | <u>\$0.04</u> | <u>\$0.05</u> | |
| * 3Q06 reflects reclassification of discontinued operations. | | | |
| NM=Not Meaningful | | | |

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

| Nine Months Ended September 30 | | | |
|--|----------------------|----------------------|------------------------|
| Adjusted (Non-GAAP) EPS: | | | |
| | <u>YTD07</u> | <u>YTD06</u> | <u>Var</u> |
| Electric Utility | \$0.72 | \$0.72 | \$0.00 |
| Gas Utility | 0.25 | 0.06 | 0.19 |
| Enterprises* | 0.00 | 0.15 | (0.15) |
| Corporate Interest and Other* | (0.36) | (0.18) | (0.18) |
| MTM Impacts | <u>0.03</u> | <u>(0.57)</u> | <u>0.60</u> |
| EPS | <u><u>\$0.64</u></u> | <u><u>\$0.18</u></u> | <u><u>\$0.46</u></u> |
| Variance Explanations | | | |
| Electric Utility | | | |
| - System deliveries to bundled customers up 456 Gwh to 29,473 Gwh, primarily due to warmer weather; | | | \$0.08 |
| - Impacts of Palisades plant sale to Entergy, primarily loss of equity return; | | | (0.01) |
| - Higher operating expenses and other; | | | (0.06) |
| - Change in shares outstanding. | | | (0.01) |
| | | | <u><u>\$0.00</u></u> |
| Gas Utility | | | |
| - Deliveries including transportation end-use customers up 18.0 Bcf to 207.4 Bcf, primarily due to cooler weather; | | | \$0.07 |
| - Gas rate increase; | | | 0.16 |
| - Higher operating expenses and other. | | | (0.04) |
| | | | <u><u>\$0.19</u></u> |
| Enterprises | | | |
| - Absence of earnings from MCV Partnership; | | | (\$0.10) |
| - Absence of equity earnings from assets sold; | | | (0.15) |
| - Domestic operations, lower overheads and other; | | | 0.07 |
| - Tax adjustments. | | | 0.03 |
| | | | <u><u>(\$0.15)</u></u> |
| Corporate Interest and Other | | | |
| - Tax adjustments, primarily absence of 2006 tax benefits; | | | (\$0.24) |
| - Higher interest income, lower interest expense and other. | | | 0.06 |
| | | | <u><u>(\$0.18)</u></u> |
| Utility Weather Impacts: | | | |
| Electric: | | <u>YTD07</u> | <u>YTD06</u> |
| - Percent warmer (colder) than normal using 15-year average temperatures | | 2.1 | 4.1 |
| - Increase (decrease) from average in: | | | |
| Electric sales (Gwh) | | 647 | 214 |
| Earnings per share | | \$0.08 | \$0.03 |
| Gas: | | <u>YTD07</u> | <u>YTD06</u> |
| - Percent (warmer) colder than normal using 15-year average temperatures | | (2.1) | (4.1) |
| - Increase (decrease) from normal in: | | | |
| Gas sales (Bcf) | | (4.1) | (22.3) |
| Earnings per share | | (\$0.02) | (\$0.09) |
| Total EPS Weather Impacts: | | <u><u>\$0.06</u></u> | <u><u>(\$0.06)</u></u> |
| * YTD06 reflects reclassification of discontinued operations. | | | |

CMS ENERGY
Earnings Segment Results and Reconciliations
For Periods Ended September 30
(Unaudited - In Millions, Except per Share Amounts)

