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may include certain non-GAAP financial measures. A "non-GAAP financial measure" is defined as a numerical measure of a company's financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP in the Company's financial statements.

Non-GAAP financial measures utilized by the Company include presentations of revenues, operating expenses, operating income, other income and deductions, net income, earnings per share and other GAAP measures of operating performance that exclude or include the effect of litigation settlements, accounting or regulatory changes, the restructuring of selected operations, certain merger activities and other similar events. The Company's management believes these non-GAAP financial measures provide useful information to investors by removing the effect of variances in GAAP reported results of operations that are not indicative of fundamental changes in the earnings capacity of the Company's operations. Management also believes that the presentation of the non-GAAP financial measure is consistent with its past practice, as well as industry practice in general, and will enable investors and analysts to compare current non-GAAP measures with non-GAAP measures presented in prior periods. The non-GAAP financial measures used by the Company should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Limitation on Incorporation by Reference

In accordance with general instructions B.2 and B.6 of Form 8-K, the information in this report, including exhibits, is furnished pursuant to Item 12 and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section and not deemed incorporated by reference in any filing under the Securities Act of 1933.

EXHIBIT INDEX

Exhibit Number Description

- | | |
|------|---|
| 99.1 | Press Release dated July 29, 2003, PNM Resources, Inc. and Subsidiaries Consolidated Statements of Earnings for the three and six months ended June 30, 2003 and 2002 and other select financial information. |
|------|---|

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EXHIBIT 99.1

PNM Resources Second Quarter Earnings Up 60 Percent

Highlights:

- o Second Quarter 2003 net earnings of \$0.44 per diluted share, compared to \$0.28 per diluted share in the second quarter of 2002.
- o Total operating revenues rose \$90.0 million, or 36 percent, to \$340.2 million in the latest quarter, compared to \$250.2 million in the second quarter of 2002.
- o Gross operating margin improved \$23.1 million, to \$164.9 million for second quarter 2003, compared to \$141.8 million in the second quarter 2002.

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- o Gross margin on wholesale power sales increased \$22.3 million or 215.5 percent, to \$32.7 million in the latest quarter.
- o Gross margin on PNM utility operations rose \$775,000 or 0.6 percent over the comparable period last year, to \$132.2 million in the latest quarter.

ALBUQUERQUE, N.M., July 29, 2003 - PNM Resources (NYSE: PNM) today reported consolidated net earnings available for common stock of \$17.6 million, or \$0.44 per share (diluted), for the three months ended June 30, 2003. In the comparable period in 2002, the company reported consolidated net earnings available for common stock of \$11.0 million, or \$0.28 per diluted share. There were no one-time items reported in the latest quarter of 2003 or in the comparable three months of 2002.

GAAP net earnings of \$1.22 per diluted common share in the first quarter 2003 included a one-time gain of \$0.95 per share and a one-time charge of \$0.26 a share, increasing first quarter earnings by a net of \$0.69 per share. Ongoing earnings for the six months ended June 30, 2003, were \$0.97 per diluted share, compared to \$0.90 per share for the first half of 2002.

PNM Resources, Inc.
Reconciliation of GAAP Reported to Ongoing Earnings Per Share
June 30, 2003

| | Three Months | | Six Months | | Twelve Months |
|-------------------------------|--------------|---------|------------|---------|---------------|
| | Q2 2003 | Q2 2002 | 6/30/03 | 6/30/02 | 6/30/03 |
| GAAP Reported EPS | \$0.44 | \$0.28 | \$1.66 | \$0.90 | \$2.37 |
| One-time charges | -- | -- | 0.26 | -- | 0.46 |
| Change in Accounting (1) | -- | -- | (0.95) | -- | (0.95) |
| Ongoing earnings | \$0.44 | \$0.28 | \$0.97 | \$0.90 | \$1.88 |
| Average diluted shares (000s) | 39,755 | 39,586 | 39,569 | 39,612 | 39,464 |

Note 1. To conform to FASB Statement 143, 'Accounting for Asset Retirement Obligations.'

