

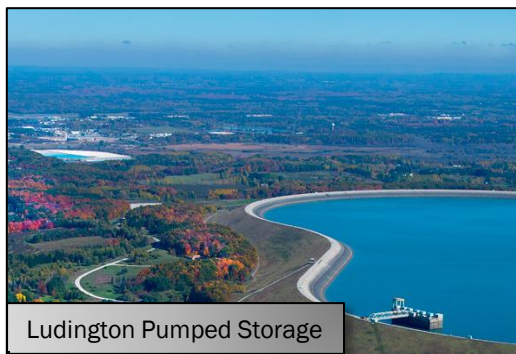
Investor Meetings

September 7 – 9, 2016



Jackson Generating Station

Among lowest acquisition cost ever



Ludington Pumped Storage

Fourth largest in the world



Cross Winds[®] Energy Park

#2 in renewable sales in the Great Lakes area

This presentation is made as of the date hereof and contains “forward-looking statements” as defined in Rule 3b-6 of the Securities Exchange Act of 1934, Rule 175 of the Securities Act of 1933, and relevant legal decisions. The forward-looking statements are subject to risks and uncertainties. All forward-looking statements should be considered in the context of the risk and other factors detailed from time to time in CMS Energy’s and Consumers Energy’s Securities and Exchange Commission filings. Forward-looking statements should be read in conjunction with “FORWARD-LOOKING STATEMENTS AND INFORMATION” and “RISK FACTORS” sections of CMS Energy’s and Consumers Energy’s Form 10-K for the year ended December 31, 2015 and as updated in subsequent 10-Qs. 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 and Consumers Energy undertake no obligation to update any of the information presented herein to reflect facts, events or circumstances after the date hereof.

The presentation also includes non-GAAP measures when describing CMS Energy’s results of operations and financial performance. A reconciliation of each of these measures to the most directly comparable GAAP measure is included in the appendix and posted on our website at www.cmsenergy.com.

CMS Energy provides historical financial results on both a reported (GAAP) and adjusted (non-GAAP) basis and provides forward-looking guidance on an adjusted basis. Adjustments could include items such as, discontinued operations, asset sales, impairments, restructuring costs, regulatory items from prior years, or other items. Management views adjusted earnings as a key measure of the company’s present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the company uses adjusted earnings to measure and assess performance. Because the company is not able to estimate the impact of specific line items, which have the potential to significantly impact, favorably or unfavorably, the company’s reported earnings in future periods, the company is not providing reported earnings guidance nor is it providing a reconciliation for the comparable future period earnings. The adjusted earnings should be considered supplemental information to assist in fully understanding our business results, rather than as a substitute for the reported earnings. References to earnings guidance refer to such guidance as provided by the company on July 28, 2016.

Investors and others should note that CMS Energy routinely posts important information on its website and considers the Investor Relations section, www.cmsenergy.com/investor-relations, a channel of distribution.

A. Good position to meet high-end guidance



Consistent & predictable

B. Appointment of Commissioner Eubanks



Constructive regulation

C. Routine and regular rate cases



Recover investment

D. Reduce coal capacity to <25%



Transition to cleaner fuels

E. Launched Consumers Energy Way



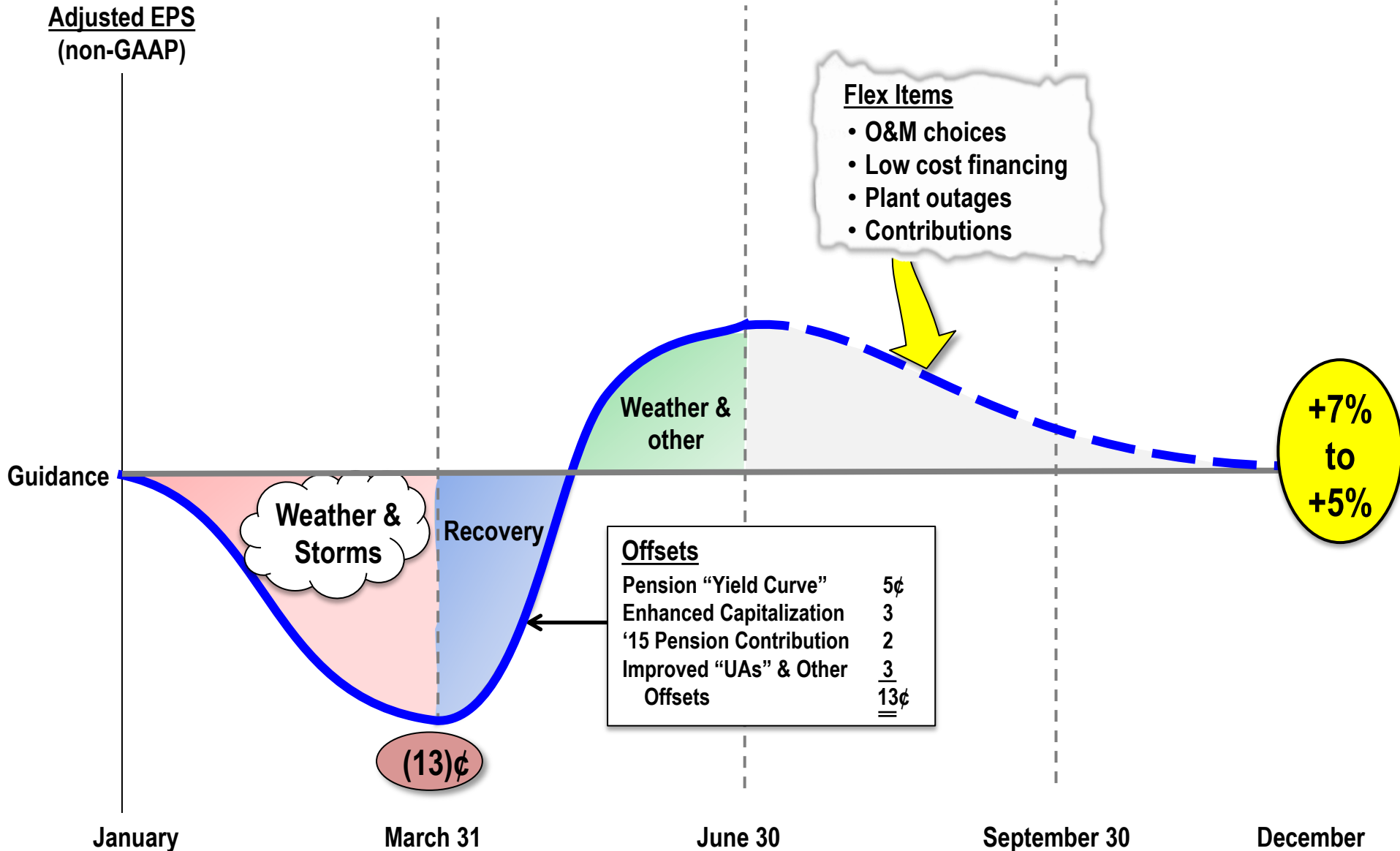
Continuous improvement

.... great progress.

2016 EPS Outlook....

CMS ENERGY

Adjusted EPS
(non-GAAP)

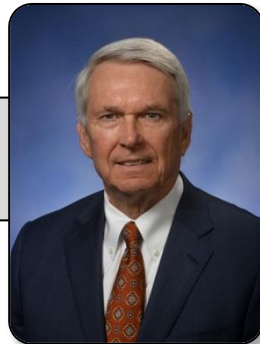


.... consistent and predictable.

Commission



Sally Talberg (I)
Chairman
Term Ends: July 2, 2019



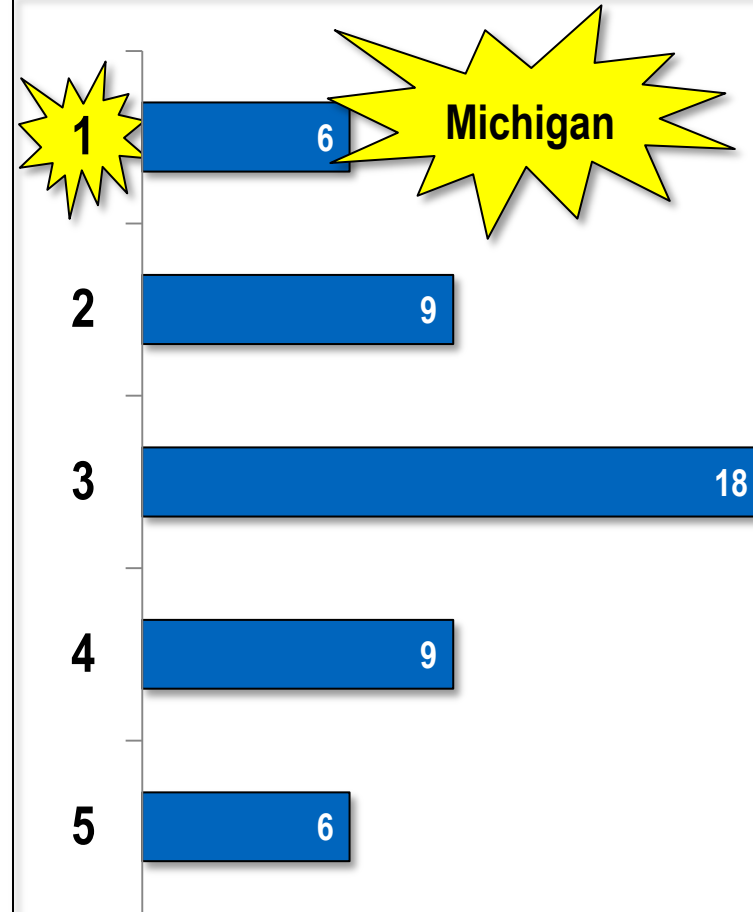
Norm Saari (R)
Term Ends: July 2, 2021



Rachael Eubanks (I)
Term Ends: July 2, 2017

Newly appointed!

