



To: Investment Community

From: CMS Energy Investor Relations

Date: August 2, 2007

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<http://www.cmsenergy.com>

**Subject: CMS Energy Conference Call and Webcast
2007 Second Quarter Results and Outlook**

CMS Energy will hold a conference call and webcast to discuss its 2007 second quarter results and outlook on Thursday, August 2, 2007 at 9:00 AM ET.

Conference Call - To participate in the conference call, please phone 617-597-5329, Passcode 97562463, five to ten minutes prior to the scheduled start time.

Rebroadcast - The conference call will be available on a rebroadcast basis from 11:00 AM ET on Thursday, August 2nd through midnight on Thursday, August 9th. To access the post view, dial 617-801-6888, Passcode 30759296.

Webcast - To participate in the Webcast, go to CMS Energy's home page (<http://www.cmsenergy.com>) and select "2007 Second Quarter Results and Outlook."

CMS ENERGY ANNOUNCES SECOND QUARTER NET INCOME OF \$33 MILLION, OR \$0.15 PER SHARE, AND AFFIRMS ADJUSTED EARNINGS GUIDANCE

JACKSON, Mich., Aug. 1, 2007 – CMS Energy announced today net income of \$33 million, or \$0.15 per share, for the second quarter of 2007 compared to net income of \$72 million, or \$0.31 per share, in the same quarter of 2006.

The company's adjusted (non-Generally Accepted Accounting Principles) second quarter net income, which excludes net earnings or losses primarily associated with businesses sold, was \$18 million, or \$0.08 per share, compared to net income of \$45 million, or \$0.19 per share, for the second quarter of 2006. The lower quarterly earnings reflect the fact that certain tax benefits that occurred in 2006 did not repeat in 2007.

For the first six months of 2007, CMS Energy had a reported net loss of \$182 million, or \$0.82 per share, compared to net income of \$45 million, or \$0.20 per share, for the first half of 2006. 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, including discontinued operations.

On an adjusted basis, the company had net income of \$110 million, or \$0.50 per share, for the first half of 2007, compared to net income of \$11 million, or \$0.05 per share for the first six months of 2006.

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 due to the expected effects of asset sales. CMS Energy isn't providing reported earnings guidance because of the uncertainties associated with those factors.

David Joos, CMS Energy's president and chief executive officer, said the company completed asset sales with about \$1.6 billion of gross proceeds during the second quarter, and it continues to implement its strategy of selling non-strategic businesses and focusing on its Michigan utility, Consumers Energy.

"We continue to have excellent operational performance at Consumers Energy and our remaining non-utility businesses. We closed this week on the last major asset sale in our international portfolio and expect to complete our international sales plan by the end of the year. The proceeds from these sales have allowed us to achieve our capital structure goal at the utility and improvements in our credit ratings," Joos 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. 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 March 31, 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)

	Second Quarter (Unaudited)		First Half (Unaudited)	
	2007	2006	2007	2006
Operating Revenue	\$ 1,319	\$ 1,219	\$ 3,508	\$ 3,116
Earnings from Equity Method Investee	17	8	36	44
Operating Expenses	<u>1,315</u>	<u>1,158</u>	<u>3,559</u>	<u>3,112</u>
Operating Income (Loss)	\$ 21	\$ 69	\$ (15)	\$ 48
Other Income	18	40	53	53
Fixed Charges	<u>120</u>	<u>126</u>	<u>225</u>	<u>249</u>
Loss before Minority Interests	\$ (81)	\$ (17)	\$ (187)	\$ (148)
Minority Interests (Obligations)	<u>3</u>	<u>-</u>	<u>5</u>	<u>(71)</u>
Loss before Income Taxes	\$ (84)	\$ (17)	\$ (192)	\$ (77)
Income Tax Benefit	<u>(29)</u>	<u>(80)</u>	<u>(104)</u>	<u>(107)</u>
Income (Loss) from Continuing Operations	\$ (55)	\$ 63	\$ (88)	\$ 30
Income (Loss) from Discontinued Operations	<u>91</u>	<u>12</u>	<u>(87)</u>	<u>21</u>
Net Income (Loss)	\$ 36	\$ 75	\$ (175)	\$ 51
Preferred Dividends	3	3	6	6
Redemption Premium on Preferred Stock	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
Net Income (Loss) Available to Common Stockholders	<u>\$ 33</u>	<u>\$ 72</u>	<u>\$ (182)</u>	<u>\$ 45</u>
Income (Loss) Per Share				
Basic	\$ 0.15	\$ 0.33	\$ (0.82)	\$ 0.21
Diluted	0.15	0.31	(0.82)	0.20

