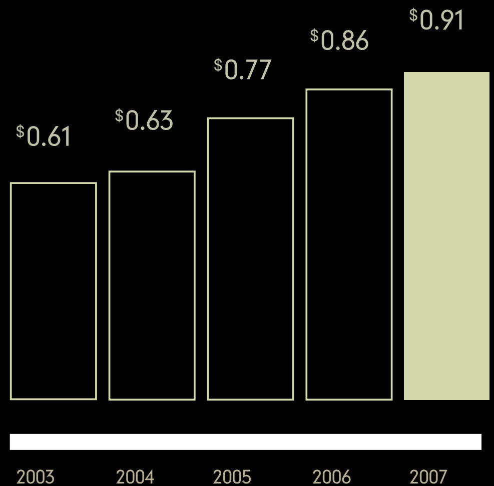
2007 Annual Report

PNM Resources

The demand for energy has never been greater. For a power producer, that should be good news. Even great news. But unpredictable fuel costs and fixed retail prices, combined with higher and higher peak loads, are testing our generation capabilities and challenging us to refine our focus on our core strengths. We believe the short-term setbacks of this realignment will be offset by long-term opportunities ahead.

Dividends paid



CHAIRMAN'S LETTER TO SHAREHOLDERS

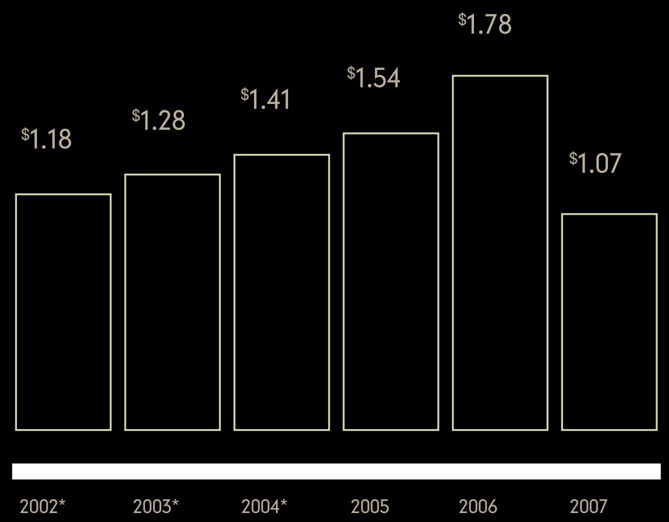
Fellow Shareholders,

Since 2000, when I returned to lead PNM Resources, our management team's top priority has been to anticipate changes in the marketplace and make decisions that would ensure our ability to provide high levels of service for our customers and exceptional value for our shareholders. Over the years, we have improved customer satisfaction metrics, provided superior reliability and consistently increased total shareholder return.

JEFF STERBA

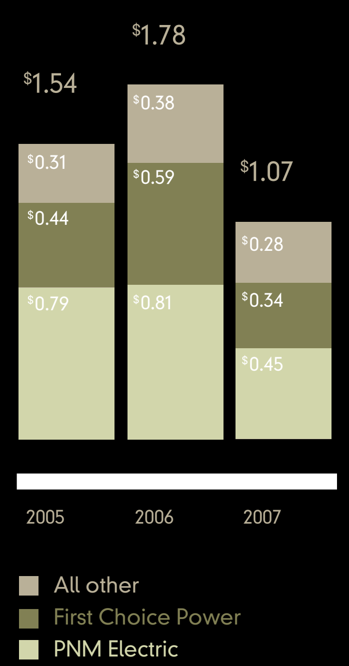
Chairman, President & CEO
PNM Resources

Ongoing earnings per diluted share[1,2]



*2002-04 adjusted for 3-for-2 common stock split.

The 2002 PNM electric rate settlement began a stretch of strong earnings growth. While it provided stability for customers, the agreement was one year too long and hindered PNM from adequately recovering its costs.