Tier 1 State Ranking



Barclays Research, 2016 state rankings

.... constructive regulation.

Routine and Regular Rate Cases....

CMS ENERGY

Gas Rate Cases

Year	Step	Amount (mils)	Capex
2012	Settled	\$16	188%
2013	Stay-out ✓		
2014	Stay-out ✓		
2015	Settled	45	200
2016	Settled	40	158
2017	Filed 8/1 (2017 test year)	90	93

Electric Rate Cases

Step	Amount (mils)	Capex
Order	\$118	110%
Settled	89	127
Stay-out ✓		
Order	126	137
Self-impl.	170	97
Final Order by 2/23		

10.3%

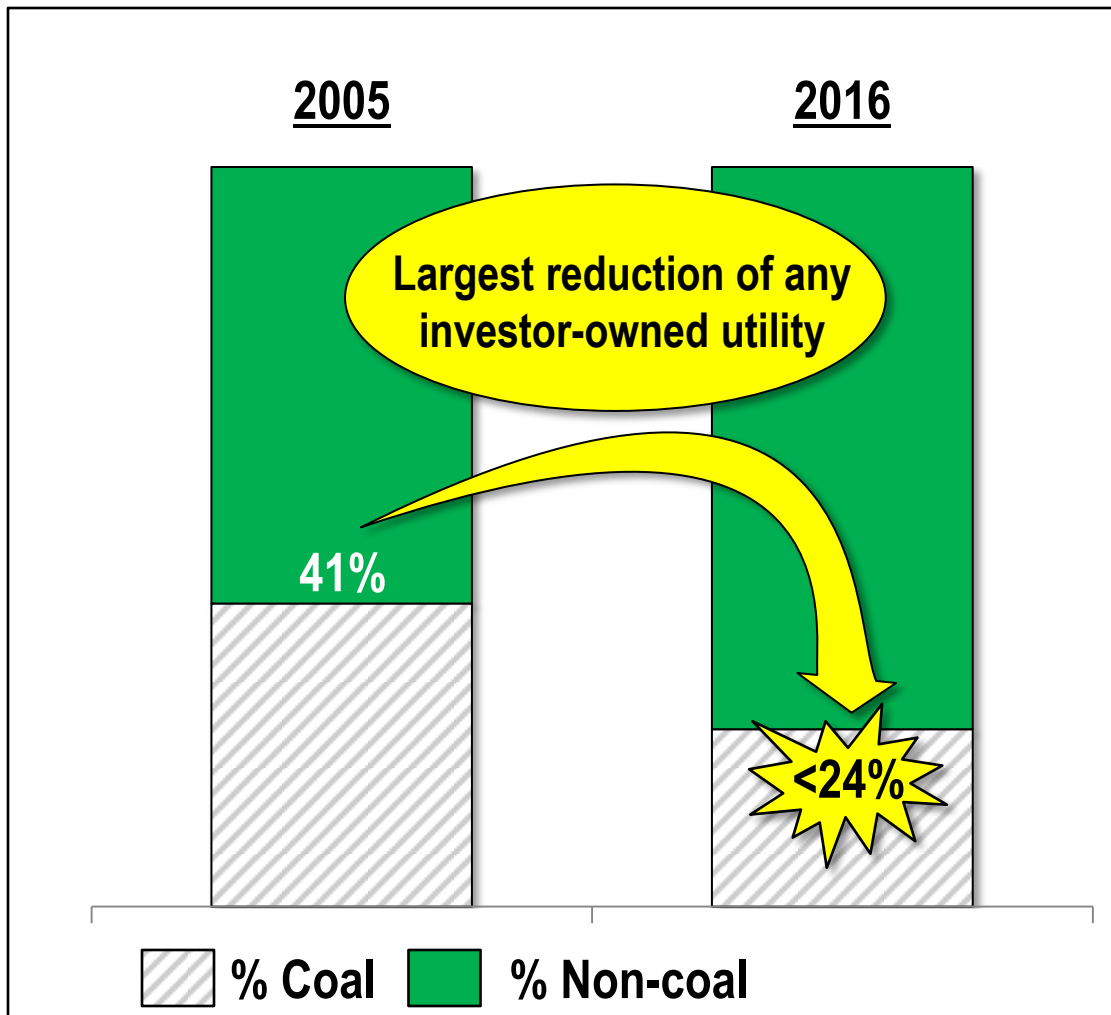
.... primarily for investment.

A Sustainable Strategy

- Shut down 950 MW of coal
- Found positions for affected employees
- Worked with local communities early on
- Reduced our environmental impact

Positioned well for
carbon reduction

Coal Mix



.... transition to cleaner fuels.

Strategy

- ✓ **Safety:**
Every day is a safe day
- ✓ **Quality:**
We get it right the first time
- ✓ **Cost:**
We see and eliminate waste
- ✓ **Delivery:**
We get it done on time

Customers AND Investors

- On the road to zero incidents
81% improvement past ten years
- Consistent & predictable growth
+6% to +8%
- O&M cost reductions
-2% to -3%
- Rate increases below inflation
<2%

.... a culture of continuous improvement.

2017+
Plan

Capital investment (reliability, costs, enviro mandates)	6% - 8%
--	---------

Self Funding:

- O&M cost reductions	2 - 3 pts
-----------------------	-----------

- Sales growth	1
----------------	---

- No "block" equity dilution & other	2
--------------------------------------	---

INVESTMENT SELF-FUNDED	<u>5 - 6 pts</u>
------------------------	------------------

Rate increase at or below inflation	<u><2%</u>
-------------------------------------	---------------

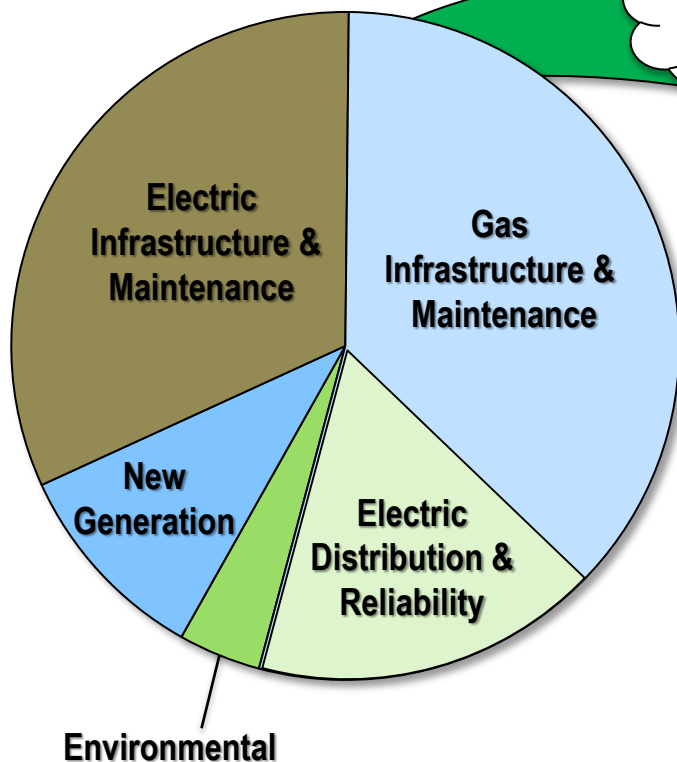
.... continues to drive sustainable growth, with upside opportunities.

Capex \$17 Billion Over 10 Years....