CMS Energy Corporation
SUMMARIZED CONSOLIDATED BALANCE SHEETS
(In Millions)

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	<u>June 30</u> <u>2007</u>	<u>December 31</u> <u>2006</u>
	(Unaudited)	
Assets		
Cash and cash equivalents	\$ 1,891	\$ 249
Restricted cash	53	71
Other current assets	2,227	2,823
Total current assets	<u>\$ 4,171</u>	<u>\$ 3,143</u>
Net plant and property	7,820	7,708
Investments	26	566
Non-current assets	2,673	3,954
Total assets	<u><u>\$ 14,690</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	267	275
Total debt and capital and finance leases	<u>\$ 6,478</u>	<u>\$ 6,645</u>
Preferred stock and securities	294	305
Minority interest	54	52
Common stockholders' equity	2,202	2,234
Total capitalization	<u>\$ 9,028</u>	<u>\$ 9,236</u>
Securitization debt	325	340
Current liabilities	1,487	1,591
Non-current liabilities	3,850	4,204
Total Stockholders' Investment and Liabilities	<u><u>\$ 14,690</u></u>	<u><u>\$ 15,371</u></u>

(*) Current and long-term

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

	<u>First Half</u> <u>(Unaudited)</u>	
	<u>2007</u>	<u>2006</u>
Beginning of Period Cash (**)	\$ 351	\$ 847
Cash provided by operating activities	\$ 401	\$ 496
Cash provided by (used in) investing activities	1,479	(250)
Cash flow from operating and investing activities	<u>\$ 1,880</u>	<u>\$ 246</u>
Cash used in financing activities	(342)	(243)
Currency Translation Adjustment	2	1
Total Cash Flow	<u><u>\$ 1,540</u></u>	<u><u>\$ 4</u></u>
End of Period Cash (**)	<u><u>\$ 1,891</u></u>	<u><u>\$ 851</u></u>

(**) Includes cash associated with discontinued operations.

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

	Second Quarter (Unaudited)		First Half (Unaudited)	
	2007	2006	2007	2006
Net Income (Loss) Available to Common Stockholders	\$ 33	\$ 72	\$ (182)	\$ 45
Reconciling Items:				
Discontinued Operations (Income) Loss	(91)	(12)	87	(21)
Asset Impairment Charges	25	-	182	-
Asset Sales (Gain) Losses and Other	<u>51</u>	<u>(15)</u>	<u>23</u>	<u>(13)</u>
Adjusted Net Income - Non-GAAP Basis, Including MTM of \$3, \$(21), \$4, and \$(95), respectively	<u>\$ 18</u>	<u>\$ 45</u>	<u>\$ 110</u>	<u>\$ 11</u>
Average Number of Common Shares Outstanding				
Basic	223	220	222	219
Diluted	223	230	222	230
Basic Earnings Per Average Common Share				
Income (Loss) Per Share as Reported	\$ 0.15	\$ 0.33	\$ (0.82)	\$ 0.21
Reconciling Items:				
Discontinued Operations (Income) Loss	(0.41)	(0.06)	0.39	(0.10)
Asset Impairment Charges	0.11	-	0.82	-
Asset Sales (Gains) Losses and Other	<u>0.23</u>	<u>(0.07)</u>	<u>0.11</u>	<u>(0.06)</u>
Adjusted Net Income - Non-GAAP Basis, Including MTM of \$0.01, \$(0.10), \$0.02, and \$(0.44), respectively	<u>\$ 0.08</u>	<u>\$ 0.20</u>	<u>\$ 0.50</u>	<u>\$ 0.05</u>
Diluted Earnings Per Average Common Share				
Income (Loss) Per Share as Reported	\$ 0.15	\$ 0.31	\$ (0.82)	\$ 0.20
Reconciling Items:				
Discontinued Operations (Income) Loss	(0.41)	(0.05)	0.39	(0.09)
Asset Impairment Charges	0.11	-	0.82	-
Asset Sales (Gains) Losses and Other	<u>0.23</u>	<u>(0.07)</u>	<u>0.11</u>	<u>(0.06)</u>
Adjusted Net Income - Non-GAAP Basis, Including MTM of \$0.01, \$(0.10), \$0.02, and \$(0.41), respectively	<u>\$ 0.08</u>	<u>\$ 0.19</u>	<u>\$ 0.50</u>	<u>\$ 0.05</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 June 30
(Unaudited - In Millions, Except Per Share Amounts)