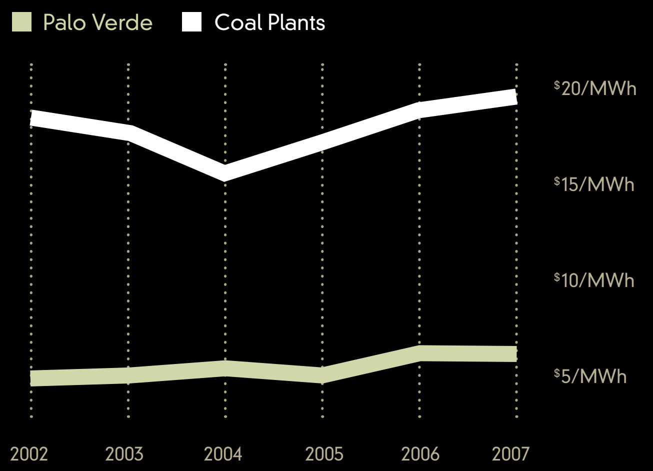
Our established trend of shareholder return did not extend through 2007. This was a source of profound disappointment to your Board of Directors, all of our shareholders and me. 2007 financial results reflected volatile and increasing fuel costs with no fuel cost recovery mechanism, higher electricity demand, rising costs of the fundamental building blocks of our business and the inability to raise prices in our regulated operations. For the year, ongoing earnings were $1.07 [1,2] per diluted share, compared with $1.78 [1,2] per diluted share in 2006. GAAP earnings per diluted share were $0.96 in 2007, compared with $1.71 in 2006.

The seeds of our earnings decline were sown largely in a five-year electric rate agreement entered into by our PNM utility in 2002. This agreement allowed the company to benefit from off-system electricity sales, but lowered rates a total of 6.5 percent and did not include a fuel-adjustment clause.

(1) Ongoing earnings are adjusted to exclude the impact of nonrecurring items and net unrealized mark-to-market gains and losses on economic hedges. Ongoing earnings also include discontinued operations.

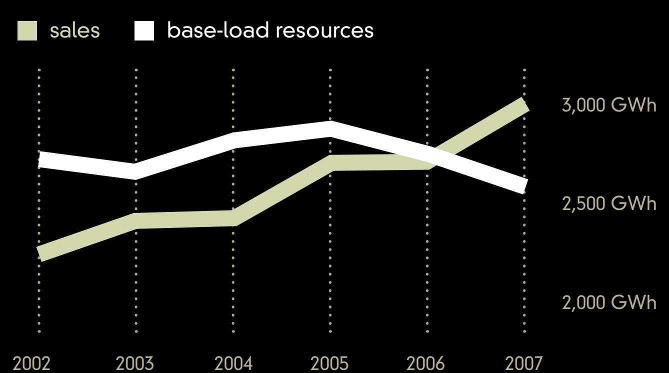
(2) For a complete reconciliation of ongoing earnings per diluted share to Generally Accepted Accounting Principles (GAAP) earnings per share see page 32.

Average base load fuel costs



Since 2004, the cost of coal has increased 18 percent and the price of nuclear fuel has increased 10 percent. Without a fuel-adjustment clause, PNM could not recover these rising costs.

Third quarter retail sales and resources



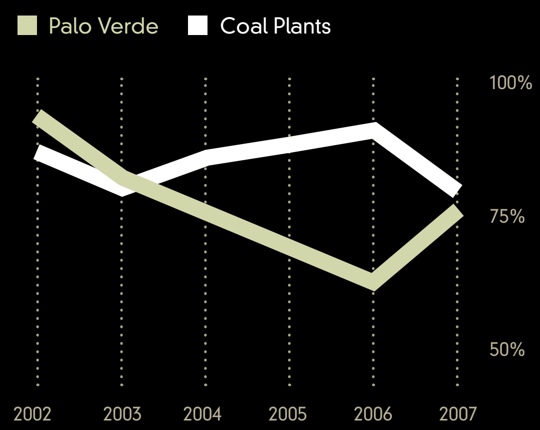
Beginning in 2006, demand for electricity during the summer months, combined with lower plant availability, created a supply-and-demand gap. In order to meet customer electricity needs, PNM either purchased or generated more expensive power.

Our plan was to offset a large portion of the rate reduction with savings generated by a shift from a surface coal mine operation to an underground operation near the San Juan Generating Station. This plan paid off during the years that immediately followed, as strong power plant performance, coupled with effective off-system sales strategies, and low coal and nuclear power costs, helped drive the strong financial performance into 2006.

2007 – THE YEAR IN REVIEW

During 2007, however, we began to see the situation change. Our retail load grew much faster than anticipated while scheduled maintenance and other outages at Palo Verde Nuclear Generating Station and San Juan further diminished our generation capacity. To offset this deficit in retail generation, we purchased more expensive power on the wholesale market and used higher-cost, gas-fired generation. Without the fuel-adjustment clause, we had no means of recovering the significant increase in fuel costs. In short, the five-year rate agreement was one year too long.

