

2008 Dollars

Three Months Ended September 30, 2008

(in thousands)

	Utilities			FCP	EnergyCo (50%)	Corp/ Other	PNMR
	PNM Electric	TNMP Electric	PNM Gas				
Ongoing Earnings (Loss)	\$ 28,650	\$ 8,235	\$ (4,184)	\$ (3,015)	\$ 242	\$ (6,287)	\$ 23,641
Non-Recurring Items							
Acquisition/Divestiture	(339)	-	(4)	-	-	(3,055)	(3,398)
Business Improvement Plan	(116)	(142)	(68)	-	-	(1,966)	(2,292)
Economic mark-to-market hedges	(9,378)	-	342	(6,287)	8,543	-	(6,780)
Depreciation on gas assets	-	-	3,276	-	-	-	3,276
Impairment of intangible assets	-	-	-	(7,316)	(97)	-	(7,413)
Speculative trading	-	-	-	82	1	-	83
Unrealized impairments of NDT securities	(3,015)	-	-	-	-	-	(3,015)
Write-off of emissions allowances	-	-	-	-	(9,587)	-	(9,587)
Total Non-Recurring Items	(12,848)	(142)	3,546	(13,521)	(1,140)	(5,021)	(29,126)
GAAP Earnings (Loss) from Continuing Operations	15,802	8,093		(16,536)	(898)	(11,308)	(4,847)
GAAP Earnings (Loss) from Discontinued Operations			(638)				(638)
GAAP Net Earnings (Loss)	\$ 15,802	\$ 8,093	\$ (638)	\$ (16,536)	\$ (898)	\$ (11,308)	\$ (5,485)

Nine Months Ended September 30, 2008

(in thousands)

	Utilities			FCP	EnergyCo (50%)	Corp/ Other	PNMR
	PNM Electric	TNMP Electric	PNM Gas				
Ongoing Earnings (Loss)	\$ 18,261	\$ 17,643	\$ 14,993	\$ (13,871)	\$ 2,783	\$ (20,489)	\$ 19,320
Non-Recurring Items							
Acquisition/Divestiture	(339)	-	(9)	-	-	(3,348)	(3,696)
Afton writedown	(1,199)	-	-	-	-	-	(1,199)
Business Improvement Plan	171	(146)	(143)	-	-	(4,434)	(4,552)
Depreciation on gas assets	-	-	9,705	-	-	-	9,705
Economic mark-to-market hedges	(3,016)	-	70	(446)	(3,247)	-	(6,639)
FIN 48 Interest	(1,922)	29	6	66	-	12	(1,809)
Gain on sale of merchant portfolio	3,083	-	-	-	-	-	3,083
Impairment of intangible assets	(51,143)	(34,456)	-	(55,317)	(6,784)	-	(147,700)
Regulatory disallowances	(18,273)	-	-	-	-	-	(18,273)
Speculative trading	-	-	-	(31,452)	(739)	-	(32,191)
Unrealized impairments of NDT securities	(4,070)	-	-	-	-	-	(4,070)
Write-off of emissions allowances	-	-	-	-	(9,587)	-	(9,587)
Total Non-Recurring Items	(76,708)	(34,573)	9,629	(87,149)	(20,357)	(7,770)	(216,928)
GAAP Earnings (Loss) from Continuing Operations	(58,447)	(16,930)		(101,020)	(17,574)	(28,259)	(222,230)
GAAP Earnings (Loss) from Discontinued Operations			24,622				24,622
GAAP Net Earnings (Loss)	\$ (58,447)	\$ (16,930)	\$ 24,622	\$ (101,020)	\$ (17,574)	\$ (28,259)	\$ (197,608)

Three Months Ended September 30, 2008

	Utilities			FCP	EnergyCo (50%)	Corp/ Other	PNMR
	PNM Electric	TNMP Electric	PNM Gas				
Ongoing Earnings (Loss)	\$ 0.33	\$ 0.10	\$ (0.05)	\$ (0.03)	\$ -	\$ (0.08)	\$ 0.27
Non-Recurring Items							
Acquisition/Divestiture	0.00	-	0.00	-	-	(0.04)	(0.04)
Business Improvement Plan	0.00	(0.01)	0.00	-	-	(0.01)	(0.02)
Economic mark-to-market hedges	(0.11)	-	0.00	(0.07)	0.10	-	(0.08)
Depreciation on gas assets	-	-	0.05	-	-	-	0.05
Impairment of intangible assets	-	-	-	(0.09)	-	-	(0.09)
Speculative trading	-	-	-	0.00	0.00	-	0.00
Unrealized impairments of NDT securities	(0.04)	-	-	-	-	-	(0.04)
Write-off of emissions allowances					(0.11)		(0.11)
Total Non-Recurring Items	(0.15)	(0.01)	0.05	(0.16)	(0.01)	(0.05)	(0.33)
GAAP Earnings (Loss) from Continuing Operations	0.18	0.09		(0.19)	(0.01)	(0.13)	(0.06)
GAAP Earnings (Loss) from Discontinued Operations			0.00				0.00
GAAP Net Earnings (Loss)	\$ 0.18	\$ 0.09	\$ 0.00	\$ (0.19)	\$ (0.01)	\$ (0.13)	\$ (0.06)