	Three Months Ended			Six Months Ended		
	2007	2006	Var	2007	2006	Var
Operating Revenue						
Electric Utility	\$ 856	\$ 791	\$ 65	\$ 1,700	\$ 1,520	\$ 180
Gas Utility	391	334	57	1,602	1,375	227
Enterprises	68	91	(23)	198	215	(17)
Other	4	3	1	8	6	2
Total Operating Revenue	1,319	1,219	100	3,508	3,116	392
Earnings from Equity Method Investees	17	8	9	36	44	(8)
Operating Expenses						
Fuel for Electric Generation	98	181	(83)	196	363	(167)
Fuel Costs Mark-to-Market at the MCV Partnership	-	42	(42)	-	198	(198)
Purchased and Interchange Power	374	151	223	689	271	418
Cost of Gas Sold	347	297	50	1,392	1,243	149
Other Operation and Maintenance	282	311	(29)	598	635	(37)
Depreciation, Depletion and Amortization	121	121	-	281	278	3
General Taxes	55	55	-	123	124	(1)
Asset impairment charges	38	-	38	280	-	280
Total Operating Expenses	1,315	1,158	157	3,559	3,112	447
Operating Income (Loss)						
Electric Utility	88	79	9	192	161	31
Gas Utility	15	6	9	121	82	39
Enterprises	(62)	(45)	(17)	(305)	(217)	(88)
Other	(20)	29	(49)	(23)	22	(45)
Total Operating Income	21	69	(48)	(15)	48	(63)
Other Income (Deductions)						
Loss on Asset Sales, Net	(14)	-	(14)	(2)	-	(2)
Interest and Dividends	30	19	11	45	33	12
Regulatory Return on Capital Expenditures	7	7	-	15	10	5
Foreign Currency Gains, Net	1	2	(1)	1	2	(1)
Other Income	8	14	(6)	11	21	(10)
Other Expense	(14)	(2)	(12)	(17)	(13)	(4)
Total Other Income	18	40	(22)	53	53	0
Earnings Before Interest, Taxes and Other Charges	39	109	(70)	38	101	(63)
Interest	100	115	(15)	199	230	(31)
Interest - Related Parties	4	4	-	7	8	(1)
Other Interest	17	8	9	22	13	9
Capitalized Interest	(1)	(3)	2	(4)	(5)	1
Preferred Dividends of Subsidiaries	-	2	(2)	1	3	(2)
Income Tax Benefit	(29)	(80)	51	(104)	(107)	3
Minority Interests (Obligations), Net	3	-	3	5	(71)	76
Discontinued Operations Income (Loss)	91	12	79	(87)	21	(108)
Net Income/(Loss)	\$ 36	\$ 75	\$ (39)	\$ (175)	\$ 51	\$ (226)
Preferred Dividends	3	3	-	6	6	-
Redemption Premium on Preferred Stock	-	-	-	1	-	1
Net Income/(Loss) - Reported	\$ 33	\$ 72	\$ (39)	\$ (182)	\$ 45	\$ (227)
Discontinued Operations (Income) Loss	(91)	(12)	(79)	87	(21)	108
Net Asset Sales (Gain) Loss and Other	76	(15)	91	205	(13)	218
Net Income - Adjusted including MTM	\$ 18	\$ 45	\$ (27)	\$ 110	\$ 11	\$ 99
Mark-to-Market Gain (Loss)	3	(21)	24	4	(95)	99
Net Income - Adjusted excluding MTM	\$ 15	\$ 66	\$ (51)	\$ 106	\$ 106	\$ -
Net Income/(Loss) Reported - Diluted	\$ 33	\$ 72	\$ (39)	\$ (182)	\$ 45	\$ (227)
Average Common Shares Outstanding - Diluted	222.6	229.6	(7.0)	222.1	230.3	(8.2)
Average Common Shares Outstanding - Basic	222.6	219.6	3.0	222.1	219.3	2.8
Diluted EPS - Reported	\$ 0.15	\$ 0.31	\$ (0.16)	\$ (0.82)	\$ 0.20	\$ (1.02)
Discontinued Operations (Income) Loss	(0.41)	(0.05)	(0.36)	0.39	(0.09)	0.48
Net Asset Sales (Gain) Loss and Other	0.34	(0.07)	0.41	0.93	(0.06)	0.99
Diluted EPS - Adjusted including MTM	\$ 0.08	\$ 0.19	\$ (0.11)	\$ 0.50	\$ 0.05	\$ 0.45
Mark-to-market Gain (Loss)	0.01	(0.10)	0.11	0.02	(0.41)	0.43
Diluted EPS - Adjusted, excluding MTM	\$ 0.07	\$ 0.29	\$ (0.22)	\$ 0.48	\$ 0.46	\$ 0.02