| | <i>Three Months</i> | | <i>Nine Months</i> | |
|--|---------------------|------------------|--------------------|------------------|
| | EPS | | EPS | |
| | 2007 | 2006 | 2007 | 2006 |
| <u>Electric Utility</u> | | | | |
| Reported | \$ 0.28 | \$ 0.42 | \$ 0.71 | \$ 0.72 |
| Asset Sales Loss and Other, net | - | - | 0.01 | - |
| Adjusted | <u>\$ 0.28</u> | <u>\$ 0.42</u> | <u>\$ 0.72</u> | <u>\$ 0.72</u> |
| <u>Gas Utility</u> | | | | |
| Reported | \$ (0.03) | \$ (0.09) | \$ 0.24 | \$ 0.06 |
| Asset Sales Loss and Other, net | - | - | 0.01 | - |
| Adjusted | <u>\$ (0.03)</u> | <u>\$ (0.09)</u> | <u>\$ 0.25</u> | <u>\$ 0.06</u> |
| <u>Enterprises</u> | | | | |
| Reported | \$ 0.24 | \$ (0.61) | \$ (0.78) | \$ (0.98) |
| Asset Sales (Gain) Loss and Other, net | (0.04) | (0.13) | 0.26 | (0.12) |
| Asset Impairment Charges (Recoveries), net | (0.20) | 0.68 | 0.55 | 0.68 |
| MTM (Gain) Loss | (0.02) | 0.13 | (0.03) | 0.57 |
| Adjusted | <u>\$ (0.02)</u> | <u>\$ 0.07</u> | <u>\$ 0.00</u> | <u>\$ 0.15</u> |
| <u>Corporate Interest and Other</u> | | | | |
| Reported | \$ (0.15) | \$ (0.24) | \$ (0.23) | \$ (0.21) |
| Asset Sales (Gain) Loss and Other, net | 0.03 | 0.02 | (0.18) | (0.05) |
| Asset Impairment Charges, net | - | 0.08 | 0.05 | 0.08 |
| Adjusted | <u>\$ (0.12)</u> | <u>\$ (0.14)</u> | <u>\$ (0.36)</u> | <u>\$ (0.18)</u> |
| <u>MTM Impacts</u> | | | | |
| Adjusted | <u>\$ 0.02</u> | <u>\$ (0.13)</u> | <u>\$ 0.03</u> | <u>\$ (0.57)</u> |
| <u>Discontinued Operations</u> | | | | |
| Reported | \$ - | \$ 0.05 | \$ (0.39) | \$ 0.15 |
| Discontinued Operations (Gain) Loss | - | (0.05) | 0.39 | (0.15) |
| Adjusted | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>Totals</u> | | | | |
| Reported | \$ 0.34 | \$ (0.47) | \$ (0.45) | \$ (0.26) |
| Discontinued Operations (Gain) Loss | - | (0.05) | 0.39 | (0.15) |
| Asset Sales (Gain) Loss and Other, net | (0.01) | (0.11) | 0.10 | (0.17) |
| Asset Impairment Charges (Recoveries), net | (0.20) | 0.76 | 0.60 | 0.76 |
| Adjusted | <u>\$ 0.13</u> | <u>\$ 0.13</u> | <u>\$ 0.64</u> | <u>\$ 0.18</u> |

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

| | Twelve Months Ended | | |
|--|----------------------------|-----------------|-----------------|
| | 09/30/07 | 12/31/06 | 09/30/06 |
| EBIT ^{(1) Non-GAAP} | | | |
| Consolidated | \$ 752 | \$ 447 | \$ 245 |
| Consumers Energy | 728 | 524 | 295 |
| Depreciation/Amortization ^{Non-GAAP} | | | |
| Consolidated | \$ 550 | \$ 550 | \$ 519 |
| Consumers Energy | 530 | 527 | 502 |
| EBITDA ^{Non-GAAP} | | | |
| Consolidated | \$ 1,302 | \$ 997 | \$ 764 |
| Consumers Energy | 1,258 | 1,051 | 797 |
| MTM Impacts in EBIT & EBITDA Gain/(Loss) | | | |
| Consolidated | \$ 39 | \$ (270) | \$ (446) |
| Consumers Energy | 22 | (204) | (393) |
| Dividends and Other Distributions To Parent | \$ 252 | \$ 147 | \$ 438 |
| Interest Expense, Net | | | |
| Consolidated | \$ 454 | \$ 485 | \$ 458 |
| Energy Parent | 170 | 170 | 170 |
| Consumers Energy | 264 | 287 | 263 |
| | As of | | |
| | 09/30/07 | 12/31/06 | 09/30/06 |
| Book Value Per Share | \$ 10.10 | \$ 10.03 | \$ 10.24 |
| Shares Outstanding - End of Period | 225.1 | 222.8 | 222.3 |
| Debt ⁽²⁾ | | | |
| Energy Parent | | | |
| Debt | \$ 1,997 | \$ 2,264 | \$ 2,264 |
| Debt - Related Parties (FIN 46) | 178 | 178 | 178 |
| CMS Enterprises | | | |
| Debt | 141 | 233 | 230 |
| Debt (FIN 46) | 85 | 97 | 98 |
| Consumers Energy | | | |
| Debt (excluding securitization bonds) | 4,073 | 3,873 | 3,871 |
| Debt - MCV (FIN 46) | - | - | 419 |
| Consolidated (excluding securitization bonds) | 6,474 | 6,645 | 7,060 |
| Securitization Bonds | 318 | 340 | 348 |
| Consolidated | \$ 6,792 | \$ 6,985 | \$ 7,408 |
| Unrestricted Cash & Cash Equivalents | | | |
| Consumers Energy | \$ 769 | \$ 37 | \$ 50 |
| Energy Parent/CMS Enterprises | 435 | 188 | 209 |
| MCV/FIN 46 | 41 | 24 | 108 |
| Consolidated | \$ 1,245 | \$ 249 | \$ 367 |
| Consumers Energy Common Equity | | | |
| Financial | \$ 3,642 | \$ 2,958 | \$ 3,021 |
| Rate Base | | | |
| Electric | \$ 5,315 | \$ 5,088 | \$ 5,089 |
| Gas | 2,411 | 2,446 | 2,418 |
| Return on Average Common Equity-Ratemaking | | | |
| Electric | 10.5% | 12.8% | 12.2% |
| Gas | 9.1 | 5.1 | 2.2 |
| Return on Rate Base | | | |
| Electric | 7.0% | 7.4% | 7.0% |
| Gas | 6.4 | 4.7 | 3.7 |