Average Shares Outstanding (Basic and Diluted): 86,408,035

Nine Months Ended September 30, 2008

	Utilities			FCP	EnergyCo (50%)	Corp/ Other	PNMR
	PNM Electric	TNMP Electric	PNM Gas				
Ongoing Earnings (Loss)	\$ 0.22	\$ 0.22	\$ 0.18	\$ (0.17)	\$ 0.03	\$ (0.24)	\$ 0.24
Non-Recurring Items							
Acquisition/Divestiture	-	-	0.00	-	-	(0.04)	(0.04)
Afton writedown	(0.02)	-	-	-	-	-	(0.02)
Business Improvement Plan	-	-	0.00	-	-	(0.05)	(0.05)
Depreciation on gas assets	-	-	0.12	-	-	-	0.12
Economic mark-to-market hedges	(0.04)	-	0.00	(0.01)	(0.04)	-	(0.09)
FIN 48 Interest	(0.02)	-	0.00	-	-	-	(0.02)
Gain on sale of merchant portfolio	0.04	-	-	-	-	-	0.04
Impairment of intangible assets	(0.63)	(0.43)	-	(0.68)	(0.09)	-	(1.83)
Regulatory disallowances	(0.22)	-	-	-	-	-	(0.22)
Speculative trading	-	-	-	(0.38)	(0.01)	-	(0.39)
Unrealized impairments of NDT securities	(0.05)	-	-	-	-	-	(0.05)
Write-off of emissions allowances					(0.11)		(0.11)
Total Non-Recurring Items	(0.94)	(0.43)	0.12	(1.07)	(0.25)	(0.09)	(2.66)
GAAP Earnings (Loss) from Continuing Operations	(0.72)	(0.21)		(1.24)	(0.22)	(0.33)	(2.72)
GAAP Earnings (Loss) from Discontinued Operations			0.30				0.30
GAAP Net Earnings (Loss)	\$ (0.72)	\$ (0.21)	\$ 0.30	\$ (1.24)	\$ (0.22)	\$ (0.33)	\$ (2.42)

Average Shares Outstanding (Basic and Diluted): 81,669,330

2007 Dollars

Three Months Ended September 30, 2007

(in thousands)

	Utilities			Altura	FCP	EnergyCo (50%)	Corp/ Other	PNMR
	PNM Electric	TNMP Electric	PNM Gas					
Ongoing Earnings (Loss)	\$ 20,934	\$ 10,421	\$ (3,102)	\$ -	\$ 6,802	\$ 6,153	\$ (5,865)	\$ 35,343
Non-Recurring Items								
Afton Write-Down	(11,780)	-	-	-	-	-	-	(11,780)
Business Improvement Plan	(4,186)	(193)	-	-	-	-	(3,227)	(7,606)
Economic mark-to-market hedges	(5,187)	-	(162)	-	(416)	94	-	(5,671)
Sale of Turbine	1,678	-	-	-	-	-	-	1,678
Speculative trading	-	-	-	-	(3,641)	134	-	(3,507)
Unrealized impairments of NDT securities	(85)	-	-	-	-	-	-	(85)
Total Non-Recurring Items	(19,560)	(193)	(162)	-	(4,057)	228	(3,227)	(26,971)
GAAP Earnings (Loss) from Continuing Operations	1,374	10,228		-	2,745	6,381	(9,092)	11,636
GAAP Earnings (Loss) from Discontinued Operations			(3,264)					(3,264)
GAAP Net Earnings (Loss)	\$ 1,374	\$ 10,228	\$ (3,264)	\$ -	\$ 2,745	\$ 6,381	\$ (9,092)	\$ 8,372

Nine Months Ended September 30, 2007

(in thousands)