CMS ENERGY

2016-2025

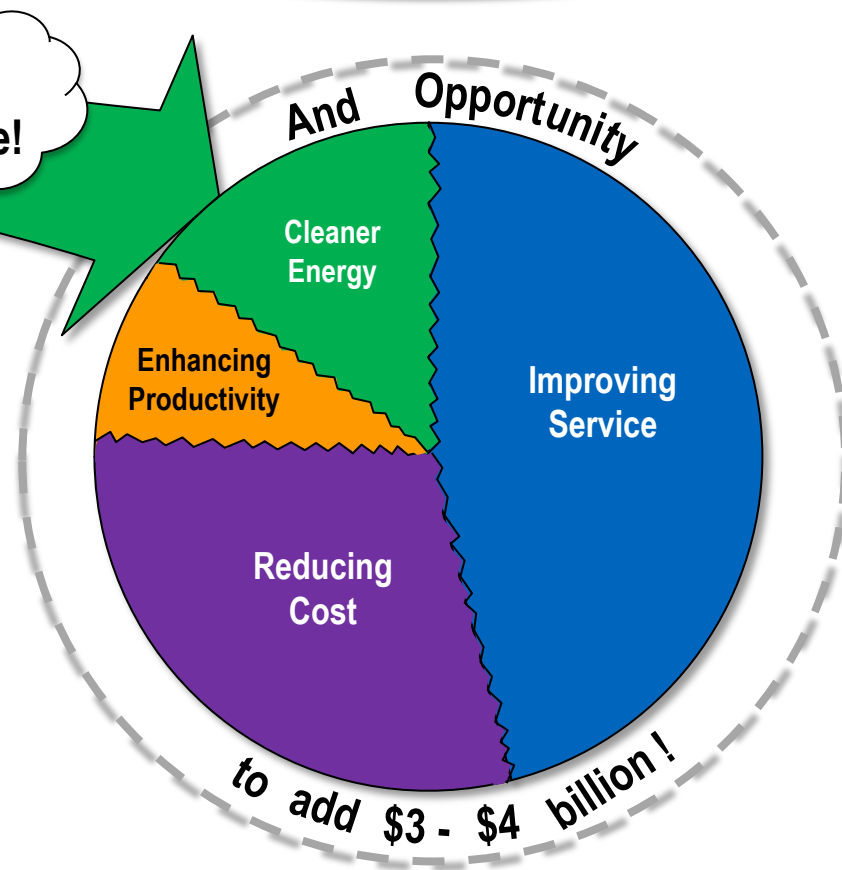
Investor



AND

2016-2025

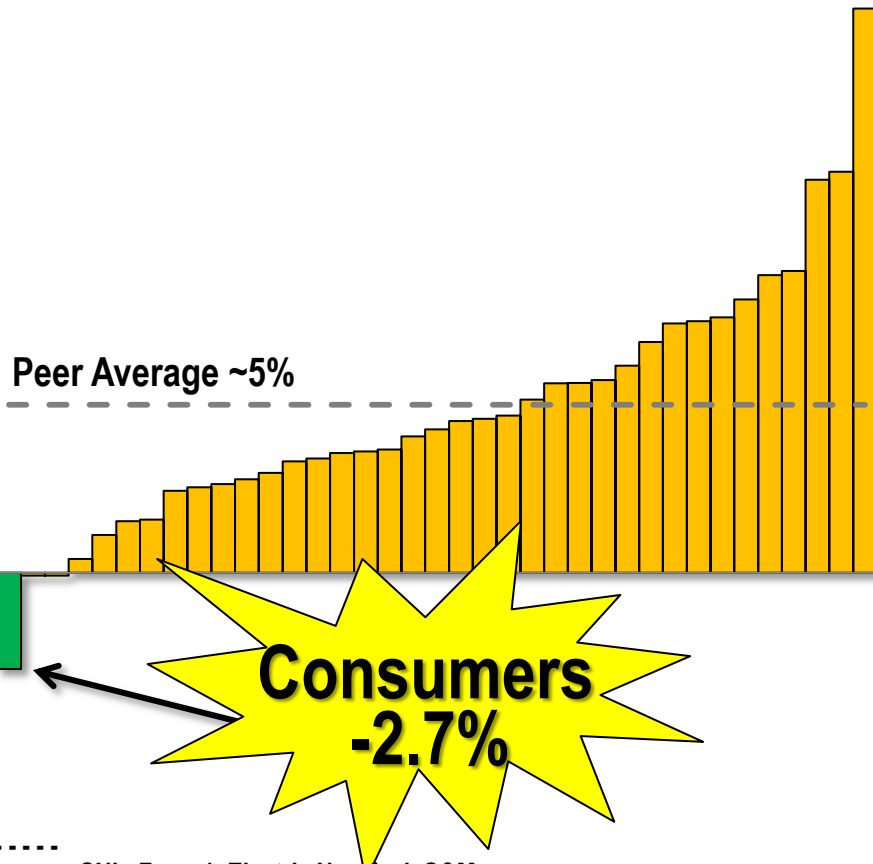
Customer



.... without raising base rates above inflation!

Actual Cost Reduction

(2015 over 2006)



Source: SNL, Form 1, Electric Nonfuel O&M

New Cost Savings

	2014 & 2015 (mils)	2016 & 2017 (mils)
• Attrition (VSP)	\$ - 35	\$ - 35
• Productivity (Coal → Gas)	- 35	- 15
• “Pole Top” Hardening	- 20	- 10
• Smart Meters	- 5	- 20
• Eliminate Waste (UAs) & Work Management	- 15	- 10
• Mortality Tables & Discount Rates	+50	0
• Service Upgrades	+20	+ 30
Net savings	\$ - 40	\$ - 60
Percent savings	- 4%	- 6%

**3%
a year!**

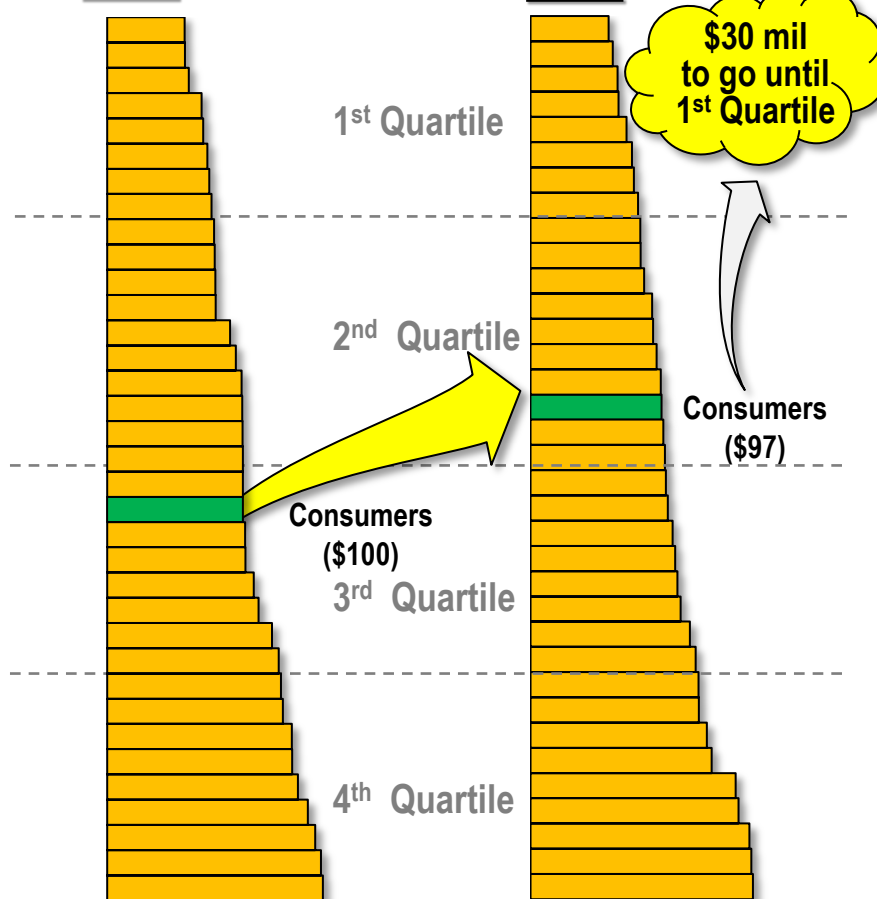
... driven by good “business decisions.”

Room to Improve

(Electric Distribution Cost Per Customer)

2014

2015



Source: SNL, Form 1, Electric Non-fuel O&M, 2014 DCO normalized for Polar Vortex

Here's How



Build the job as designed



Accurately schedule the job



“Field services” project

... opportunities to improve even more.

