

CMS ENERGY CORP

NYSE: CMS
Industry: Multi-Utilities

SABRIENT
STRONG
BUY
RATING

Stock Fundamentals as of May 18, 2009

Sabrient Rating	Strong Buy
Ticker	CMS
Market Cap Designation	Mid-cap
Market Capitalization (Billions)	\$2.5
Price	\$11.20
52-Week High/Low	\$15.89/8.33
EPS (TTM)	\$1.10
P/E Ratio (TTM)	10.2
Dividend Yield	4.5%
S&P 500 P/E Ratio	20.9
Price/Book Ratio	1.0
Price/Sales Ratio	0.4
30-Day Average Volume (Millions)	4.2
Beta	0.64
Current Ratio	2.1
Short Interest Ratio	6.5
Shares Outstanding (Millions)	226.8

Sabrient Ratings

Sabrient's Buy/Hold/Sell ratings are based on a combination of dynamic filters that determine which attributes of a stock are most predictive in the prevailing market and which stocks best reflect those attributes but are not yet rewarded.

Sabrient starts with an "extraction" process that uses the best performing filters to identify stocks having certain compelling attributes currently sought by the market. Then, a composite scoring process uses a weighted average of several key scores to quantify the relative likelihood of upside or downside price action. As a result, the Buy/Hold/Sell rating may, in certain cases, seem inconsistent with a simple average of the scores cited in this analysis.

A BUY rating means the stock is expected to outperform its relevant benchmark substantially over the next 6 months. A SELL rating means the stock is expected to underperform its relevant benchmark substantially over the next 6 months. A HOLD rating means the stock is expected to perform in line with its relevant benchmark over the next 6 months.

If a stock is rated HOLD, the investor should review the stock's history of Sabrient ratings to see if it has recently changed to HOLD from BUY or SELL. If so, this indicates one of the following: (1) there has been a significant change in the stock's fundamentals, (2) the stock is already appropriately rewarded or punished by the market, or (3) there simply has been some recent price consolidation that warrants attention. A reading of Sabrient's analysis should identify which it is.

More about Sabrient on Page 4

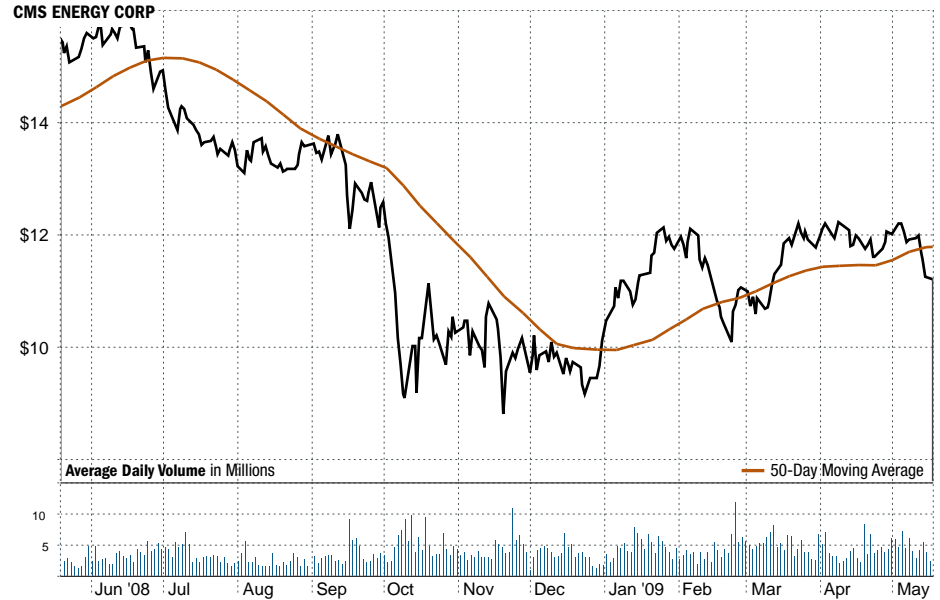
Sabrient's Market Cap Designations

Large Cap	> \$5.0 Billion
Mid Cap	\$1.0 - \$5.0 Billion
Small Cap	\$150 Million - \$1.0 Billion
Micro Cap	< \$150.0 Million

Report prepared on **May 20, 2009** Page 1

Please see important disclaimer on page 5 of this report.