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

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

Consumers Energy Company
Consolidated Statements of Income
For Periods Ended September 30
(Unaudited - In Millions)

| | Three Months Ended | | | Nine Months Ended | | |
|---|--------------------|--------------|----------------|-------------------|---------------|--------------|
| | 2007 | 2006 | Var | 2007 | 2006 | Var |
| Operating Revenue | | | | | | |
| Electric | \$ 963 | \$ 976 | \$ (13) | \$ 2,663 | \$ 2,496 | \$ 167 |
| Gas | 209 | 201 | 8 | 1,811 | 1,576 | 235 |
| Other | - | 14 | (14) | - | 39 | (39) |
| Total Operating Revenue | 1,172 | 1,191 | (19) | 4,474 | 4,111 | 363 |
| Earnings from Equity Method Investees | - | - | - | - | 1 | (1) |
| Operating Expenses | | | | | | |
| Operation | | | | | | |
| Fuel for Electric Generation | 122 | 213 | (91) | 298 | 557 | (259) |
| Fuel Costs Mark to Market at the MCV Partnership | - | 28 | (28) | - | 226 | (226) |
| Purchased and Interchange Power | 383 | 183 | 200 | 1,055 | 427 | 628 |
| Purchased Power - Related Parties | 20 | 18 | 2 | 59 | 55 | 4 |
| Cost of Gas Sold | 113 | 125 | (12) | 1,309 | 1,164 | 145 |
| Other | 201 | 226 | (25) | 619 | 661 | (42) |
| | 839 | 793 | 46 | 3,340 | 3,090 | 250 |
| Maintenance | 41 | 64 | (23) | 143 | 214 | (71) |
| Depreciation and Amortization | 117 | 119 | (2) | 390 | 387 | 3 |
| General Taxes | 51 | (24) | 75 | 166 | 97 | 69 |
| Total Operating Expenses | 1,048 | 952 | 96 | 4,039 | 3,788 | 251 |
| Operating Income (Loss) | | | | | | |
| Electric | 130 | 170 | (40) | 322 | 331 | (9) |
| Gas | (6) | (17) | 11 | 115 | 65 | 50 |
| Other | - | 86 | (86) | (2) | (72) | 70 |
| Total Operating Income | 124 | 239 | (115) | 435 | 324 | 111 |
| Other Income (Deductions) | | | | | | |
| Interest and Dividends | 24 | 18 | 6 | 55 | 44 | 11 |
| Regulatory Return on Capital Expenditures | 9 | 8 | 1 | 24 | 18 | 6 |
| Other Income | 5 | 3 | 2 | 21 | 17 | 4 |
| Other Expense | (1) | (1) | - | (4) | (5) | 1 |
| Total Other Income | 37 | 28 | 9 | 96 | 74 | 22 |
| Interest Charges | | | | | | |
| Interest on Long-Term Debt | 59 | 70 | (11) | 177 | 216 | (39) |
| Interest on Long-Term Debt - Related Parties | - | - | - | 2 | 1 | 1 |
| Other Interest | 10 | 4 | 6 | 25 | 12 | 13 |
| Capitalized Interest | (1) | (2) | 1 | (5) | (7) | 2 |
| Total Interest Charges | 68 | 72 | (4) | 199 | 222 | (23) |
| Income Before Income Taxes and Minority Interests (Obligations), Net | 93 | 195 | (102) | 332 | 176 | 156 |
| Income Taxes | 33 | 56 | (23) | 115 | 66 | 49 |
| Minority Interests (Obligations), Net | - | 40 | (40) | - | (35) | 35 |
| Net Income | 60 | 99 | (39) | 217 | 145 | 72 |
| Preferred Stock Dividends | - | - | - | 1 | 1 | - |
| Net Income (Loss) Available to Common Stockholder | | | | | | |
| Electric | 67 | 93 | (26) | 158 | 159 | (1) |
| Gas | (8) | (20) | 12 | 53 | 14 | 39 |
| Other | 1 | 26 | (25) | 5 | (29) | 34 |
| | \$ 60 | \$ 99 | \$ (39) | \$ 216 | \$ 144 | \$ 72 |