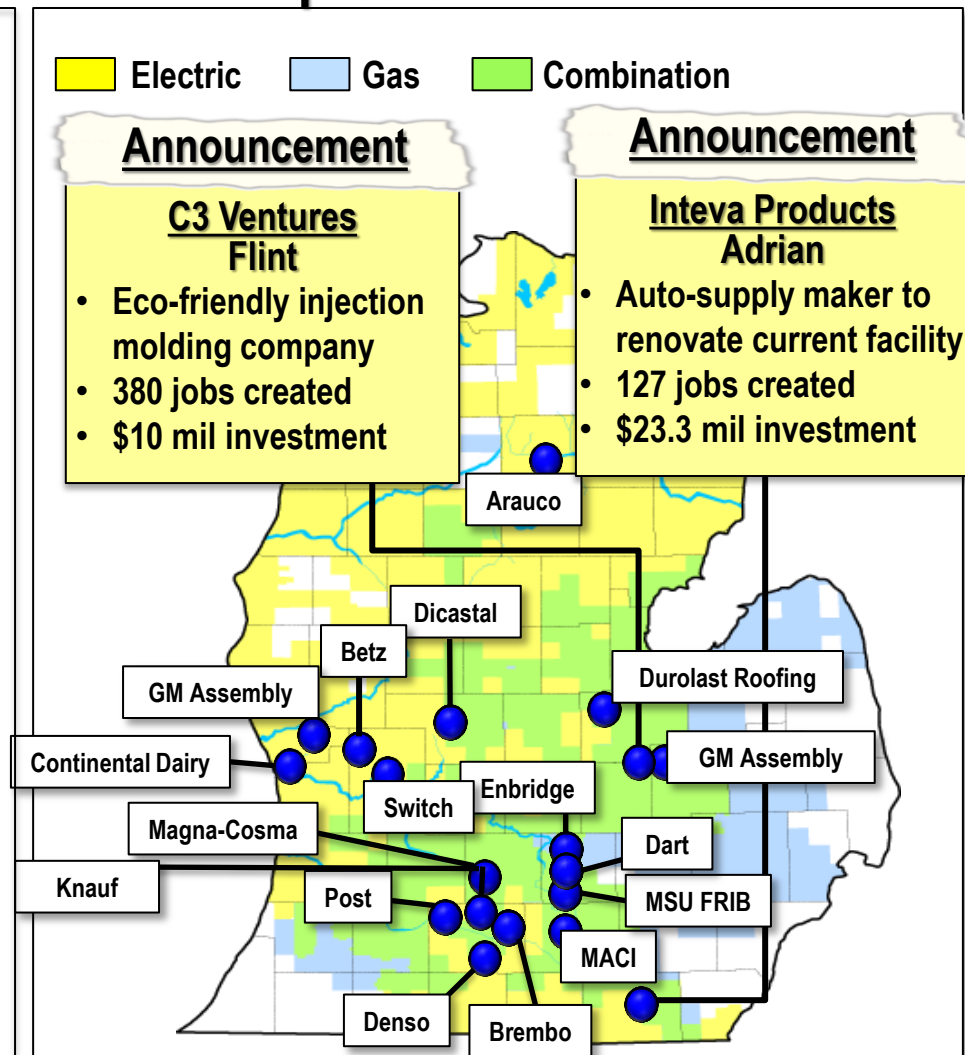
Our Service Territory^{a)} Outperforms

	Grand Rapids	Michigan	U.S
Building Permits ^{b)}	+224%	+205%	+96%
Annual GDP 2010→2014	4.0%	2.6%	1.9%
Population 2010→2015	+5%	1½%	4%
Unemployment (6/16)	2.9%	4.6%	4.9%

^{a)} Grand Rapids

^{b)} Annualized numbers July 2010→July 2016

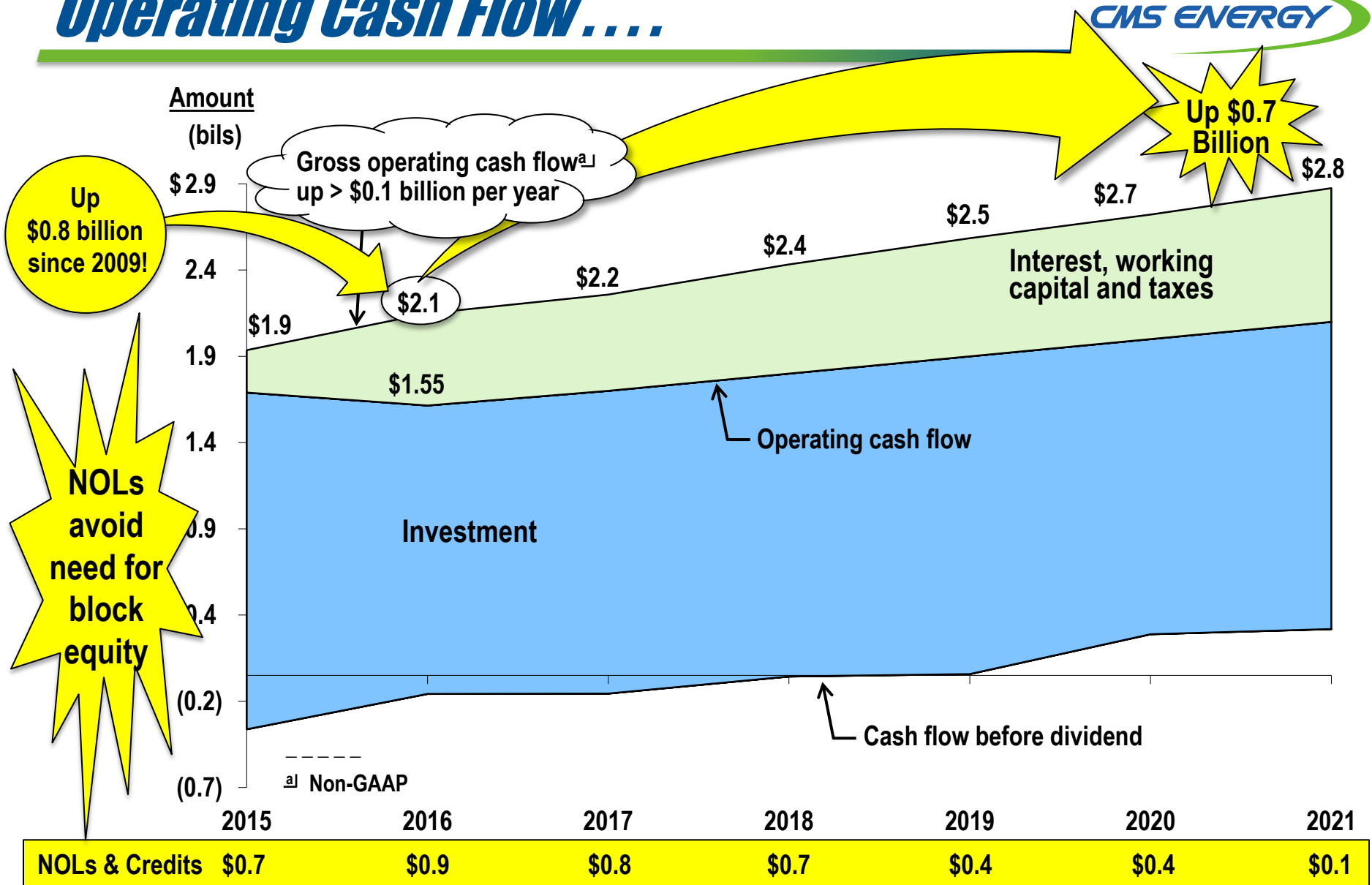
Examples of New Business



... opportunities to improve even more.




Operating Cash Flow....

CMS ENERGY

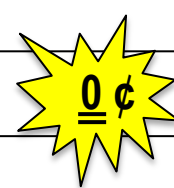


.... up \$0.8 billion (62%) last seven years, up \$0.7 billion (34%) next five years.

Lower Cost Debt

	Pre-Brexit Plan	August 1
Utility Bond		
• Amount (mils)	--	\$450
• Treasury	3.90%	2.20%
• Spread	1.45	1.05
• Coupon	5.35%	3.25%
• Term		30 years
• Annual Savings (mils)		\$ 10
• Order Book (bils)		\$ 2
		