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Company Profile

CMS Energy Corporation, through its subsidiaries, operates as an energy company primarily in Michigan. It operates in three segments: Electric Utility, Gas Utility, and Enterprises. The Electric Utility segment engages in the generation, purchase, distribution, and sale of electricity.

Earnings and Revenue Update: For the quarter ended March 31, 2009, CMS reported earnings of \$69.0 million or \$0.30 per share compared with \$61.0 million or \$0.27 per share for the prior quarter and \$103.0 million or \$0.44 per share for the same quarter one year ago. Revenues were \$2.1 billion for the quarter ended March 31, 2009 compared with \$1.8 billion for the prior quarter and \$2.2 billion for the same quarter one year ago. Last twelve months' earnings were \$1.10 per share compared with \$-0.04 per share a year ago. Last twelve months' revenues were \$6.7 billion compared with \$6.5 billion a year ago.

Sabrient Analysis

Sabrient rates CMS a Strong Buy based on its overall superior scores across a number of important metrics that indicate future market outperformance.

- **Value:** A Sabrient Value Score of 76.7 indicates that CMS may be somewhat undervalued at its current price. Historically, stocks with similar value scores have modestly outperformed the market.
- **Growth:** CMS's score of 58.1 for the Sabrient Growth Score indicates that the stock's growth prospects are somewhat above average.
- **Momentum:** A Sabrient Momentum Score of 38.9 means CMS has a below-average rating for a composite measure of price, earnings and group momentum.
- **Timeliness:** This stock has a Sabrient Timeliness Score of 10.1. This is a composite measure of short-term and long-term price performance and long-term group performance.

Sabrient Analysis continued on Page 3

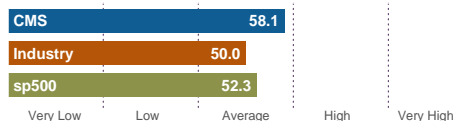
Sabrient

Leaders In Investment Research

Current Sabrient Scores Compared with Industry and Relevant Benchmark

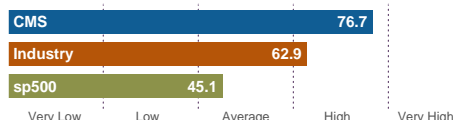
These Sabrient scores compare various aspects of CMS ENERGY CORP with its industry and relevant benchmarks. The scores are percentile rankings from 0 to 99.9. Higher scores are better. We use a weighted average of several key scores to quantify the relative likelihood of upside or downside price action. Therefore, the Sabrient rating may seem inconsistent with a simple average of the scores cited in this analysis.

Growth Score: 58.1



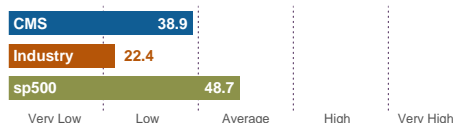
The Sabrient Growth Score reflects a company's historical and projected earnings growth, revenue and sales growth, projected cash flow, analyst activity, and changes in earnings estimates, each over various time periods. The higher the score, the better the combined performance of these key measures. With a Sabrient Growth Score of 58.1, CMS is marginally higher than the average of its industry group, which has a Sabrient Growth Score of 50.0.

Value Score: 76.7



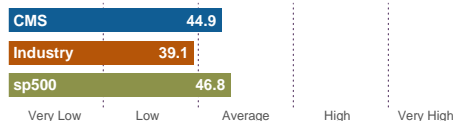
The Sabrient Value Score measures the relationship between a company's stock price and its intrinsic value, as indicated by earnings and balance sheet attributes, with an emphasis on earnings. Also considered are cash flow measures and fundamental valuation ratios. With a Sabrient Value Score of 76.7, CMS is moderately higher than the average of its industry group, which has a Sabrient Value Score of 62.9.