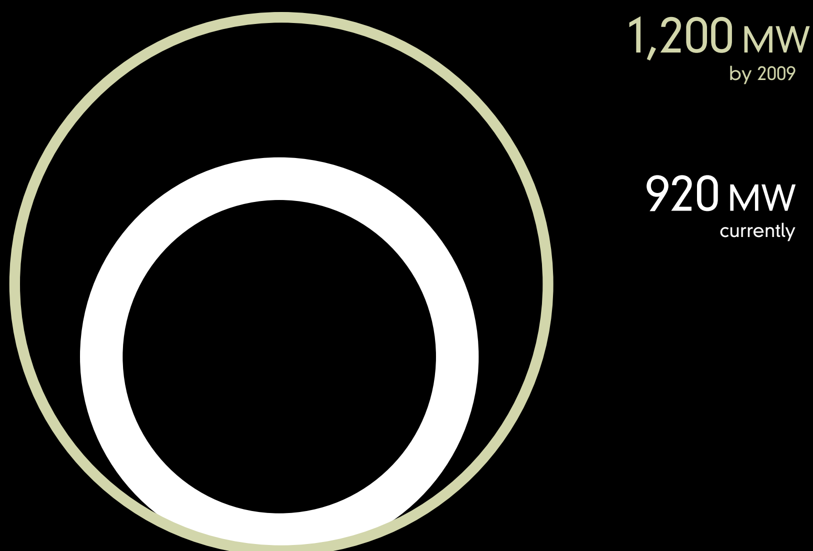
Plant availability



While PNM electric operations faced lower power plant availability, higher costs to provide service and frozen electric rates, PNM gas operations benefited slightly from the implementation of new delivery rates and a colder 2007 winter.

In Texas, our electric transmission and distribution utility continued to demonstrate steady growth. As a "wires-only" company, TNMP delivers electricity to more than 226,000 customers on behalf of retail electricity providers. As such, TNMP benefits from Texas' growing demand for electricity without fuel-cost risk. We expect TNMP to provide modest, but steady, earnings contributions in the years to come as long as its rates reflect growing infrastructure needs.

EnergyCo generation growth in Texas



By mid-2009, EnergyCo will have nearly 1,200 megawatts of generation in Texas, 890 of which will be within the high-demand Houston zone.

Our competitive businesses in Texas – First Choice Power and our 50 percent interest in EnergyCo – continue to show promise. Even as the Texas electricity market went through a tumultuous period in 2007, resulting in across-the-board margin decreases for all market participants, First Choice Power demonstrated flexibility, prowess and determination to remain a Simply Better choice for residential and business consumers. While it could not duplicate 2006's near-perfect performance, First Choice Power grew its customer base and managed the transition to a new customer care system.

When I introduced EnergyCo in last year's annual report, I explained that it would be the vehicle through which we would execute our long-term growth strategy in competitive markets. Since then, EnergyCo has begun implementing this strategy by acquiring more than 900 megawatts of generation in 2007 and partnering to develop a new natural gas generating unit that will add another 275 megawatts to its portfolio. By mid-2009, EnergyCo will have nearly 1,200 megawatts of generation in Texas, 890 of which will be within the high-demand Houston zone.

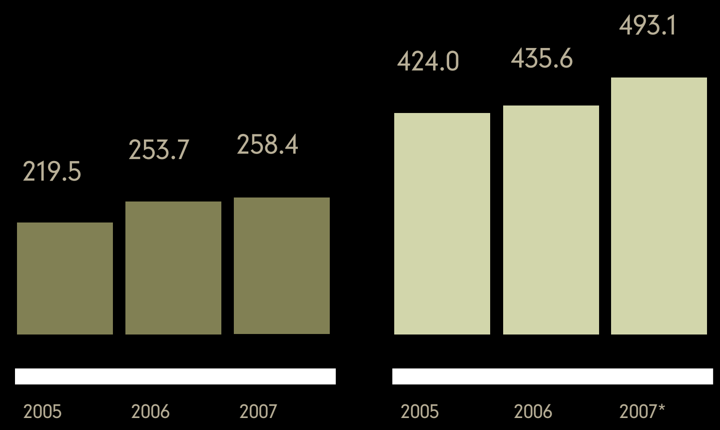
Our four key initiatives

Clearly, our company faced a myriad of challenges in 2007. Moving forward, rising fuel costs, growing electricity demand and protecting our environment will continue to test our resolve to provide excellent customer service and strong growth in shareholder value. Because we see opportunities in the challenges that lie ahead, we refocused our strategy in 2007 on four key initiatives.