Change		
• 30-Year Treasury	3.90%	2.20%
		

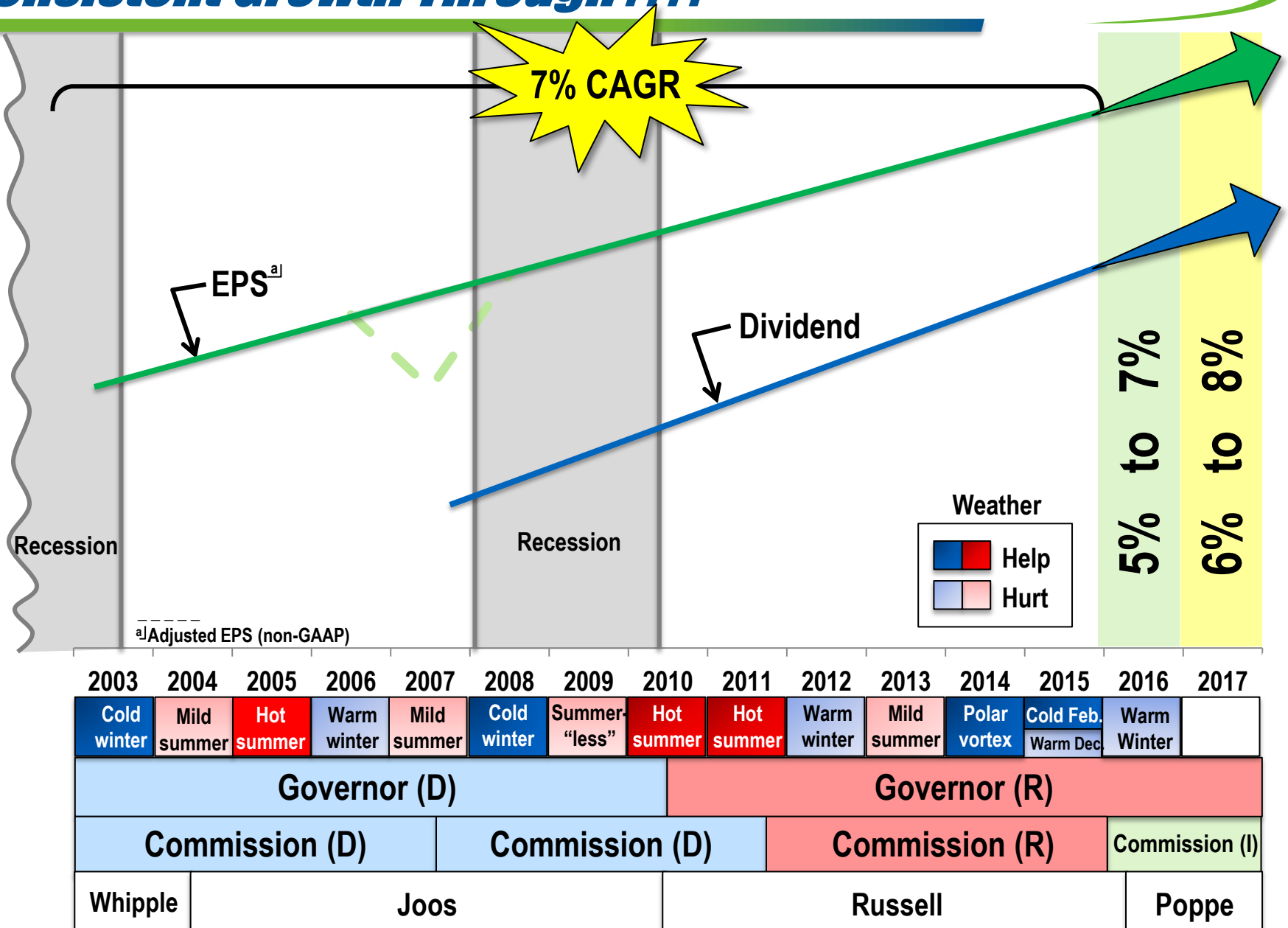
Pension/Debt

	Sensitivities	EPS Impact
• Benefit Liability	-50 bps	- 3 ¢
• Interest Expense	-50 bps	+1½
• Pension Contribution		+1½
Net Impact		

.... created opportunities.

Consistent Growth Through....

CMS ENERGY



.... recessions, adverse weather, and policy leadership. 15

Appendix

"DIG" (750 MW) & Peakers (200 MW)....

CMS ENERGY

Pre-Tax Income

(mils)

\$80

40

0

Contracts
(layering in over time)

\$12

Outage
pull-ahead

\$20

\$35

New
contracts

\$55

+\$20

\$75

+\$40

2015

2016

2017

Future

Capacity (\$/kw-mth)

≈ \$1.00

≈ \$2.00

≈ \$3.00

\$4.50

\$7.50

Available:

- Energy
- Capacity

0%

0

0%

0%

0%

20%

25%

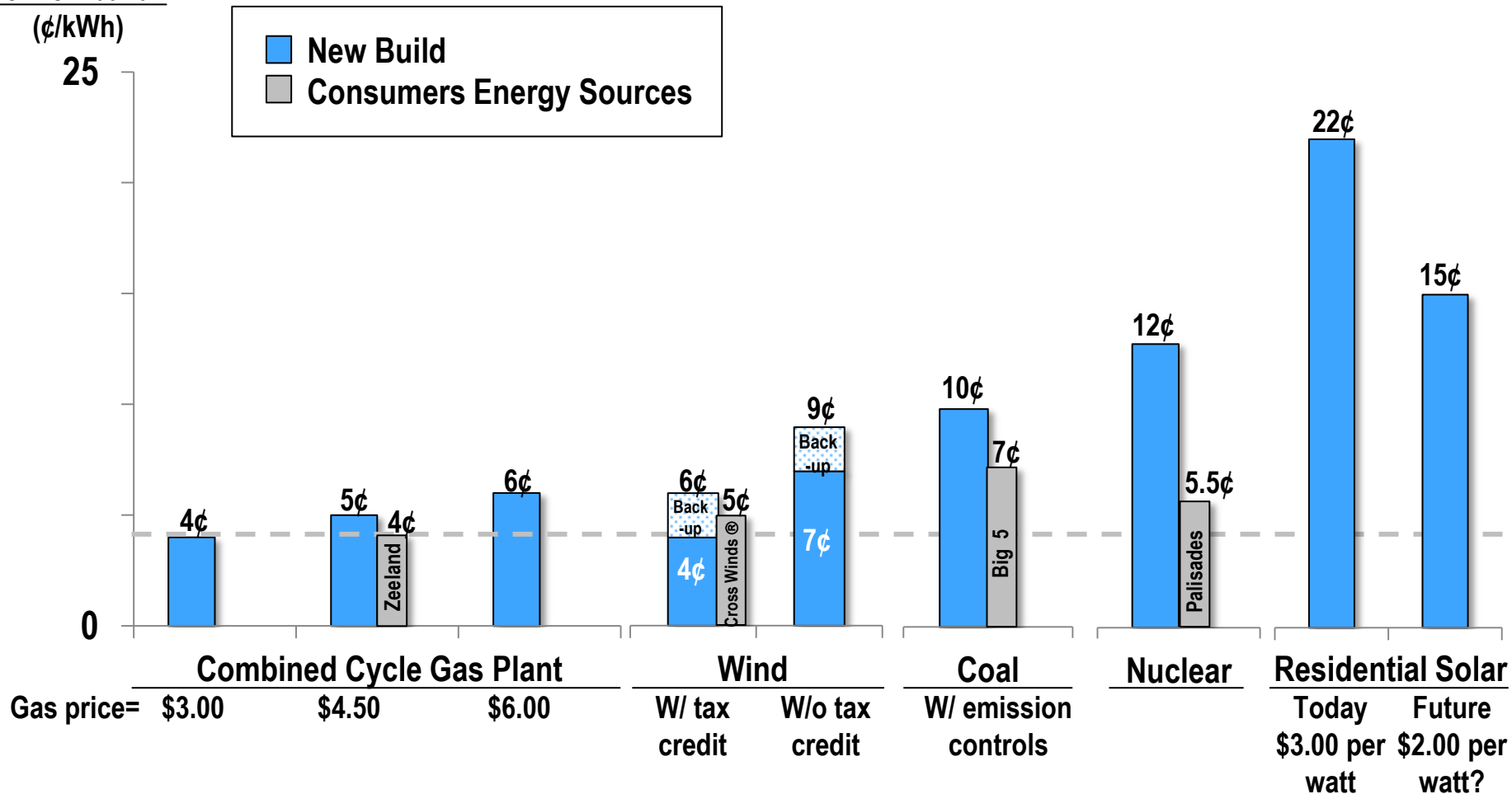
50% - 90%

.... adding value.

Generation Strategy: New Supply Sources....

CMS ENERGY

Levelized cost
of new build
(¢/kWh)



.... combined cycle gas is the most attractive new source of supply.

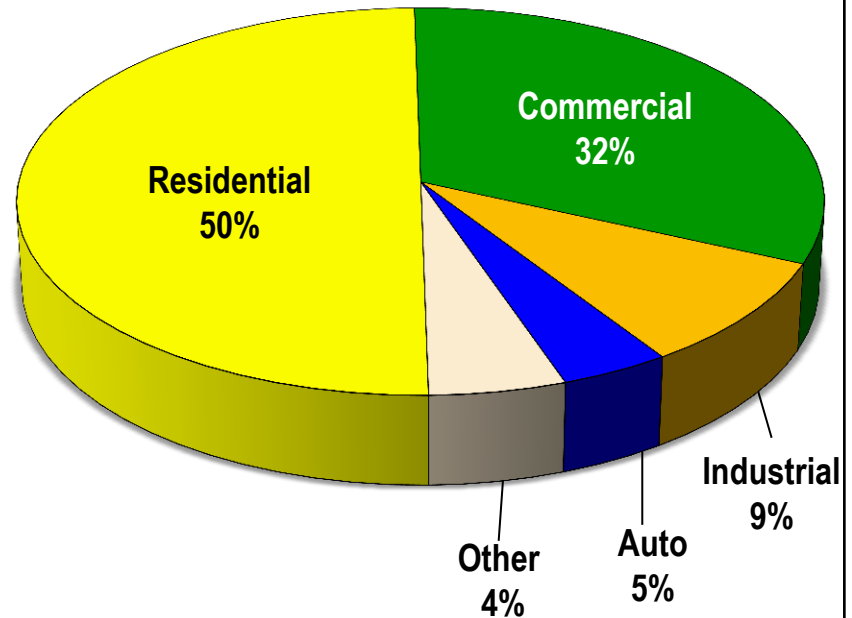
Top Ten Customers

(2015 Ranked by Deliveries)

1. Hemlock Semiconductor
2. General Motors
3. Nexteer Automotive Corporation
4. Gerdau
5. Denso International
6. Meijer
7. State of Michigan
8. Spectrum Health
9. AT&T
10. Packaging Corp. of America