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

Three Months Ended June 30			
Adjusted (Non-GAAP) EPS:			
	<u>2Q07</u>	<u>2Q06</u>	<u>Var</u>
Electric Utility	\$0.18	\$0.16	\$0.02
Gas Utility	0.02	(0.01)	0.03
Enterprises*	(0.01)	0.03	(0.04)
Corporate Interest and Other*	(0.12)	0.11	(0.23)
M-T-M Impacts	0.01	(0.10)	0.11
EPS	<u>\$0.08</u>	<u>\$0.19</u>	<u>(\$0.11)</u>
Variance Explanations			
Electric Utility**			
- Higher system deliveries to bundled customers up 276 Gwh to 9,533 Gwh, primarily due to warmer weather;		\$0.04	
- Absence of 2006 Palisades refueling outage, partially offset by impacts of plant sale to Entergy;		0.01	
- Higher operating expenses and other;		(0.04)	
- Change in shares outstanding.		0.01	
		<u>\$0.02</u>	
Gas Utility**			
- Deliveries to bundled and transportation end-use customers up 4.1 Bcf to 45.4 Bcf, primarily due to cooler weather;		\$0.01	
- Gas rate increase;		0.03	
- Higher operating expenses and other.		(0.01)	
		<u>\$0.03</u>	
Enterprises			
- Absence of earnings from MCV Partnership;		(\$0.04)	
- Absence of earnings from assets sold to TAQA;		(0.03)	
- Tax adjustments.		0.03	
		<u>(\$0.04)</u>	
* 2Q06 reflects reclassification of discontinued operations.			
Corporate Interest and Other			
- Tax adjustments, primarily absence of 2006 tax benefits;			(\$0.23)
- Higher interest income and other;			0.01
- Change in shares outstanding.			(0.01)
			<u>(\$0.23)</u>
**Utility Weather Impacts:			
Electric:			
- Percent warmer (colder) than normal using 15-year average temperatures	<u>2Q07</u>	<u>2Q06</u>	
	2.6	2.8	
- Increase (decrease) from normal in: Electric sales (Gwh)	288	(32)	
Earnings per share	\$0.04	NM	
Gas:			
- Percent (warmer) colder than normal using 15-year average temperatures	<u>2Q07</u>	<u>2Q06</u>	
	(2.6)	(2.8)	
- Increase (decrease) from normal in: Gas sales (Bcf)	(1.6)	(7.3)	
Earnings per share	(\$0.01)	(\$0.03)	
Total EPS weather impacts:	<u>\$0.03</u>	<u>(\$0.03)</u>	