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EXHIBIT 99.1 (Continued)

"New long-term wholesale contracts, the continuing recovery of the wholesale power market following last year's lows, and growing demand in PNM's New Mexico service territory all contributed to our improved second quarter results," said PNM Resources Chairman, President and Chief Executive Officer Jeff Sterba.

PERFORMANCE SUMMARY

Consolidated gross margin (operating revenues less cost of energy) for the quarter increased \$23.1 million, or 16.3 percent, over the comparable period last year.

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Retail electric gross margin (operating revenues less cost of energy) decreased by \$466,000, to \$92.7 million compared to \$93.2 million in the same quarter last year. The decrease in revenues was the result of the transfer of a major customer from retail to wholesale status, partially offset by continued growth in residential and commercial sales. The company estimates underlying retail electric growth in the PNM service territory (normalized for weather) at about 2.0 percent for the quarter on an annual basis.

Gas gross margin (operating revenues less cost of gas) increased \$2.2 million, or 8.8 percent, in the most recent quarter compared to the second quarter 2002. The increase in gas gross margin was primarily due to cooler weather in April 2003 compared to the same month last year.

Gross margin on wholesale electric sales improved by \$22.3 million, from \$10.4 million in the second quarter 2002 to \$32.7 million in the second quarter of 2003. The improvement in margin was primarily due to the expansion of existing long-term wholesale contracts and the addition of new long-term contracts.

ONE-TIME AND NON-RECURRING GAINS AND CHARGES

There were no one-time gains or charges recorded in the second quarter 2003. PNM first quarter 2003 income included a non-cash gain (after tax) of \$37.4 million or \$0.95 per share, stemming from the initial adoption of Financial Accounting Standards Board (FASB) Statement No. 143, Accounting for Asset Retirement Obligations. In the same quarter, the company also recorded a one-time charge against earnings (after tax) of \$10.1 million, or \$0.26 per share, to reflect the write-off of regulatory assets.

OTHER RECENT SIGNIFICANT DEVELOPMENTS AFFECTING PNM RESOURCES:

- o In June, PNM agreed to a negotiated settlement of the company's pending gas rate case. If approved by regulators, the agreement will increase PNM revenues by \$22.0 million, with an assumed 10.25 percent return on equity in the PNM gas utility.
- o In May, PNM completed the sale of \$182 million in tax-exempt bonds. The new bonds pay an initial annual interest rate of 2.75 percent, adjustable next year.

Details of these announcements and other PNM Resources news are available at the company's website, pnm.com.

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EXHIBIT 99.1 (Continued)

EARNINGS GUIDANCE UNCHANGED FOR 2003

Based on results for the first six months and its financial and operating forecasts for the remainder of the year, PNM reaffirmed existing earnings guidance for 2003. The company expects 2003 ongoing earnings (not including one-time gains and charges) will be in the range of between \$1.80 and \$2.05 per diluted share.

EARNINGS TELECONFERENCE SCHEDULED

PNM Resources has scheduled a teleconference for 9:00 a.m. Eastern Time on

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Wednesday, July 30, to discuss Second Quarter 2003 earnings and other issues of interest to shareholders and investors. The public is invited to listen to the teleconference by calling 1- 973-694-6836 after 8:45 a.m. ET. A webcast of the presentation can be accessed through a link on the company's website at pnm.com. A Power Point presentation of charts that will accompany the teleconference is also available at the Web site.

PNM Resources is an energy holding company based in Albuquerque, New Mexico. PNM, the principal subsidiary of PNM Resources, serves about 450,000 natural gas customers and 390,000 electric customers in New Mexico. The company also sells power on the wholesale market in the Western U.S. PNM Resources stock is traded primarily on the NYSE under the symbol PNM. For more information about our company, see our web site at www.pnm.com.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995. Statements made in this news release and documents we file with the SEC that relate to future events or our expectations, projections, estimates, intentions, goals, targets and strategies are made pursuant to the Private Securities Litigation Reform Act of 1995. You are cautioned that all forward-looking statements are based upon current expectations and estimates and we assume no obligation to update this information. Because actual results may differ materially from those expressed or implied by the forward-looking statements, PNM Resources cautions you not to place undue reliance on these statements. Many factors could cause actual results to differ, and will affect our future financial condition, cash flow and operating results. These factors include interest rates, weather, fuel costs, changes in supply and demand in the market for electric power, wholesale power prices, market liquidity, the competitive environment in the electric and natural gas industries, the performance of generating units and transmission system, state and federal regulatory and legislative decisions and actions, the outcome of legal proceedings and the performance of state, regional and national economies. For a detailed discussion of the important factors that affect PNM Resources and that could cause actual results to differ from those expressed or implied by our forward-looking statements, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our current and future Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q and our current and future Current Reports on Form 8-K, filed with the SEC.