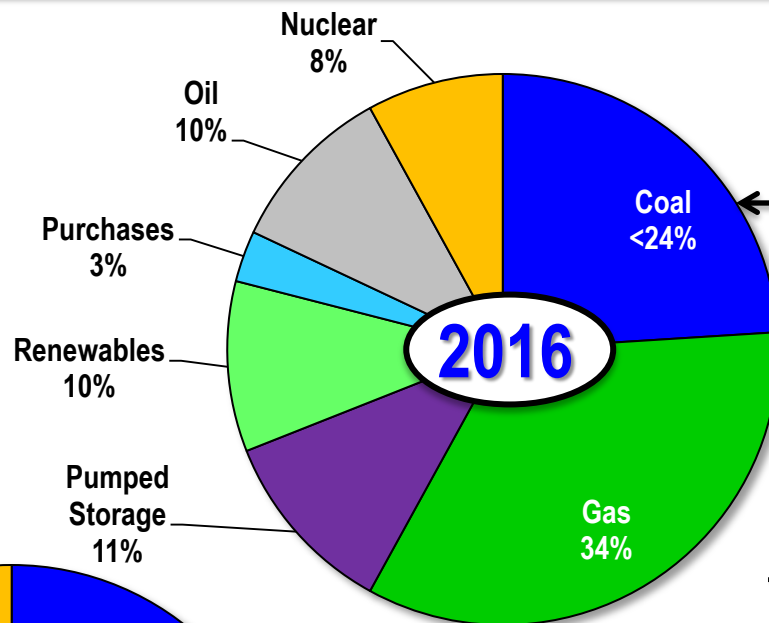
Percentage of electric gross margin is 2.8%

2015 Electric Gross Margin



\$2.3 Billion

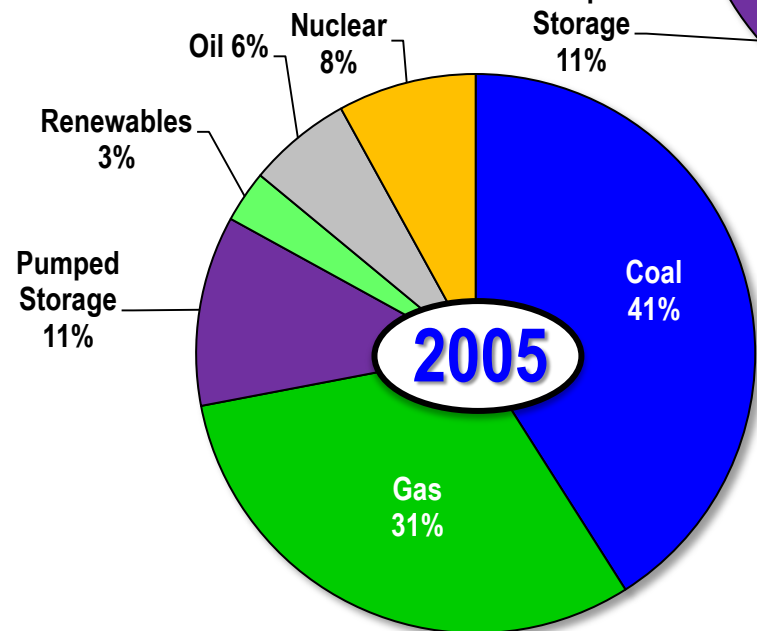
.... "Autos" only 5% of gross margin.



Coal reduced
by over 40%!
2nd best in U.S.

Future Capacity Mix

- More Renewables
- Expanded Pumped Storage
- Clean Energy Resources



.... evolving to cleaner generation and becoming more cost competitive.

Clean Power Plan....

CMS ENERGY

Tons CO₂

(mils)

20

Consumers Energy 2012 Emissions

Retire
950 MW
coal

State of Michigan Target
(Consumers Energy's share)

Positioned well for compliance

0

2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030

.... recently stayed by the U.S. Supreme Court.

GAAP Reconciliation

CMS ENERGY CORPORATION
Earnings Per Share By Year GAAP Reconciliation
(Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Reported earnings (loss) per share - GAAP	(\$0.30)	\$0.64	(\$0.44)	(\$0.41)	(\$1.02)	\$1.20	\$0.91	\$1.28	\$1.58	\$1.42	\$1.66	\$1.74	\$1.89
Pretax items:													
Electric and gas utility	0.32	(0.60)	-	-	(0.06)	0.08	0.55	0.05	-	0.27	-	-	-
Tax impact	(0.11)	0.21	-	-	(0.01)	(0.03)	(0.22)	(0.02)	-	(0.10)	-	-	-
Enterprises	0.93	0.97	0.06	(0.12)	1.67	(0.02)	0.14	(0.05)	*	(0.01)	*	0.05	*
Tax impact	(0.19)	(0.35)	(0.02)	0.10	(0.42)	*	(0.05)	0.02	(0.11)	*	(*)	(0.02)	(*)
Corporate interest and other	0.25	(0.06)	0.06	0.45	0.17	0.01	0.01	*	-	*	*	*	*
Tax impact	(0.09)	0.03	(0.02)	(0.18)	(0.49)	(0.03)	(*)	(*)	(0.01)	(*)	(*)	(*)	(*)
Discontinued operations (income) loss, net	(0.16)	0.02	(0.07)	(0.03)	0.40	(*)	(0.08)	0.08	(0.01)	(0.03)	*	(*)	(*)
Asset impairment charges	-	-	2.80	1.07	0.93	-	-	-	-	-	-	-	-
Tax impact	-	-	(0.98)	(0.31)	(0.33)	-	-	-	-	-	-	-	-
Cumulative accounting changes	0.25	0.02	-	-	-	-	-	-	-	-	-	-	-
Tax impact	(0.09)	(0.01)	-	-	-	-	-	-	-	-	-	-	-
Adjusted earnings per share, including MTM - non-GAAP	\$0.81	\$0.87	\$1.39	\$0.57	\$0.84	\$1.21 (a)	\$1.26	\$1.36	\$1.45	\$1.55	\$1.66	\$1.77	\$1.89
Mark-to-market		0.04	(0.65)	0.80									
Tax impact		(0.01)	0.22	(0.29)									
Adjusted earnings per share, excluding MTM - non-GAAP	NA	\$0.90	\$0.96	\$1.08	NA	NA	NA	NA	NA	NA	NA	NA	NA

* Less than \$0.01 per share.

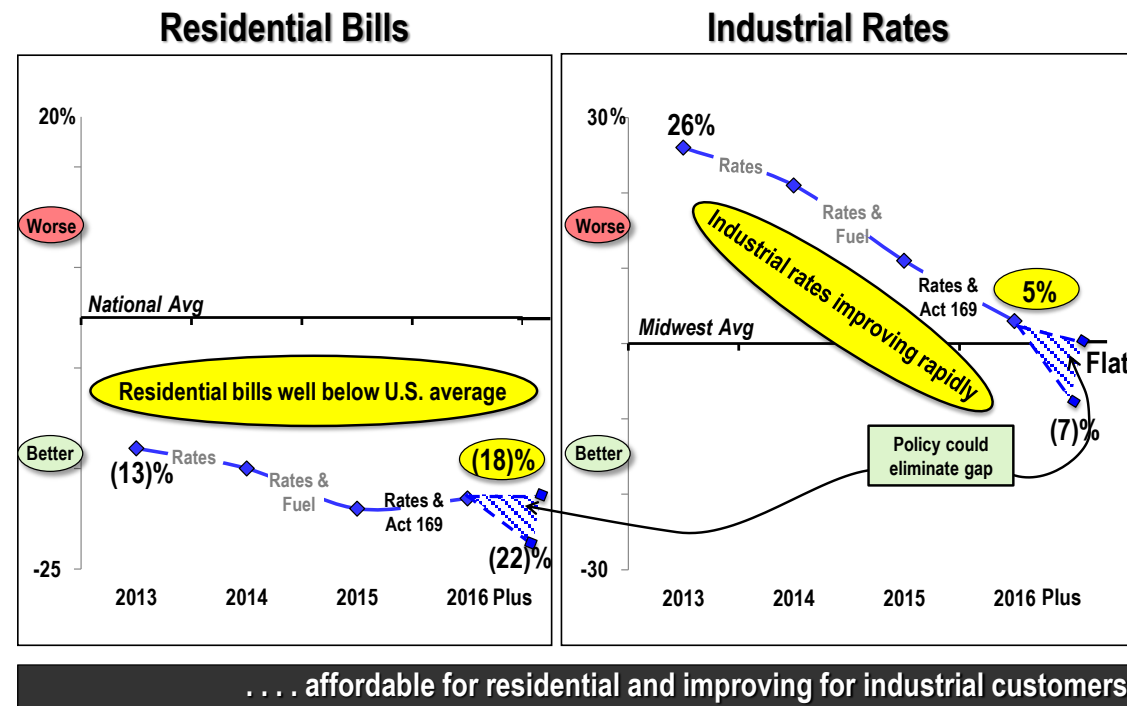
(a) \$1.25 excluding discontinued Exeter operations and accounting changes related to convertible debt and restricted stock.