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

Six Months Ended June 30			
<u>Adjusted (Non-GAAP) EPS:</u>			
	<u>YTD07</u>	<u>YTD06</u>	<u>Var</u>
Electric Utility	\$0.42	\$0.29	\$0.13
Gas Utility	0.28	0.15	0.13
Enterprises*	0.02	0.07	(0.05)
Corporate Interest and Other*	(0.24)	(0.05)	(0.19)
M-T-M Impacts	<u>0.02</u>	<u>(0.41)</u>	<u>0.43</u>
EPS	<u><u>\$0.50</u></u>	<u><u>\$0.05</u></u>	<u><u>\$0.45</u></u>
Variance Explanations			
Electric Utility**			
- System deliveries to bundled customers up 486 Gwh to 19,015 Gwh, primarily due to warmer weather and favorable customer mix;			\$0.09
- Absence of 2006 Palisades refueling outage, partially offset by impacts of plant sale to Entergy;			0.02
- Lower operating expenses and other;			0.01
- Change in shares outstanding.			<u>0.01</u>
			<u><u>\$0.13</u></u>
Gas Utility**			
- Deliveries including transportation end-use customers up 18.3 Bcf to 182.6 Bcf; primarily due to cooler weather;			\$0.07
- Gas rate increase;			0.13
- Higher operating expenses and other;			(0.08)
- Change in shares outstanding.			<u>0.01</u>
			<u><u>\$0.13</u></u>
Enterprises			
- Absence of earnings from MCV Partnership;			(\$0.04)
- Absence of earnings from assets sold to TAQA;			(0.04)
- Tax adjustments.			<u>0.03</u>
			<u><u>(\$0.05)</u></u>
Corporate Interest and Other			
- Tax adjustments, primarily absence of 2006 tax benefits;			(\$0.23)
- Absence of 2006 early debt retirement premium, higher interest income and other.			<u>0.04</u>
			<u><u>(\$0.19)</u></u>
**Utility Weather Impacts:			
Electric:	<u>YTD07</u>	<u>YTD06</u>	
- Percent warmer (colder) than normal using 15-year average temperatures	1.6	6.5	
- Increase (decrease) from average in: Electric sales (Gwh)	289	(171)	
Earnings per share	\$0.04	(\$0.02)	
Gas:	<u>YTD07</u>	<u>YTD06</u>	
- Percent (warmer) colder than normal using 15-year average temperatures	(1.6)	(6.5)	
- Increase (decrease) from normal in: Gas sales (Bcf)	(2.8)	(22.3)	
Earnings per share	(\$0.01)	(\$0.09)	
Total EPS Weather Impacts:	\$0.03	(\$0.11)	
* YTD06 reflects reclassification of discontinued operations.			

CMS ENERGY
Earnings Segment Results and Reconciliations
For Periods Ended June 30
(Unaudited)

