

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		June YTD
	2006		
	1Q	2Q	
Reported net income (loss) - GAAP	(\$27)	\$72	\$45
After-tax items:			
Electric and gas utility other	-	-	-
Enterprises other	-	-	-
Corporate interest and other	2	(15)	(13)
Discontinued operations	(9)	(12)	(21)
Asset impairment charges	-	-	-
Adjusted income (loss), including MTM of \$(74), \$(21), and \$(95)	(\$34)	\$45	\$11
Average shares outstanding, basic	219.1	219.6	219.3
Average shares outstanding, diluted	219.1	229.6	230.3
Reported earnings (loss) per share - GAAP	(\$0.12)	\$0.31	\$0.20
After-tax items			
Electric and gas utility other	-	-	-
Enterprises other	-	-	-
Corporate interest and other	0.01	(0.07)	(0.06)
Discontinued operations	(0.04)	(0.05)	(0.09)
Asset impairment charges	-	-	-
Adjusted earnings (loss) per share, including MTM of \$(0.34), \$(0.10), and \$(0.41)	(\$0.15)	\$0.19	\$0.05

<i>(In millions, except per share amounts)</i>	Unaudited		June YTD
	2007		
	1Q	2Q	
Reported net income (loss) - GAAP	(\$215)	\$33	(\$182)
After-tax items:			
Electric and gas utility other	4	-	4
Enterprises other	49	19	68
Corporate interest and other	(81)	32	(49)
Discontinued operations	178	(91)	87
Asset impairment charges	157	25	182
Adjusted income, including MTM of \$1, \$3 and \$4	\$92	\$18	\$110
Average shares outstanding, basic	221.5	222.6	222.1
Average shares outstanding, diluted	221.5	222.6	222.1
Reported earnings (loss) per share - GAAP	(\$0.97)	\$0.15	(\$0.82)
After-tax items			
Electric and gas utility other	0.01	-	0.02
Enterprises other	0.23	0.08	0.31
Corporate interest and other	(0.36)	0.15	(0.22)
Discontinued operations	0.80	(0.41)	0.39
Asset impairment charges	0.71	0.11	0.82
Adjusted earnings per share, including MTM of \$0.01, \$0.01, and \$0.02	\$0.42	\$0.08	\$0.50

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