CMS Energy
Reconciliation of Gross Operating Cash Flow to GAAP Operating Activities
(unaudited)
(mils)

	2014	2015	2016	2017	2018	2019	2020	2021
Consumers Operating Income + Depreciation & Amortization	\$ 1,813	\$ 1,866	\$ 2,056	\$ 2,139	\$ 2,243	\$ 2,390	\$ 2,518	\$ 2,621
Enterprises Project Cash Flows	20	20	35	58	54	63	70	70
Gross Operating Cash Flow	\$ 1,833	\$ 1,886	\$ 2,091	\$ 2,197	\$ 2,297	\$ 2,453	\$ 2,588	\$ 2,691
Other operating activities including taxes, interest payments and working capital	(386)	(246)	(541)	(547)	(547)	(603)	(638)	(641)
Net cash provided by operating activities	\$ 1,447	\$ 1,640	\$ 1,550	\$ 1,650	\$ 1,750	\$ 1,850	\$ 1,950	\$ 2,050

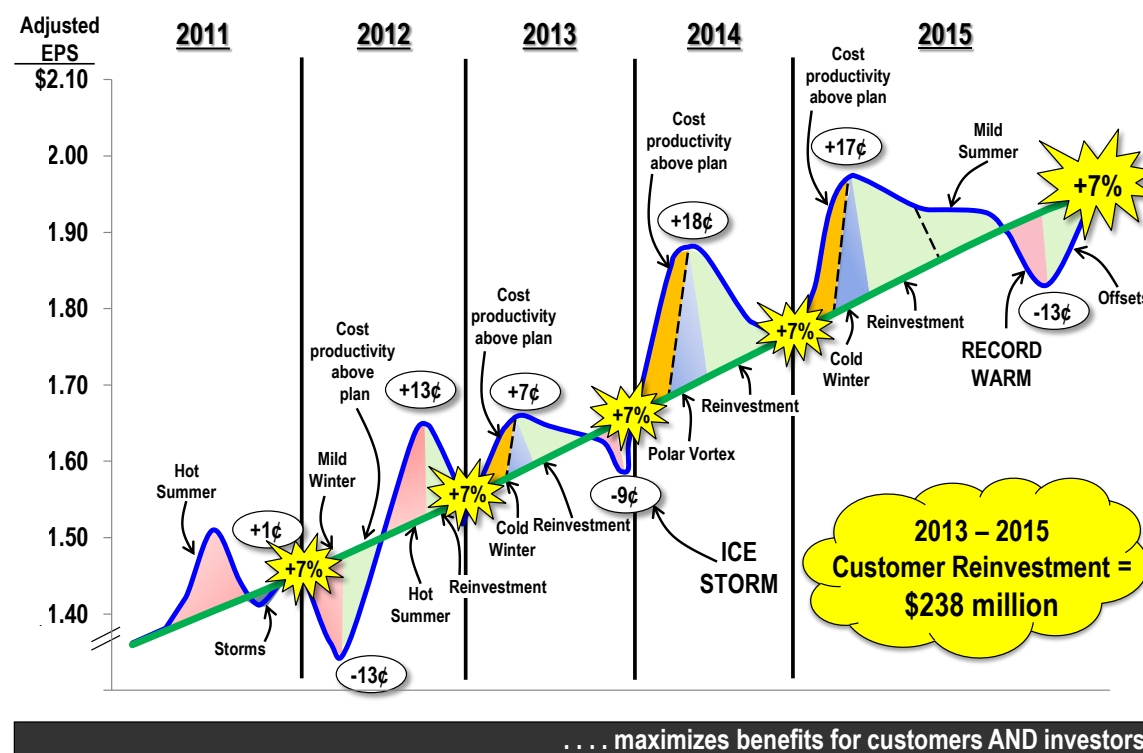
Electric Customer Prices....

CMS ENERGY



Managing Work Every Year....

CMS ENERGY



INVESTOR INFORMATION

CMS Energy Corporation
Investor Relations Department
One Energy Plaza, Jackson, MI 49201

Phil McAndrews (517) 788-1464
Travis Uphaus (517) 768-3114
www.cmsenergy.com

CMS ENERGY

OUR MODEL; OUR PLAN

OUTPERFORMED FOR A DECADE: NEXT DECADE EVEN BRIGHTER

- 13 year track record (7%^{aj} EPS and dividend growth)
- Capex -- \$17 billion, 100% organic
- Self-funded -- No block equity dilution! (7 years -- up from 5!)
- Best cost performance in sector
- Conservative sales planning (under promise/over deliver)
- \$3+ billion capex opportunities

The "Consumers Energy Way"

- Safety: every day is a safe day
 - Quality: we get it right the first time
 - Cost: we see and eliminate waste
 - Delivery: we get it done on time
- a culture of continuous improvement.