	<i>Three Months</i>		<i>Six Months</i>	
	EPS		EPS	
	2007	2006	2007	2006
<u>Electric Utility</u>				
Reported	\$ 0.18	\$ 0.16	\$ 0.41	\$ 0.29
Asset Sales Loss and Other, net	-	-	0.01	-
Adjusted	<u>\$ 0.18</u>	<u>\$ 0.16</u>	<u>\$ 0.42</u>	<u>\$ 0.29</u>
<u>Gas Utility</u>				
Reported	\$ 0.02	\$ (0.01)	\$ 0.27	\$ 0.15
Asset Sales Loss and Other, net	-	-	0.01	-
Adjusted	<u>\$ 0.02</u>	<u>\$ (0.01)</u>	<u>\$ 0.28</u>	<u>\$ 0.15</u>
<u>Enterprises</u>				
Reported	\$ (0.15)	\$ (0.07)	\$ (1.04)	\$ (0.35)
Asset Sales Loss and Other, net	0.08	-	0.31	0.01
Asset Impairment Charges, net	0.07	-	0.77	-
MTM (Gain) Loss	(0.01)	0.10	(0.02)	0.41
Adjusted	<u>\$ (0.01)</u>	<u>\$ 0.03</u>	<u>\$ 0.02</u>	<u>\$ 0.07</u>
<u>Corporate Interest and Other</u>				
Reported	\$ (0.31)	\$ 0.18	\$ (0.07)	\$ 0.02
Asset Sales (Gain) Loss and Other, net	0.15	(0.07)	(0.22)	(0.07)
Asset Impairment Charges, net	0.04	\$ -	0.05	-
Adjusted	<u>\$ (0.12)</u>	<u>\$ 0.11</u>	<u>\$ (0.24)</u>	<u>\$ (0.05)</u>
<u>MTM Impacts</u>				
Adjusted	<u>\$ 0.01</u>	<u>\$ (0.10)</u>	<u>\$ 0.02</u>	<u>\$ (0.41)</u>
<u>Discontinued Operations</u>				
Reported	\$ 0.41	\$ 0.05	\$ (0.39)	\$ 0.09
Discontinued Operations (Gain) Loss	(0.41)	(0.05)	0.39	(0.09)
Adjusted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Totals</u>				
Reported	\$ 0.15	\$ 0.31	\$ (0.82)	\$ 0.20
Discontinued Operations (Gain) Loss	(0.41)	(0.05)	0.39	(0.09)
Asset Sales (Gain) Loss and Other, net	0.23	(0.07)	0.11	(0.06)
Asset Impairment Charges, net	0.11	-	0.82	-
Adjusted	<u>\$ 0.08</u>	<u>\$ 0.19</u>	<u>\$ 0.50</u>	<u>\$ 0.05</u>

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

	Twelve Months Ended		
	06/30/07	12/31/06	06/30/06
EBIT ^{(1) Non-GAAP}			
Consolidated	\$ 756	\$ 447	\$ 450
Consumers Energy	763	524	448
Depreciation/Amortization ^{Non-GAAP}			
Consolidated	\$ 553	\$ 550	\$ 513
Consumers Energy	532	527	496
EBITDA ^{Non-GAAP}			
Consolidated	\$ 1,309	\$ 997	\$ 963
Consumers Energy	1,295	1,051	944
MTM Impacts in EBIT & EBITDA Gain/(Loss)			
Consolidated	\$ (70)	\$ (270)	\$ (136)
Consumers Energy	(6)	(204)	(168)
Dividends and Other Distributions To Parent	\$ 242	\$ 147	\$ 447
Interest Expense, Net			
Consolidated	\$ 461	\$ 485	\$ 448
Parent Only	171	170	164
Consumers Energy	266	287	266
	As of		
	06/30/07	12/31/06	06/30/06
Book Value Per Share	\$ 9.81	\$ 10.03	\$ 10.79
Shares Outstanding - End of Period	224.6	222.8	221.5
Debt			
Parent Only			
Debt ⁽²⁾	\$ 2,005	\$ 2,264	\$ 2,263
Debt - Related Parties (FIN 46)	178	178	178
Enterprises ⁽²⁾			
Debt	129	233	231
Debt (FIN 46)	89	97	101
Consumers Energy			
Debt ⁽²⁾ (excluding securitization bonds)	4,077	3,873	3,871
Debt - MCV (FIN 46)	-	-	488
Consolidated (excluding securitization bonds)	6,478	6,645	7,132
Securitization Bonds	325	340	355
Consolidated	\$ 6,803	\$ 6,985	\$ 7,487
Unrestricted Cash & Cash Equivalents			
Consumers Energy	\$ 1,332	\$ 37	\$ 191
CMS/Enterprises	534	188	272
MCV/FIN 46	25	24	295
Consolidated	\$ 1,891	\$ 249	\$ 758
Consumers Energy Common Equity			
Financial	\$ 3,623	\$ 2,778	\$ 2,964
Rate Base			
Electric	\$ 5,223 P	\$ 5,088	\$ 5,065
Gas	2,377 P	2,446	2,336
Return on Average Common Equity-Ratemaking			
Electric	12.5% P	12.8%	9.8%
Gas	8.3 P	5.1	3.0
Return on Rate Base			
Electric	7.7% P	7.4%	6.2%
Gas	6.1 P	4.7	4.0

⁽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.