Momentum Score: 38.9



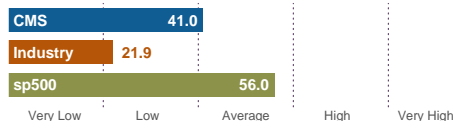
The Sabrient Momentum Score measures a company's earnings and price momentum, evenly weighted, and augmented by group strength, money flow, and relative volume. Core technical factors include current price relative to periodic highs and moving averages. With a Sabrient Momentum Score of 38.9, CMS is moderately higher than the average of its industry group, which carries a Sabrient Momentum Score of 22.4.

Earnings Score: 44.9



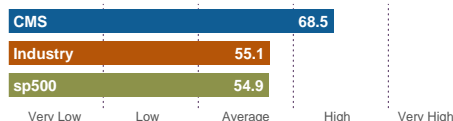
The Sabrient Earnings Score assesses a company's overall earnings performance and projected outlook. Time periods include an average look-back of three years with an emphasis on the past four quarters and a forward look of one to five years. With a Sabrient Earnings Score of 44.9, CMS is marginally higher than the average of its industry group, which has a Sabrient Earnings Score of 39.1.

Balance Sheet Score: 41.0



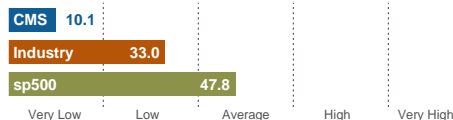
The Sabrient Balance Sheet Score measures a company's liquidity and debt issues, as well as receivables and inventory quality. This score is used to assess relative risk associated with a stock: the lower the score, most likely the higher the inherent risk. With a Sabrient Balance Sheet Score of 41.0, CMS is moderately higher than the average of its industry group, which carries a Sabrient Balance Sheet Score of 21.9.

Fundamental Score: 68.5



The Sabrient Fundamental Score is the broad measure of a company's financial health, including its balance sheet, cash flow, revenue, and earnings quality. With a Sabrient Fundamental Score of 68.5, CMS is moderately higher than the average of its industry group, which carries a Sabrient Fundamental Score of 55.1.

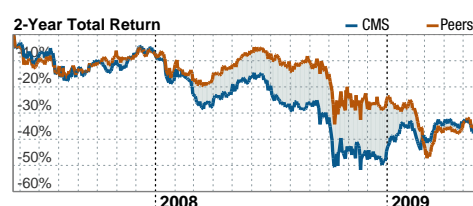
Timeliness Score: 10.1



The Sabrient Timeliness Score is an assessment of a stock's short and long-term price strength as determined by various chart-based indicators and measures of group momentum and relative price performance. With a Sabrient Timeliness Score of 10.1, CMS is considerably lower than the average of its industry group, which carries a Sabrient Timeliness Score of 33.0.

Peer Analysis

This table compares CMS with other similar-sized companies in the same industry group, focusing on Sabrient's growth, momentum and value scores, which represent the three main investing styles. The Peer Analysis chart compares CMS's 2-year total return with the average 2-year total return of these companies.

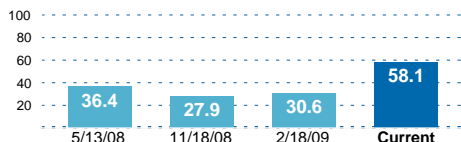


Symbol	Company	Growth Score	Momentum Score	Value Score	Market Cap.(B)
NST	NSTAR	44.7	14.8	57.8	\$3.1
NI	NiSource	64.8	50.7	72.4	\$2.9
LNT	Alliant	42.5	20.4	74.5	\$2.6
OGE	OGE Energy	31.9	36.6	59.3	\$2.5
CMS	CMS ENERGY CORP	58.1	38.9	76.7	\$2.5
TE	TECO	19.6	5.7	69.7	\$2.4
TEG	Integrus	51.4	26.9	75.5	\$2.1