The first is to obtain fair rate treatment for our regulated utilities so we can adequately recover the cost of providing superior service to our customers. Our current New Mexico electric rate case is a critical element of our strategy and an exceptionally important regulatory proceeding.

Tied to fair rate relief are our efforts to reduce costs where possible through technology and processes. This is our second objective. We can't – and won't – ask customers to pay more if we haven't done all we can to increase the efficiency of our cost structure. During the summer of 2007, we launched a business improvement program that examined virtually every facet of our company.

Growth in customers



in thousands

First Choice Power
PNM Electric

*2007 customer numbers reflect the integration of TNMP New Mexico customers.

In the program's first phase, we developed plans for refining and automating processes and eliminated work that no longer provided significant value to our customers. Unfortunately, the business improvement program also identified the need to reduce our work force by about 15 percent. As a whole, we expect the improvement plan to capture nearly $35 million in annualized savings.

The third initiative reflects our intention to simplify our PNM regulated electric operation so that it is singularly focused on retail customers, while EnergyCo targets select wholesale markets. In early 2008, we announced the first step in executing this initiative with the pending sale of certain wholesale electric, natural gas and transmission contracts.

The fourth initiative is our decision to narrow the company's focus to the core electric business in both regulated and competitive markets. To implement this, we announced plans to sell the PNM gas operations to Continental Energy Systems for $620 million. The sale will decrease our utility 2009–2012 capital expenditure budget by about $148 million and result in a stronger company.

Commodity price increases

Gasoline	172%
Copper	432%
Aluminum	63%
Iron/Steel	67%
Cement	36%

December 2002 through October 2007
Source: U.S. Department of Labor, Bureau of Labor Statistics

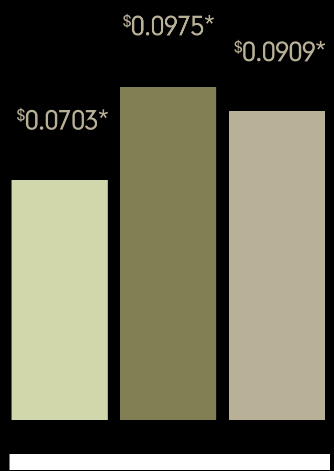
While we have done an excellent job of improving the gas business since its acquisition in 1985, it has been an underperforming asset, and the sale supports our initiative to focus on electric operations. Likewise, our current gas employees soon will be part of a new Albuquerque-based company that can focus solely on gas delivery systems.

The transaction with Continental also affords us the opportunity to expand our regulated electric operations in Texas through the pending purchase of Cap Rock Energy, an electric utility serving 28 counties. Because of locked-in purchase power contracts, Cap Rock operates much the same way as TNMP, which has provided shareholders with strong value since its 2005 acquisition. Like TNMP, Cap Rock benefits from strong customer load growth without the growing pains of volatile fuel costs.

2008 AND BEYOND

Without argument, 2007 was a setback as our earnings were hindered by many factors; recovery will not occur overnight. But we strongly believe that the next two years will prove that our four initiatives put us on the right path for success. Our regulated businesses will need stability from

Average retail rate comparisons



PNM rates are 27.9 percent lower than the Southwest region and 22.7 percent lower than the national average.

in dollars per kWh

- PNM Electric
- Southwest Region
- USA

Source: Energy Information Administration
*Averages for the 12 months ending Oct. 2007

fair rate treatment to ensure those businesses adequately recover the costs of providing electricity. And we will continue corporate-wide efforts to streamline processes and reduce costs where possible. We will focus on our core electric businesses and simplify our PNM regulated electric operations. Our regulated companies will provide stable, organic growth while in our unregulated markets, First Choice Power and EnergyCo will pursue growth prospects methodically. Our strategic direction provides future opportunities, and management is committed to executing plans that make the most of them.

For example, our refined business model embraces energy efficiency. Not only does using energy wisely benefit consumers and the company, it is the right thing to do to protect our environment. In the future, the opportunity for PNM to earn a higher return exists because New Mexico lawmakers have recognized the need to remove disincentives currently faced by utilities when investing in energy efficiency. Soon, PNM should be allowed to benefit from having deployed energy efficiency programs that save customers money and defer the need to build power plants.