P=Preliminary

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

	Three Months Ended			Six Months Ended		
	2007	2006	Var	2007	2006	Var
Operating Revenue						
Electric	\$ 856	\$ 791	\$ 65	\$ 1,700	\$ 1,520	\$ 180
Gas	391	334	57	1,602	1,375	227
Other	-	13	(13)	-	25	(25)
Total Operating Revenue	1,247	1,138	109	3,302	2,920	382
Earnings from Equity Method Investees	-	1	(1)	-	1	(1)
Operating Expenses						
Operation						
Fuel for Electric Generation	88	172	(84)	176	344	(168)
Fuel Costs Mark-to-Market at the MCV Partnership	-	42	(42)	-	198	(198)
Purchased and Interchange Power	365	134	231	672	244	428
Purchased Power - Related Parties	20	19	1	39	37	2
Cost of Gas Sold	261	223	38	1,196	1,039	157
Other	198	220	(22)	418	435	(17)
	932	810	122	2,501	2,297	204
Maintenance	45	79	(34)	102	150	(48)
Depreciation and Amortization	117	116	1	273	268	5
General Taxes	51	56	(5)	115	121	(6)
Total Operating Expenses	1,145	1,061	84	2,991	2,836	155
Operating Income (Loss)						
Electric	88	79	9	192	161	31
Gas	15	6	9	121	82	39
Other	(1)	(7)	6	(2)	(158)	156
Total Operating Income	102	78	24	311	85	226
Other Income (Deductions)						
Interest and Dividends	20	16	4	31	26	5
Regulatory Return on Capital Expenditures	7	7	-	15	10	5
Other Income	9	10	(1)	16	14	2
Other Expense	-	(1)	1	(3)	(4)	1
Total Other Income	36	32	4	59	46	13
Interest Charges						
Interest on Long-Term Debt	59	74	(15)	118	146	(28)
Interest on Long-Term Debt - Related Parties	-	-	-	2	1	1
Other Interest	14	5	9	15	8	7
Capitalized Interest	(1)	(3)	2	(4)	(5)	1
Total Interest Charges	72	76	(4)	131	150	(19)
Income (Loss) Before Income Taxes and Minority Interests	66	34	32	239	(19)	258
Income Taxes	22	1	21	82	10	72
Minority Obligations, Net	-	(3)	3	-	(75)	75
Net Income	44	36	8	157	46	111
Preferred Stock Dividends	-	1	(1)	1	1	-
Net Income (Loss) Available to Common Stockholder						
Electric	40	37	3	91	66	25
Gas	4	(3)	7	61	34	27
Other	-	1	(1)	4	(55)	59
	\$ 44	\$ 35	\$ 9	\$ 156	\$ 45	\$ 111