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EXHIBIT 99.1 (Continued)

PNM RESOURCES, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF EARNINGS (Unaudited)

| | Three Months Ended June 30, | | Six Months June 30, |
|--|--------------------------------|-----------|------------------------|
| | 2003 | 2002 | 2003 |
| (In thousands, except per share amounts) | | | |
| Operating Revenues: | | | |
| Electric..... | \$266,150 | \$206,136 | \$507,528 |
| Gas..... | 74,009 | 43,968 | 220,262 |

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| | | | |
|---|-----------|-----------|-----------|
| Unregulated businesses..... | 52 | 85 | 112 |
| Total operating revenues..... | 340,211 | 250,189 | 727,902 |
| Operating Expenses: | | | |
| Cost of energy sold..... | 175,335 | 108,382 | 401,269 |
| Administrative and general..... | 42,600 | 36,319 | 74,642 |
| Energy production costs..... | 34,515 | 34,202 | 69,609 |
| Depreciation and amortization..... | 28,850 | 25,217 | 57,224 |
| Transmission and distribution costs..... | 15,194 | 15,451 | 31,353 |
| Taxes, other than income taxes..... | 6,720 | 9,028 | 14,506 |
| Income taxes..... | 7,083 | 2,141 | 15,959 |
| Total operating expenses..... | 310,297 | 230,740 | 664,562 |
| Operating income..... | 29,914 | 19,449 | 63,340 |
| Other Income and Deductions: | | | |
| Other income..... | 12,745 | 11,724 | 23,951 |
| Other deductions..... | (4,020) | (1,895) | (21,932) |
| Income tax (expense) benefit..... | (3,132) | (3,432) | (725) |
| Net other income and deductions..... | 5,593 | 6,397 | 1,294 |
| Income before interest charges..... | 35,507 | 25,846 | 64,634 |
| Interest Charges..... | 17,764 | 14,689 | 35,997 |
| Net Earnings from Operations..... | 17,743 | 11,157 | 28,637 |
| Cumulative Effect of a Change in Accounting Principle, Net of Tax..... | - | - | 37,422 |
| Net Earnings..... | 17,743 | 11,157 | 66,059 |
| Preferred Stock Dividend Requirements..... | 147 | 147 | 293 |
| Net Earnings Applicable to Common Stock..... | \$ 17,596 | \$ 11,010 | \$ 65,766 |
| Net Earnings per Common Share: | | | |
| Basic..... | \$ 0.45 | \$ 0.28 | \$ 1.68 |
| Diluted..... | \$ 0.44 | \$ 0.28 | \$ 1.66 |
| Dividends Paid per Share of Common Stock..... | \$ 0.23 | \$ 0.22 | \$ 0.45 |

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EXHIBIT 99.1 (Continued)

PNM RESOURCES, INC. AND SUBSIDIARIES
COMPARATIVE OPERATING STATISTICS

The following tables show electric revenues by customer class and average customers:

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Electric Retail Revenues

| | Three Months Ended June 30, | | Variance |
|------------------------|--------------------------------|-----------|------------|
| | 2003 | 2002 | |
| | (In thousands) | | |
| Residential..... | \$46,871 | \$45,696 | \$1,175 |
| Commercial..... | 62,984 | 62,577 | 407 |
| Industrial..... | 16,351 | 20,792 | (4,441) |
| Other..... | 4,885 | 5,347 | (462) |
| | \$131,091 | \$134,412 | \$ (3,321) |
| Average customers..... | 394,679 | 383,589 | 11,090 |

| | Six Months Ended June 30, | | Variance |
|------------------------|------------------------------|-----------|------------|
| | 2003 | 2002 | |
| | (In thousands) | | |
| Residential..... | \$97,834 | \$96,418 | \$1,416 |
| Commercial..... | 118,090 | 117,582 | 508 |
| Industrial..... | 35,102 | 40,420 | (5,318) |
| Other..... | 9,109 | 9,336 | (227) |
| | \$260,135 | \$263,756 | \$ (3,621) |
| Average customers..... | 393,635 | 382,625 | 11,010 |

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EXHIBIT 99.1 (Continued)

PNM RESOURCES, INC. AND SUBSIDIARIES
COMPARATIVE OPERATING STATISTICS

The following tables show electric sales by customer class:

Electric Sales

| | Three Months Ended June 30, | | Variance |
|------------------|--------------------------------|-----------|----------|
| | 2003 | 2002 | |
| | (Megawatt hours) | | |
| Residential..... | 547,145 | 534,417 | 12,728 |
| Commercial..... | 830,153 | 823,218 | 6,935 |
| Industrial..... | 325,243 | 405,571 | (80,328) |
| Other..... | 56,783 | 62,491 | (5,708) |
| | 1,759,324 | 1,825,697 | (66,373) |

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| | Six Months Ended June 30, | | |
|------------------|------------------------------|-----------|------------------|
| | 2003 | 2002 | Variance |
| | | | (Megawatt hours) |
| Residential..... | 1,139,280 | 1,123,413 | 15,867 |
| Commercial..... | 1,551,015 | 1,534,477 | 16,538 |
| Industrial..... | 696,878 | 797,917 | (101,039) |
| Other..... | 99,669 | 109,365 | (9,696) |
| | ----- | ----- | ----- |
| | 3,486,842 | 3,565,172 | (78,330) |
| | ===== | ===== | ===== |

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EXHIBIT 99.1 (Continued)

PNM RESOURCES, INC. AND SUBSIDIARIES
COMPARATIVE OPERATING STATISTICS

The following tables show gas revenues by customer and average customers:

Gas Revenues

| | Three Months Ended June 30, | | |
|------------------------|--------------------------------|----------|----------------|
| | 2003 | 2002 | Variance |
| | | | (In thousands) |
| Residential..... | \$44,699 | \$25,612 | \$19,087 |
| Commercial..... | 15,142 | 8,191 | 6,951 |
| Industrial..... | 434 | 415 | 19 |
| Transportation*..... | 6,010 | 5,134 | 876 |
| Other..... | 7,724 | 4,616 | 3,108 |
| | ----- | ----- | ----- |
| | \$74,009 | \$43,968 | \$30,041 |
| | ===== | ===== | ===== |
| Average customers..... | 451,079 | 443,514 | 7,565 |
| | ===== | ===== | ===== |

| | Six Months Ended June 30, | | |
|------------------------|------------------------------|-----------|----------------|
| | 2003 | 2002 | Variance |
| | | | (In thousands) |
| Residential..... | \$142,673 | \$97,724 | \$44,949 |
| Commercial..... | 45,563 | 30,590 | 14,973 |
| Industrial..... | 1,465 | 1,064 | 401 |
| Transportation*..... | 9,755 | 8,745 | 1,010 |
| Other..... | 20,806 | 15,046 | 5,760 |
| | ----- | ----- | ----- |
| | \$220,262 | \$153,169 | \$67,093 |
| | ===== | ===== | ===== |
| Average customers..... | 451,688 | 443,720 | 7,968 |
| | ===== | ===== | ===== |

*Customer-owned gas.

