

Reconciliation of GAAP net earnings to Ongoing EBITDA (Earnings Before Interest Charges, Income Taxes, Depreciation and Amortization) by segment

Preliminary and Unaudited

(in millions)

	Year Ended December 31, 2011				
	PNM Electric	TNMP Electric	First Choice ⁽¹⁾	Corporate and Other ⁽²⁾	Consolidated
GAAP Net Earnings (Loss) Attributable to PNMR	\$54.0	\$22.3	\$24.1	\$76.0	176.4
Interest charges	75.3	29.3	0.6	19.6	124.8
Income taxes	37.4	13.9	13.8	56.4	121.5
Depreciation and amortization	94.8	44.6	1.1	16.5	157.0
EBITDA	261.5	110.1	39.6	168.5	579.7
GAAP to ongoing adjustments (before tax)	19.6	5.4	(4.8)	(169.5)	(149.3)
Ongoing EBITDA	\$281.1	\$115.5	\$34.8	(\$1.0)	\$430.4

First Choice included through October 31, 2011

Corporate & Other segment includes equity in net earnings (loss) of Optim Energy through August 31, 2011.