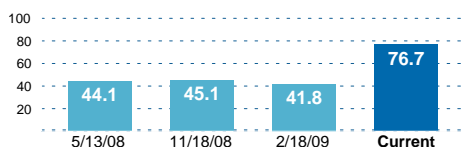
Historical Sabrient Scores

The recent histories of key Sabrient scores provide insight into the stock's trends -- whether they are increasing or decreasing in strength in a particular area or simply holding steady. The Sabrient scores are percentile rankings from 0 to 99.9, with higher scores better. Keep in mind that Sabrient ratings may seem inconsistent with a simple average of these key scores because a weighted average of several key scores is used to quantify the relative likelihood of upside or downside price action.

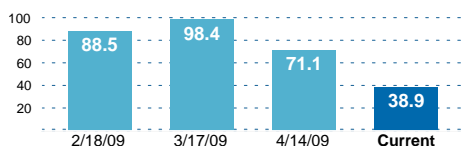
Growth Score: 58.1



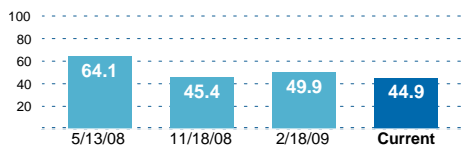
Value Score: 76.7



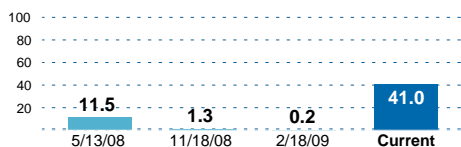
Momentum Score: 38.9



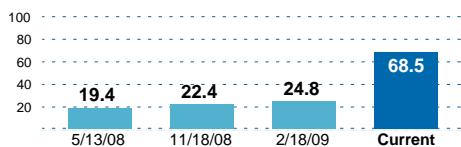
Earnings Score: 44.9



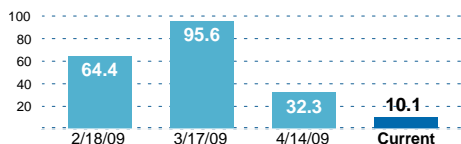
Balance Sheet Score: 41.0



Fundamental Score: 68.5



Timeliness Score: 10.1



Sabrient Analysis continued from Page 1

- **Best Performing Filters:** To determine the likelihood of near-term performance, Sabrient builds and backtests "Smart Filters" to establish which caps, styles and attributes are drawing a premium in today's market. Currently, the three most predictive filters for the relevant segment are:

Primary Value Filter: The Primary Value Filter measures key growth and valuation ratios, both long-term and short-term. It is currently one of our best-performing filters, showing a significant premium to its mid-cap benchmark for the past three months. CMS scores 61.6 for this filter.

Financial Quality Filter: The Financial Quality Filter assesses a company's financial health, emphasizing cash flow, along with projections for bottom-line and recent top-line growth. It is currently among Sabrient's best performing filters in the mid-cap market. CMS scores 99.3 for this filter.

Turnaround Filter: The Turnaround Filter gives high scores to stocks that exhibit low relative valuations and relatively stagnant EPS growth over the last three years, but have favorable EPS projections that have not yet been rewarded by the market. The filter dramatically outperformed its mid-cap benchmark during the last three months. CMS scores 80.6 for this filter.

In summary, CMS's Strong Buy rating is based on a profile of forward-looking metrics which show this stock could significantly outperform the broader markets.

What the Market Wants: May 2009

[Note: 'What the Market Wants' is based on the market behavior and Sabrient's filter backtesting results for the previous month.]

THE BEAR IS DEAD . . . LONG LIVE THE BULL?

By David Brown, Chief Market Strategist

(May 4, 2009 5:45 pm PST)

Perhaps not. Many don't consider the birth of the bull until the S&P 500 index crosses its 200-day moving average, and that milestone is still a short distance away. So perhaps we have a baby bull and a very wounded bear, but keep in mind that this is one of the most ferocious bears in history. One swipe of his claw can knock a baby bull off his feet.