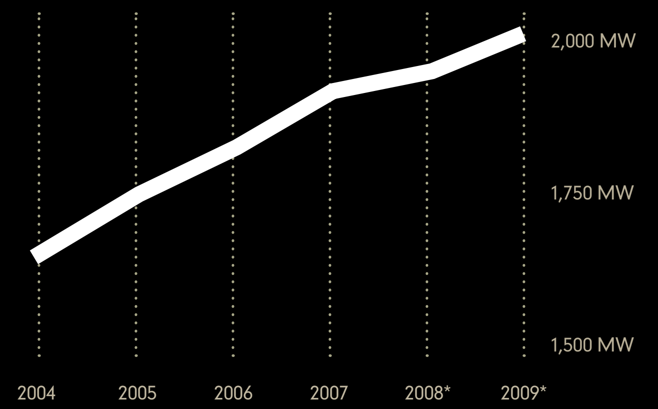
Senior management

Left to right:

Pat Vincent-Collawn *Utilities President*
Jim Ferland *Senior Vice President of Utility Operations*
Alice Cobb *Senior Vice President & Chief Administrative Officer*
Chuck Eldred *Executive Vice President & CFO*
Cindy McGill *Senior Vice President of Public Policy & Strategy*
Patrick Ortiz *Senior Vice President & General Counsel*
Jeff Sterba *Chairman, President & CEO*

Your management team is acting now to maintain high levels of customer service and rebuild the shareholder value all of our employees have worked so hard to create. We expect the coming 18 months or so to be transitional during which both our regulated and unregulated businesses will re-establish their respective baselines for our future growth trajectory.

Peak demand



*PNM Electric's 2009 peak demand is expected to be more than 22 percent greater than 2004's peak.

In 2007, we said good-bye to one of our directors, Charles McMahen, and we greatly appreciate his service and insights. We subsequently welcomed a new member, Bob Nordhaus. Bob has New Mexico ties and is a former general counsel of the U.S. Department of Energy and a noted expert in federal electric, natural gas and environmental regulation.

On behalf of the PNM Resources family of companies and its employees, we are committed to building value for you.

Sincerely,

Jeff Sterba

Chairman, President & CEO

PNM Resources

Board of directors

JEFFRY E. STERBA
Chairman, President & CEO of PNM Resources, age 53. *Director since 2000.*

BONNIE S. REITZ
Owner/Founder, InsideOut…Culture to Customer, age 55. *Director since 2002. Committees: Human Resources and Compensation (Chair), Governance and Public Policy.*

ADELMO E. ARCHULETA
President and Chief Executive Officer of Molzen-Corbin & Associates, age 57. *Director since 2003. Committees: Audit and Ethics, Governance and Public Policy.*

JULIE A. DOBSON
Chairman of TeleBright Corporation, age 51. *Director since 2002. Committees: Audit and Ethics (Chair), Human Resources and Compensation.*

WOODY L. HUNT
CEO of Hunt Building Co. Ltd. and Affiliated Companies, age 62. *Director since 2005. Committees: Finance (Chair), Audit and Ethics.*

ROBERT M. PRICE
President of PSV Inc., age 77. *Director since 1992. Committees: Finance, Audit and Ethics.*

JOAN B. WOODARD PH.D.
Exec. Vice President and Deputy Director of Nuclear Weapons Program for Sandia National Laboratories, age 55. *Director since 2003. Committees: Finance, Human Resources and Compensation.*

MANUEL T. PACHECO PH.D.
President Emeritus, University of Missouri System, age 66. *Director since 2001. Committees: Governance and Public Policy (Chair), Human Resources and Compensation.*

ROBERT R. NORDHAUS
Member, Van Ness Feldman PC, age 71. *Director since 2007. Committees: Finance, Governance and Public Policy.*









Investor highlights

(In thousands except per share amounts and ratios)