CONSUMERS ENERGY COMPANY
Electric and Gas Statistics
June 30

	Three Months Ended			Six Months Ended		
	2007	2006	% Change	2007	2006	% Change
Electric Deliveries						
kWh (Mil)						
Residential	2,983	2,890	3.2	6,422	6,160	4.3
Commercial	3,123	3,018	3.5	6,057	5,808	4.3
Industrial	2,930	2,825	3.7	5,570	5,476	1.7
Other	48	45	6.7	112	109	2.8
Total System Deliveries	<u>9,084</u>	<u>8,778</u>	3.5	<u>18,161</u>	<u>17,553</u>	3.5
Wholesale	123	132	(6.8)	241	241	-
Retail Open Access	326	347	(6.1)	613	735	(16.6)
Subtotal	<u>9,533</u>	<u>9,257</u>	3.0	<u>19,015</u>	<u>18,529</u>	2.6
Intersystem	291	228	27.6	571	328	74.1
Total	<u><u>9,824</u></u>	<u><u>9,485</u></u>	3.6	<u><u>19,586</u></u>	<u><u>18,857</u></u>	3.9
Gas Delivered to Customers						
(Mcf 000)						
Residential	22,880	20,528	11.5	103,040	91,241	12.9
Commercial	7,521	6,298	19.4	34,521	30,292	14.0
Industrial	1,576	1,592	(1.0)	7,351	6,984	5.3
Other	141	69	104.3	369	169	118.3
Subtotal	<u>32,118</u>	<u>28,487</u>	12.7	<u>145,281</u>	<u>128,686</u>	12.9
Transportation	13,243	12,771	3.7	37,336	35,668	4.7
Subtotal	<u>45,361</u>	<u>41,258</u>	9.9	<u>182,617</u>	<u>164,354</u>	11.1
Transported to MCV	6,508	4,390	48.2	14,338	8,609	66.5
Total	<u>51,869</u>	<u>45,648</u>	13.6	<u>196,955</u>	<u>172,963</u>	13.9
Off-System Transportation	2,770	1,040	166.3	6,090	3,018	101.8
Total	<u><u>54,639</u></u>	<u><u>46,688</u></u>	17.0	<u><u>203,045</u></u>	<u><u>175,981</u></u>	15.4

(In Millions of Dollars)

	Three Months Ended			Six Months Ended		
	2007	2006	% Change	2007	2006	% Change
Electric Revenue						
Residential	\$ 307	\$ 285	7.7	\$ 643	\$ 584	10.1
Commercial	289	265	9.1	550	492	11.8
Industrial	206	195	5.6	392	360	8.9
Other	7	7	-	15	14	7.1
Total Sales to Ultimate Customers	<u>809</u>	<u>752</u>	7.6	<u>1,600</u>	<u>1,450</u>	10.3
Other Electric Revenue	19	21	(9.5)	40	40	-
Wholesale	6	6	-	11	10	10.0
Intersystem Revenue	18	8	125.0	42	11	281.8
Retail Open Access	4	4	-	7	9	(22.2)
Total Electric Utility Revenue	<u><u>\$ 856</u></u>	<u><u>\$ 791</u></u>	8.2	<u><u>\$ 1,700</u></u>	<u><u>\$ 1,520</u></u>	11.8
Gas Revenue						
Residential	\$ 265	\$ 230	15.2	\$ 1,107	\$ 954	16.0
Commercial	78	62	25.8	349	293	19.1
Industrial	15	15	-	71	66	7.6
Other	1	-	100.0	3	1	200.0
Total Sales Revenue	<u>359</u>	<u>307</u>	16.9	<u>1,530</u>	<u>1,314</u>	16.4
Transportation Fees	9	8	12.5	25	22	13.6
Miscellaneous Revenue	23	19	21.1	47	39	20.5
Total Gas Utility Revenue	<u><u>\$ 391</u></u>	<u><u>\$ 334</u></u>	17.1	<u><u>\$ 1,602</u></u>	<u><u>\$ 1,375</u></u>	16.5

Please note that this was created as of the date listed, and reflects management views as of those dates. This information also contains forward-looking statements. The statements include CMS Energy's assumptions, projections, expectations, intentions or beliefs about future events that involve risk and uncertainty. CMS Energy cautions that these statements may and often do vary from actual results and the differences between these statements and actual results can be material. Accordingly, CMS Energy cannot assure you that actual results will not differ materially from those expressed or implied by the forward-looking statements. Such risks and uncertainties include, but not limited to, the factors noted in CMS Energy's filings with the Securities and Exchange Commission, which includes CMS Energy's filings with the Securities and Exchange Commission, which includes the most recently filed Form 10-Q or Form 10-K. CMS Energy disclaims any obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

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.