September 2016

Adjusted EPS

Dividend

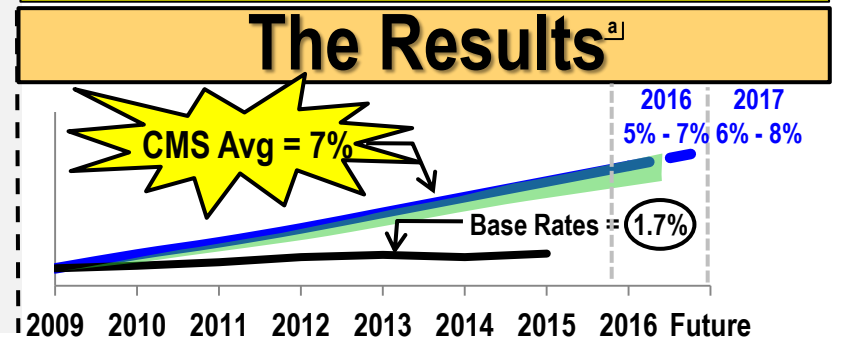
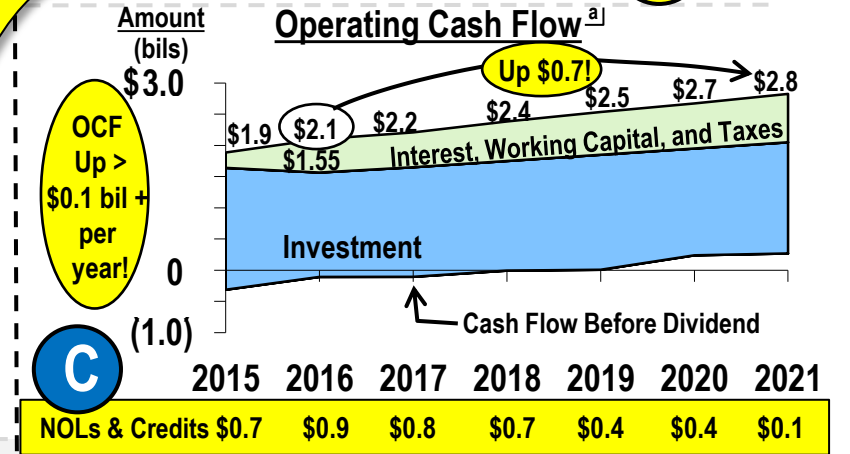
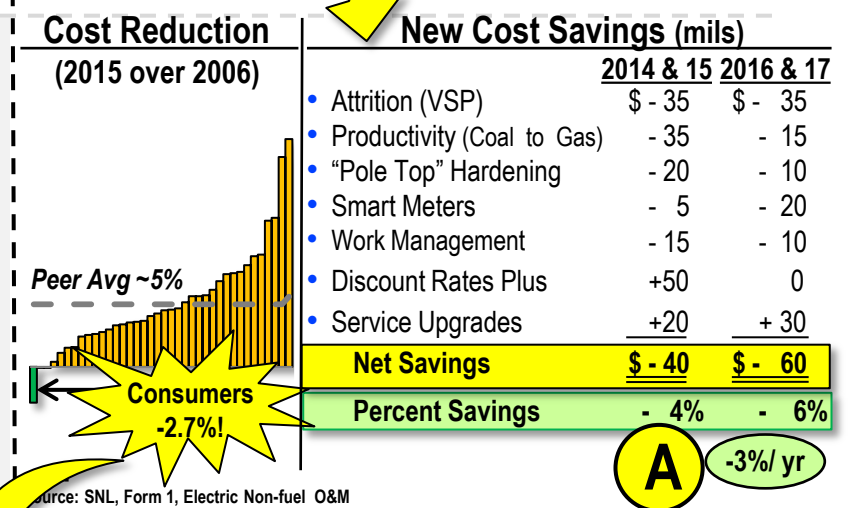
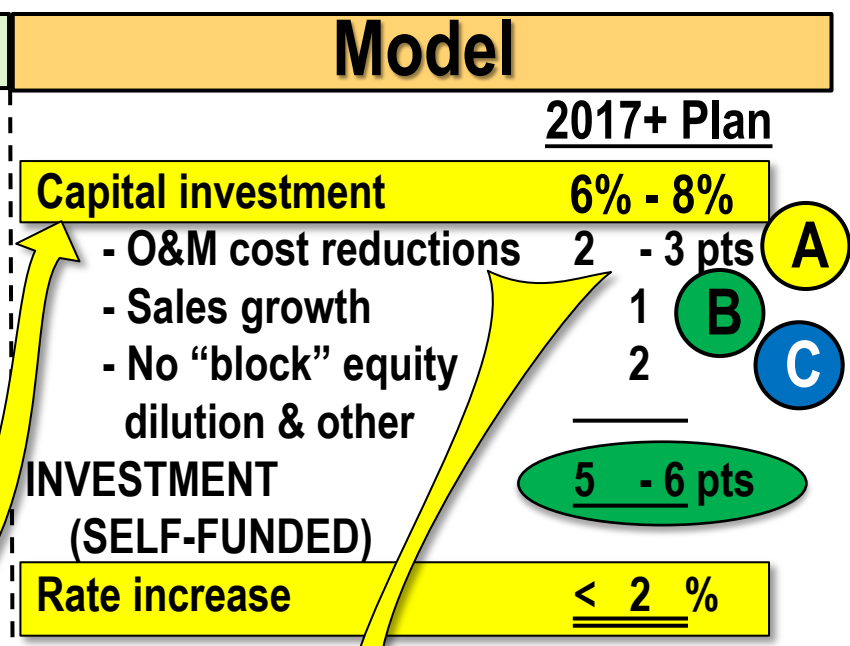
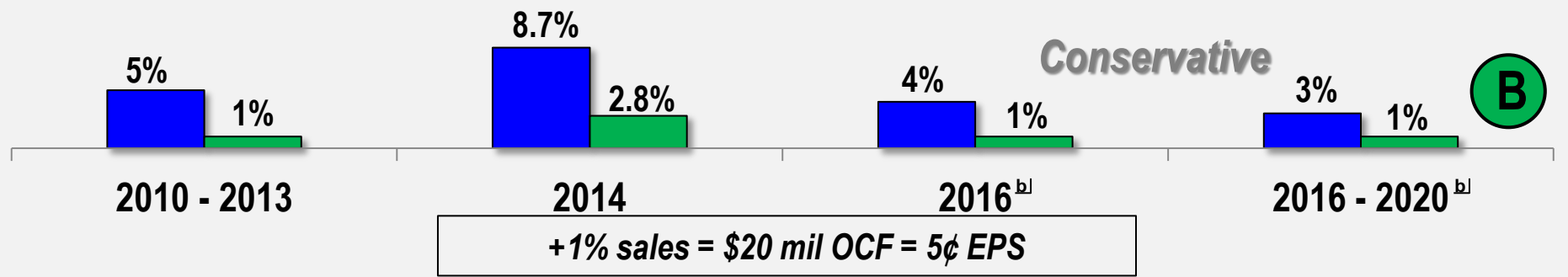
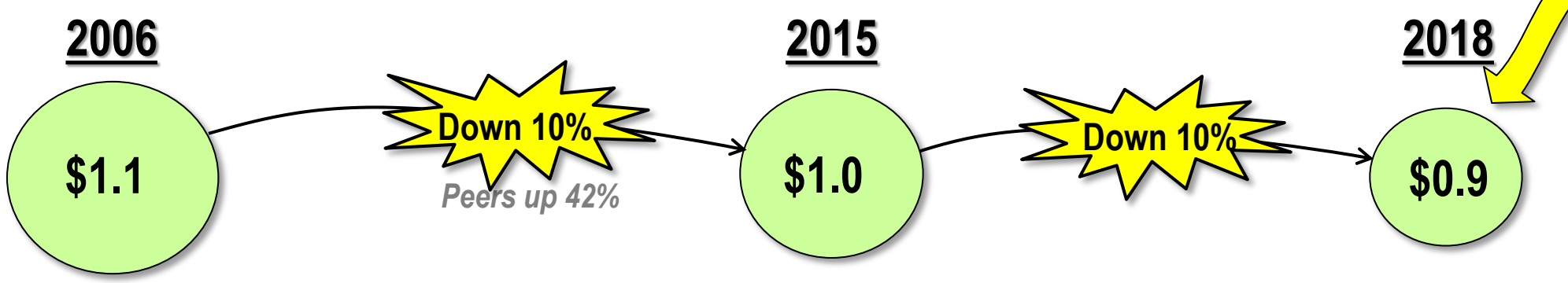
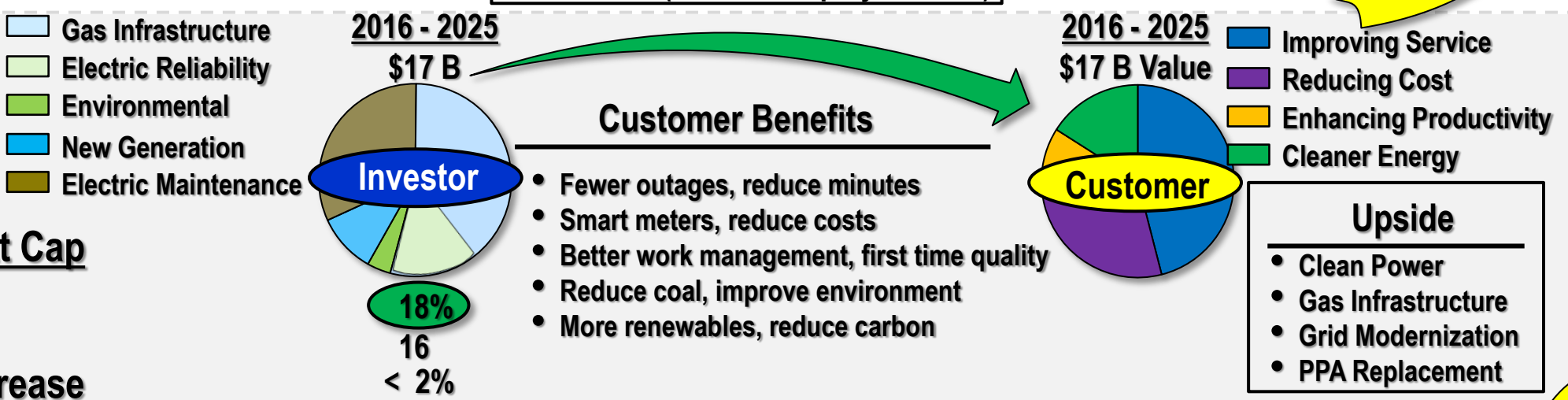
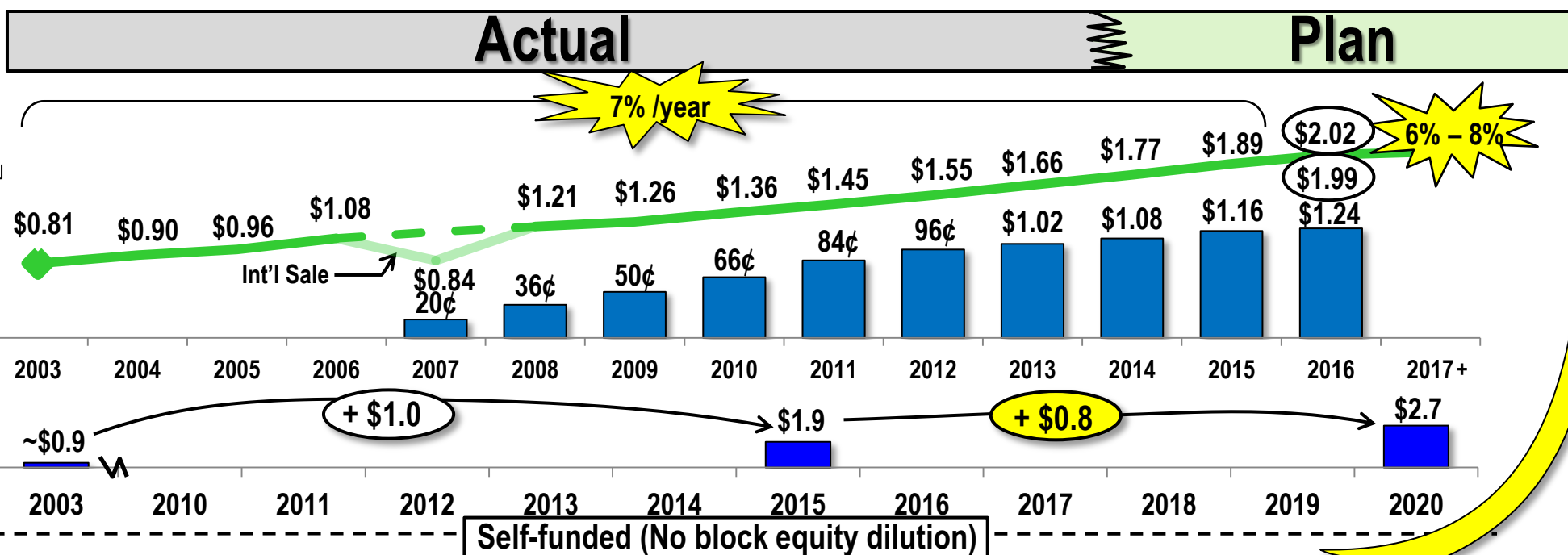
Gross OCF (bils)

CapEx

Percent of Mkt Cap
 — CMS
 — Peers
Base Rate Increase

O&M Cost (bils)

Electric Sales (Ind. ■ /Total ■)



This placemat contains "forward-looking statements"; please refer to our SEC filings for information regarding the risks and uncertainties that could cause our results to differ materially. It also contains non-GAAP measures. Reconciliations to most directly comparable GAAP measures are found in the accompanying handout and on our website at www.cmsenergy.com

^{al} Adjusted Non-GAAP as of July 28, 2016 ^{bl} As of January 2016