	2007	2006	PERCENTAGE CHANGE	ANNUALIZED GROWTH RATE SINCE 2003
FINANCIAL DATA				
Operating Revenues from Continuing Operations	**$ 1,914,029**	$ 1,963,360	(2.5%)	14.9%
Earnings from Continuing Operations	**$ 59,358**	$ 107,960	(45.0%)	6.2%
Operating Expenses	**$ 1,788,987**	$ 1,713,527	4.4%	16.3%
Net Earnings Available for Common Stock	**$ 74,874**	$ 120,818	(38.0%)	(5.5%)
Retained Earnings	**$ 638,229**	$ 635,550	0.4%	5.3%
COMMON SHARE DATA				
Earnings per Share (Basic)				
Ongoing [1,2]	**$ 1.09**	$ 1.80	(39.4%)	(4.1%)
Net Earnings	**$ 0.98**	$ 1.73	(43.4%)	(11.1%)
Continuing Operations	**$ 0.77**	$ 1.55	(50.3%)	(0.3%)
Earnings per Share (Diluted)				
Ongoing [1,2]	**$ 1.07**	$ 1.78	(39.9%)	(4.4%)
Net Earnings	**$ 0.96**	$ 1.71	(43.9%)	(11.4%)
Continuing Operations	**$ 0.76**	$ 1.53	(50.3%)	(0.6%)
Book Value per Share	**$ 22.03**	$ 22.24	(0.9%)	5.0%
Dividends Declared per Share	**$ 0.920**	$ 0.880	4.5%	11.3%
Market Price per Share				
High	**$ 34.28**	$ 32.07	6.9%	14.9%
Low	**$ 21.05**	$ 22.49	(6.4%)	13.6%
Close at Year-End	**$ 21.45**	$ 31.10	(31.0%)	3.4%
Average Shares Outstanding (Basic)	**76,719**	69,829	9.9%	6.5%
Average Shares Outstanding (Diluted)	**77,928**	70,636	10.3%	6.7%
FINANCIAL RATIOS				
Market-to-Book Ratio at Year-End	**0.97**	1.40	(30.7%)	(1.5%)
Price Earnings Ratio at Year-End	**21.9**	18.0	21.8%	16.4%
Return on Average Common Equity	**4.4%**	8.0%	(45.0%)	(16.4%)
Dividend Yield on Market Price at Year-End	**4.29%**	2.83%	51.6%	7.6%

(1) Ongoing earnings are adjusted to exclude the impact of nonrecurring items and net unrealized mark-to-market gains and losses on economic hedges. Ongoing earnings also include discontinued operations.

(2) For a complete reconciliation of ongoing earnings per diluted share to Generally Accepted Accounting Principles (GAAP) earnings per share see page 32.

Sustainability highlights

In this report, we identified some fundamental challenges facing our business. While some aspects of our culture will undoubtedly change as a result of these challenges, our continued commitment to sustainability remains a key component of our long-term success. Only by providing better value to our customers and communities, our workforce, environmentally concerned citizens and shareholders can we reshape our business and lay the groundwork needed to provide value now and in the future. That is the essence of sustainability. The following figures highlight a few of our sustainability efforts. Readers who are interested in a comprehensive review of our sustainability performance can view our 2007 corporate sustainability report, scheduled for digital publication on June 30, 2008 at PNMResources.com.

	2007	2006	2005
CUSTOMERS			
Customer Satisfaction Rating (1-10)			
PNM residential customers	**7.3**	7.0	6.8
PNM business customers	**8.5**	8.4	8.2
Low Income Assistance			
PNM Good Neighbor Fund contributions	**$ 696,290**	$ 683,982	$ 708,689
COMMUNITY			
Philanthropic Giving [1]	**$ 3,966,946**	$ 3,885,427	$ 6,165,731
Supplier Diversity Program			
Supplier Diversity spending (millions)	**$ 312.0**	$ 177.5	$ 86.4
Percentage of total purchases	**27%**	26%	7%
WORKFORCE			
PNMR Corporate Governance Ranking (1-10) [2]	**10.0**	10.0	9.0
Workplace Diversity (% minority workforce)	**46%**	43%	42%
Safety in the Workplace (injury rates) [3]	**4.0**	3.3	5.7
ENVIRONMENT [4]			
Air Emissions			
Nitrogen oxide intensity (pounds per MWh)	**2.92 est.**	2.60	3.0
Sulfur dioxide intensity (pounds per MWh)	**1.84 est.**	1.88	1.67
Particulates intensity (pounds per MWh)	**0.0962 est.**	0.0909	0.0828
Carbon dioxide intensity (pounds per MWh)	**1,557 est.**	1,572	1,458
PNM Sky Blue® Wind Program			
Customer consumption (MWh)	**124,697**	65,565	45,328
Number of PNM Sky Blue® customers	**17,833**	13,795	8,510
PNM Sky Blue® national program ranking [5]	**TBA**	8th	16th
PNM Customer-owned Solar PV Program			
Total installed (kW AC)	**337**	159	NA
Total measured (kWh)	**455,810**	137,619	NA
Number of program participants	**187**	76	NA

(1) The 2005 total contributions include a one-time $2.5M donation from the corporation to the PNM Foundation. If the donation were excluded, total contributions would be $3,665,731.

(2) Independent Governance Metrics International (GMI) ranking based on PNM Resources relative to a global universe of utilities.