CONSUMERS ENERGY COMPANY
Electric and Gas Statistics
September 30

| | Three Months Ended | | | Nine Months Ended | | |
|-----------------------------------|--------------------|--------|----------|-------------------|---------|----------|
| | 2007 | 2006 | % Change | 2007 | 2006 | % Change |
| Electric Deliveries | | | | | | |
| kWh (Mil) | | | | | | |
| Residential | 3,689 | 3,643 | 1.3 | 10,111 | 9,803 | 3.1 |
| Commercial | 3,383 | 3,391 | (0.2) | 9,440 | 9,199 | 2.6 |
| Industrial | 2,828 | 2,895 | (2.3) | 8,398 | 8,371 | 0.3 |
| Other | 52 | 52 | - | 164 | 161 | 1.9 |
| Total System Deliveries | 9,952 | 9,981 | (0.3) | 28,113 | 27,534 | 2.1 |
| Wholesale | 132 | 136 | (2.9) | 373 | 377 | (1.1) |
| Retail Open Access | 374 | 371 | 0.8 | 987 | 1,106 | (10.8) |
| Subtotal | 10,458 | 10,488 | (0.3) | 29,473 | 29,017 | 1.6 |
| Intersystem | 320 | 305 | 4.9 | 891 | 633 | 40.8 |
| Total | 10,778 | 10,793 | (0.1) | 30,364 | 29,650 | 2.4 |
| Gas Delivered to Customers | | | | | | |
| (Mcf 000) | | | | | | |
| Residential | 10,307 | 9,977 | 3.3 | 113,347 | 101,218 | 12.0 |
| Commercial | 3,401 | 3,383 | 0.5 | 37,922 | 33,675 | 12.6 |
| Industrial | 798 | 1,079 | (26.0) | 8,149 | 8,063 | 1.1 |
| Other | 134 | 187 | (28.3) | 503 | 356 | 41.3 |
| Subtotal | 14,640 | 14,626 | 0.1 | 159,921 | 143,312 | 11.6 |
| Transportation | 10,185 | 10,477 | (2.8) | 47,521 | 46,145 | 3.0 |
| Subtotal | 24,825 | 25,103 | (1.1) | 207,442 | 189,457 | 9.5 |
| Transported to MCV | 7,128 | 5,329 | 33.8 | 21,466 | 13,938 | 54.0 |
| Total | 31,953 | 30,432 | 5.0 | 228,908 | 203,395 | 12.5 |
| Off-System Transportation | 3,083 | 2,064 | 49.4 | 9,273 | 5,082 | 82.5 |
| Total | 35,036 | 32,496 | 7.8 | 238,181 | 208,477 | 14.2 |

(In Millions of Dollars)

| | Three Months Ended | | | Nine Months Ended | | |
|-----------------------------------|--------------------|--------|----------|-------------------|----------|----------|
| | 2007 | 2006 | % Change | 2007 | 2006 | % Change |
| Electric Revenue | | | | | | |
| Residential | \$ 395 | \$ 393 | 0.5 | \$ 1,038 | \$ 977 | 6.2 |
| Commercial | 307 | 309 | (0.6) | 857 | 801 | 7.0 |
| Industrial | 204 | 214 | (4.7) | 596 | 574 | 3.8 |
| Other | 9 | 7 | 28.6 | 24 | 21 | 14.3 |
| Total Sales to Ultimate Customers | 915 | 923 | (0.9) | 2,515 | 2,373 | 6.0 |
| Other Electric Revenue | 13 | 22 | (40.9) | 53 | 62 | (14.5) |
| Wholesale | 6 | 7 | (14.3) | 17 | 17 | - |
| Intersystem Revenue | 25 | 20 | 25.0 | 67 | 31 | 116.1 |
| Retail Open Access | 4 | 4 | - | 11 | 13 | (15.4) |
| Total Electric Utility Revenue | \$ 963 | \$ 976 | (1.3) | \$ 2,663 | \$ 2,496 | 6.7 |
| Gas Revenue | | | | | | |
| Residential | \$ 137 | \$ 130 | 5.4 | \$ 1,244 | \$ 1,084 | 14.8 |
| Commercial | 36 | 36 | - | 385 | 329 | 17.0 |
| Industrial | 8 | 10 | (20.0) | 79 | 76 | 3.9 |
| Other | 1 | 2 | 100.0 | 4 | 3 | 33.3 |
| Total Sales Revenue | 182 | 178 | 2.2 | 1,712 | 1,492 | 14.7 |
| Transportation Fees | 7 | 7 | - | 32 | 29 | 10.3 |
| Miscellaneous Revenue | 20 | 16 | 25.0 | 67 | 55 | 21.8 |
| Total Gas Utility Revenue | \$ 209 | \$ 201 | 4.0 | \$ 1,811 | \$ 1,576 | 14.9 |

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.