That said, April was a glorious month, with the market blooming almost every week. The Russell Midcap Value was up an awesome 19.1% for the month, and the Nasdaq was up 12.35%. Indeed, every index was up double-digits, except for the Dow, up 7.4%, and the S&P 500, barely missing two digits at 9.4%.

Similarly, the last three months show everybody in the black, led by Mid-cap Growth (+15.6%) and the Nasdaq (+16.3%). The majority of the six-month numbers are still in the red, as are the 12-months numbers. The year-to-date performance is mixed between positive and negative, but is led by Mid-cap Growth.

With regard to styles, over the past month value slightly outperformed growth in most caps, but still trails over the past quarter by fairly wide margins.

For the most part, corporate earnings have surprised to the positive for the first quarter. Especially surprising were a number of banks that significantly beat their numbers and posted fairly handsome levels of profit.

Leading indicators, in general, have been better than expected, while lagging indicators such as employment statistics remain in dismal territory.

We should still be wary of economic pitfalls because technically, we are still in a recession. There could be negative economic surprises from the upcoming bank stress tests results and from future problems related to consumer debt levels, including credit cards.

Nonetheless, the near-term outlook for the market remains positive as money continues to flow back into equities, and short-covering fuels strong rallies among previously weak stocks. It is interesting to note, however, that despite the strong market rally over the last three months, market valuations in general remain slightly below the bottom of the 1987 crash.

Growth metrics remain the clear favorite, but the market's rise has fueled more interest in reasonable valuations, as evidenced by the improving results of the value style over the past month. The prudent investor will carefully build his portfolio from among the strong valuations that remain available.

Next update: First week of June.

Company Description

CMS Energy Corporation, through its subsidiaries, operates as an energy company primarily in Michigan. It operates in three segments: Electric Utility, Gas Utility, and Enterprises. The Electric Utility segment engages in the generation, purchase, distribution, and sale of electricity. The Gas Utility segment involves in the purchase, transportation, storage, distribution, and sale of natural gas. The Enterprises segment engages in independent power production and electric distribution. The company serves individuals and companies operating in the alternative energy, automotive, metal, chemical, food products, and various other industries. As of December 31, 2008, it served 1.8 million electric customers and 1.7 million gas customers. The company was founded in 1987 and is based in Jackson, Michigan.

About Sabrient

Sabrient Systems is an independent research firm providing statistical analysis of a company's fundamental data to investment professionals. We use a computer-driven, quantitative methodology to identify stocks that appear poised to outperform or underperform the market.

The Sabrient methodology was developed by an experienced research team led by David Brown, a former NASA scientist and retired CEO of Telescan and designer of its premier stock search program, ProSearch. The research team employs a scientific approach to the creation and testing of multi-factor filters. Each filter targets a key area of traditional stock analysis, including value, growth, momentum, fundamentals, earnings, balance sheet, and group strength. Using an adaptive process, filters are continually tested and monitored to ensure that only the best performing filters are at work.

Sabrient's ratings begin with an extraction process in which each of the few best-performing filters scans the universe of equities to identify stocks having certain compelling attributes sought, but not sufficiently rewarded, by the current market. Then, a composite scoring system employs a broader set of "weighting" filters to rank the extracted stocks. To support individual investors, Sabrient uses the same sophisticated methodology to provide individual stock reports on a universe of approximately 5,600 stocks.

Sabrient regularly tests the performance of its stock selections, using its primary list of published rankings and statistical techniques it believes appropriate. These recommendations have consistently outperformed relevant benchmarks across a broad range of investing styles, market caps, time frames and market conditions, demonstrating the robustness of Sabrient's proprietary methodology. While past performance is no guarantee of future results, Sabrient believes it can maintain its strong performance through its rigorous, scientific approach to filter construction and ongoing backtesting within a dynamic and adaptive composite scoring system.

For more information on Sabrient and its performance, go to www.sabrient.com

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