	Utilities			Altura	FCP	EnergyCo (50%)	Corp/ Other	PNMR
	PNM Electric	TNMP Electric	PNM Gas					
Ongoing Earnings (Loss)	\$ 40,136	\$ 15,593	\$ 9,511	\$ 5,983	\$ 19,220	\$ 7,125	\$ (17,391)	\$ 80,177
Non-Recurring Items								
Afton Write-Down	(11,780)	-	-	-	-	-	-	(11,780)
Business Improvement Plan	(4,186)	(193)	-	-	-	-	(3,229)	(7,608)
Economic mark-to-market hedges	(9,311)	-	160	-	489	94	-	(8,568)
Favorable Tax Decision	-	-	-	-	-	-	16,038	16,038
JV Formation Costs	-	-	-	-	-	-	(2,543)	(2,543)
Loss on Altura Contribution	-	-	-	-	-	-	(2,197)	(2,197)
Sale of Turbine	1,678	-	-	-	-	-	-	1,678
Speculative trading	-	-	-	-	(4,715)	130	-	(4,585)
Twin Oaks III Impairment	-	-	-	-	-	-	(2,042)	(2,042)
Unrealized impairments of NDT securities	(293)	-	-	-	-	-	-	(293)
Total Non-Recurring Items	(23,892)	(193)	160	-	(4,226)	224	6,027	(21,900)
GAAP Earnings (Loss) from Continuing Operations	16,244	15,400		5,983	14,994	7,349	(11,364)	48,606
GAAP Earnings (Loss) from Discontinued Operations			9,671					9,671
GAAP Net Earnings (Loss)	\$ 16,244	\$ 15,400	\$ 9,671	\$ 5,983	\$ 14,994	\$ 7,349	\$ (11,364)	\$ 58,277

2007 EPS

Three Months Ended September 30, 2007

	Utilities			Altura	FCP	EnergyCo (50%)	Corp/ Other	PNMR
	PNM Electric	TNMP Electric	PNM Gas					
Ongoing Earnings (Loss)	\$ 0.27	\$ 0.13	\$ (0.04)	\$ -	\$ 0.09	\$ 0.08	\$ (0.07)	\$ 0.46
Non-Recurring Items								
Afton Write-Down	(0.15)	-	-	-	-	-	-	(0.15)
Business Improvement Plan	(0.05)	(0.00)	-	-	-	-	(0.05)	(0.10)
Economic mark-to-market hedges	(0.07)	-	(0.00)	-	0.00	0.00	-	(0.07)
Sale of Turbine	0.02	-	-	-	-	-	-	0.02
Speculative trading	-	-	-	-	(0.05)	0.00	-	(0.05)
Unrealized impairments of NDT securities	0.00	-	-	-	-	-	-	0.00
Total Non-Recurring Items	(0.25)	(0.00)	(0.00)	-	(0.05)	0.00	(0.05)	(0.35)
GAAP Earnings (Loss) from Continuing Operations	0.02	0.13	(0.04)	-	0.04	0.08	(0.12)	0.15
GAAP Earnings (Loss) from Discontinued Operations			(0.04)					(0.04)
GAAP Net Earnings (Loss)	\$ 0.02	\$ 0.13	\$ (0.04)	\$ -	\$ 0.04	\$ 0.08	\$ (0.12)	\$ 0.11

Average Diluted Shares Outstanding: 77,561,189

Nine Months Ended September 30, 2007

	Utilities			Altura	FCP	EnergyCo (50%)	Corp/ Other	PNMR
	PNM Electric	TNMP Electric	PNM Gas					
Ongoing Earnings (Loss)	\$ 0.51	\$ 0.20	\$ 0.12	\$ 0.08	\$ 0.25	\$ 0.09	\$ (0.22)	\$ 1.03
Non-Recurring Items								
Afton Write-Down	(0.15)	-	-	-	-	-	-	(0.15)
Business Improvement Plan	(0.05)	0.00	-	-	-	-	(0.05)	(0.10)
Economic mark-to-market hedges	(0.12)	-	0.00	-	0.01	0.00	-	(0.11)
Favorable Tax Decision	-	-	-	-	-	-	0.21	0.21
JV Formation Costs	-	-	-	-	-	-	(0.03)	(0.03)
Loss on Altura Contribution	-	-	-	-	-	-	(0.03)	(0.03)
Sale of Turbine	0.02	-	-	-	-	-	-	0.02
Speculative trading	-	-	-	-	(0.07)	0.00	-	(0.07)
Twin Oaks III Impairment	-	-	-	-	-	-	(0.02)	(0.02)
Unrealized impairments of NDT securities	0.00	-	-	-	-	-	-	0.00
Total Non-Recurring Items	(0.30)	0.00	0.00	-	(0.06)	0.00	0.08	(0.28)
GAAP Earnings (Loss) from Continuing Operations	0.21	0.20	0.08	0.19	0.09	(0.14)	0.63	
GAAP Earnings (Loss) from Discontinued Operations			0.12				0.12	
GAAP Net Earnings (Loss)	\$ 0.21	\$ 0.20	\$ 0.12	\$ 0.08	\$ 0.19	\$ 0.09	\$ (0.14)	\$ 0.75

Average Diluted Shares Outstanding: 78,151,325