(3) OSHA Recordable Injury Rates.

(4) At the time of printing, 2007 air figures are preliminary estimates, subject to change. Final data will be reported in our 2007 Corporate Sustainability Report, scheduled for publication June 30, 2008 on PNMResources.com.

(5) National Renewable Energy Laboratory rating.

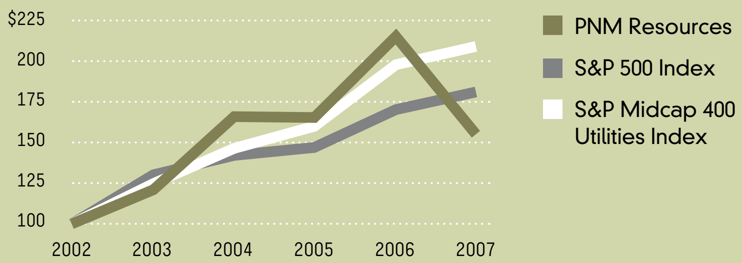
PNM RESOURCES INC. AND SUBSIDIARIES

We are an investor-owned holding company of regulated and unregulated energy and energy-related companies and were incorporated in the State of New Mexico on March 3, 2000. Company management regularly reviews operating results of our primary subsidiaries, which are Public Service Company of New Mexico, TNMP, and First Choice Power, L.P. PNM is an integrated public utility with regulated operations primarily engaged in the generation, transmission and distribution of electricity, and the transmission, distribution and sale of natural gas within New Mexico. PNM Resources has agreed to sell its natural gas operations pending regulatory approval. PNM's unregulated operations primarily focus on the sale and marketing of electricity in the western United States. TNMP is a regulated utility in Texas that provides regulated transmission and distribution services. First Choice Power is a retail electric provider operating in the competitive, unregulated electricity market in Texas. The company also owns a 50-percent share of EnergyCo, LLC. The other 50-percent is owned by a subsidiary of Cascade Investment, L.L.C. EnergyCo provides energy and energy services to expanding markets throughout the Southwest, Texas and the West. EnergyCo currently owns Twin Oaks Power, a 305-megawatt coal-fired power plant, Altura Cogen, a 614-megawatt natural gas-fired power plant, and Cedar Bayou, a 275-megawatt natural gas-fired power plant, which is scheduled to be online in summer 2009.

STOCK PERFORMANCE

The following graph assumes that $100 was invested on Dec. 31, 2002, in PNM Resources common stock, the S&P 500 Stock Index and the S&P Midcap 400 Utilities Index, and that all dividends were reinvested.

COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN



FISCAL YEAR ENDED DECEMBER 31	2002	2003	2004	2005	2006	2007
PNM Resources	$ 100	$ 122	$ 170	$ 170	$ 223	$ 159
S&P 500 Index	100	129	142	150	173	183
S&P Midcap 400 Utilities Index	100	126	150	165	201	214

Data Source: Bloomberg. Historical performance does not necessarily predict future results. PNM Resources' common stock is traded on the NYSE.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Any statements made herein about future operating results or other future events are forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those expressed or implied by these forward-looking statements. A discussion of factors that could cause actual results or events to differ is contained in the section entitled "Disclosure Regarding Forward Looking Statements" in the enclosed Form 10-K for the year ended December 31, 2007.

Shareholder information

2008 ANNUAL MEETING

The 2008 Annual Meeting of Stockholders will be at 9 a.m. (MDT) on May 28, 2008, at the South Broadway Cultural Center, 1025 Broadway SE, Albuquerque, N.M. Proxies will be requested from stockholders when the notice of meeting and proxy statement are mailed on or about April 23, 2008.

TRANSFER AGENT AND REGISTRAR

Corporate Headquarters
BNY Mellon Investor Services
PO Box 3338, South Hackensack, N.J. 07606-1938
(877) 663-7775
melloninvestor.com

Overnight, Registered or Certified Mail
BNY Mellon Investor Services
480 Washington Blvd., Jersey City, N.J. 07310

DIVIDEND REINVESTMENT AND DIRECT STOCK PURCHASE PLAN

PNM Resources offers a dividend reinvestment and direct stock purchase plan as a service to both new investors and current shareholders. In addition to full or partial reinvestment of dividends, the PNM Direct Plan gives shareholders the opportunity to make direct cash investments. More information about the plan and enrollment forms are available through BNY Mellon Investor Services.

SECURITIES INFORMATION

NYSE Listed
Stock Symbol: PNM
Common shareholders of record: 13,640 (as of Feb. 15, 2008)
Newspaper listing: PNM Res

On May 31, 2007, the Company submitted the required annual written certification to the NYSE to comply with Section 303A.12(a) of the NYSE Listed Company Manual. There were no qualifications to the certification. In addition, the Company has filed with the SEC, as exhibits to its Form 10-K filed on February 29, 2008, the Sarbanes-Oxley Act Section 302 certifications regarding the quality of the Company's public disclosure.

DIVIDENDS DECLARED AND COMMON STOCK PRICES (IN DOLLARS)

	2007			2006		
		STOCK PRICE			STOCK PRICE	
QUARTER	DIVIDEND	HIGH	LOW	DIVIDEND	HIGH	LOW
1	$ 0.230	$ 32.70	$ 29.32	$ 0.220	$ 25.50	$ 22.49
2	—	34.28	26.50	—	26.60	23.92
3	0.460	28.71	21.05	0.440	28.94	25.41
4	0.230	25.21	24.41	0.220	32.07	27.47

Dividends declared during the quarter ended September 30, 2007 include a $0.23 per share dividend declared on July 17, 2007 for the quarter ended June 30, 2007 and a $0.23 per share dividend declared on September 18, 2007 for the quarter ended September 30, 2007.

Dividends declared during the quarter ended September 30, 2006 include a $0.22 per share dividend declared on July 18, 2006 for the quarter ended June 30, 2006 and a $0.22 per share dividend declared on September 26, 2006 for the quarter ended September 30, 2006.

For further information regarding dividends, please see the discussion on page A-27 in the company's 2007 Form 10-K.

REPORTS AND PUBLICATIONS

Copies of the company's Form 10-K (annual report) and Form 10-Q (quarterly report) to the Securities and Exchange Commission (SEC), proxy statement, all news releases, up-to-date stock quotes, quarterly earnings results and other corporate literature are available free upon request by accessing the information at PNMResources.com, or by calling (800) 545-4425 or by writing to Investor Relations.

CONTACT INFORMATION

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Alvarado Square MS 2602
Albuquerque, N.M. 87158
PNMResources.com

Investor Relations
Gina Jacobi, Director
Investor Relations & Shareholder Services
(505) 241-2211
(505) 241-2339 – Fax

Shareholder Services
(800) 545-4425

ONGOING DILUTED EARNINGS PER SHARE (EPS) TO GAAP DILUTED EARNINGS PER SHARE (EPS)

2007 **diluted ongoing EPS**	**$ 1.07**
Favorable Tax Decisions	0.27
Consulting and Legal Costs for Sale of Assets	(0.02)
Twin Oaks III Impairment	(0.03)
Business Improvement Plan	(0.10)
Loss on Altura Contribution	(0.03)
Sale of Turbine	0.03
Afton Write-Down	(0.15)
EnergyCo Formation Costs	(0.02)
Economic Mark-to-Market	(0.06)
2007 GAAP diluted EPS	**$ 0.96**

2006 **diluted ongoing EPS**	**$ 1.78**
Acquisition Integration Costs	(0.04)
EnergyCo Formation Costs	(0.03)
2006 GAAP diluted EPS	**$ 1.71**

2005 **diluted ongoing EPS**	**$ 1.54**
Refinancing	(0.10)
Acquisition Integration Costs	(0.15)
Software Write-Off	(0.04)
Regulatory Liability	(0.02)
Turbine Write-Down	(0.13)
Private Equity Units	(0.11)
Change in Accounting Principle	(0.01)
2005 GAAP diluted EPS	**$ 0.98**

There were no nonrecurring charges in 2004.

2003 **diluted ongoing EPS**	**$ 1.28**
Refinancing	(0.16)
Transition Costs Write-Off	(0.17)
Change in Accounting Principle	0.61
2003 GAAP diluted EPS	**$ 1.56**

2002 **diluted ongoing EPS**	**$ 1.18**
Reorganization	(0.09)
Transmission Line Project Write-Off	(0.05)
Severance Costs	(0.02)
Western Resources Acquisition and Legal Costs	0.02
2002 GAAP diluted EPS	**$ 1.04**

Design: Kilmer & Kilmer Brand Consultants Photography: Michael Barley

CORPORATE GOVERNANCE RANKING

MEGAWATTS PEAK DEMAND

258,000 CUSTOMERS

ADDITIONAL MEGAWATTS

PNM Resources

Alvarado Square | Albuquerque, NM 87158

PNMResources.com