EXHIBIT 99.1 (Continued)

PNM RESOURCES, INC. AND SUBSIDIARIES
COMPARATIVE OPERATING STATISTICS

The following tables show gas throughput by customer class:

Gas Throughput

| | Three Months Ended June 30, | | |
|----------------------|--------------------------------|--------|----------|
| | 2003 | 2002 | Variance |
| | (Thousands of decatherms) | | |
| Residential..... | 3,651 | 2,984 | 667 |
| Commercial..... | 1,641 | 1,594 | 47 |
| Industrial..... | 70 | 124 | (54) |
| Transportation*..... | 16,455 | 14,076 | 2,379 |
| Other..... | 1,026 | 1,114 | (88) |
| | ----- | ----- | ----- |
| | 22,843 | 19,892 | 2,951 |
| | ===== | ===== | ===== |

| | Six Months Ended June 30, | | |
|----------------------|------------------------------|--------|----------|
| | 2003 | 2002 | Variance |
| | (Thousands of decatherms) | | |
| Residential..... | 15,857 | 16,500 | (643) |
| Commercial..... | 5,975 | 6,564 | (589) |
| Industrial..... | 256 | 296 | (40) |
| Transportation*..... | 25,090 | 21,473 | 3,617 |
| Other..... | 2,969 | 3,104 | (135) |
| | ----- | ----- | ----- |
| | 50,147 | 47,937 | 2,210 |
| | ===== | ===== | ===== |

*Customer-owned gas.

Electric Transmission Revenues

| | Three Months Ended June 30, | | |
|-------------------------|--------------------------------|----------|------------|
| | 2003 | 2002 | Variance |
| | (In thousands) | | |
| External customers..... | \$ 2,317 | \$ 5,912 | \$ (3,595) |
| | ===== | ===== | ===== |

| | Six Months Ended June 30, | | |
|-------------------------|------------------------------|-----------|------------|
| | 2003 | 2002 | Variance |
| | (In thousands) | | |
| External customers..... | \$ 6,874 | \$ 11,810 | \$ (4,936) |

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EXHIBIT 99.1 (Continued)

PNM RESOURCES, INC. AND SUBSIDIARIES
COMPARATIVE OPERATING STATISTICS

The following tables show revenues by customer class:

Wholesale Revenues

| | Three Months Ended June 30, | | Variance |
|--------------------------|--------------------------------|----------|----------|
| | 2003 | 2002 | |
| | (In thousands) | | |
| Long-term contracts..... | \$33,607 | \$16,045 | \$17,562 |
| Forward sales*..... | 44,010 | 20,407 | 23,603 |
| Short-term sales..... | 55,125 | 48,304 | 6,821 |
| | ----- | ----- | ----- |
| | \$132,742 | \$84,756 | \$47,986 |
| | ===== | ===== | ===== |

| | Six Months Ended June 30, | | Variance |
|--------------------------|------------------------------|-----------|----------|
| | 2003 | 2002 | |
| | (In thousands) | | |
| Long-term contracts..... | \$59,786 | \$33,060 | \$26,726 |
| Forward sales*..... | 66,948 | 38,150 | 28,798 |
| Short-term sales..... | 113,785 | 86,576 | 27,209 |
| | ----- | ----- | ----- |
| | \$240,519 | \$157,786 | \$82,733 |
| | ===== | ===== | ===== |

*Includes mark-to-market gains/(losses).

Note: For comparative purposes, wholesale revenues for the three months and six months ended June 30, 2002 have not been reclassified to a net margin basis in accordance with GAAP. The impact would be to reduce 2002 forward sales revenue by \$18.9 million and \$35.4 million, respectively.

EXHIBIT 99.1 (Continued)

PNM RESOURCES, INC. AND SUBSIDIARIES
COMPARATIVE OPERATING STATISTICS

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The following tables show sales by customer class:

Wholesale Sales

| | Three Months Ended June 30, | | |
|--------------------------|--------------------------------|-----------|-----------|
| | 2003 | 2002 | Variance |
| | | | |
| | (Megawatt hours) | | |
| Long-term contracts..... | 560,672 | 227,000 | 333,672 |
| Forward sales..... | 955,180 | 396,884 | 558,296 |
| Short-term sales..... | 1,352,006 | 1,771,569 | (419,563) |
| | | | |
| | 2,867,858 | 2,395,453 | 472,405 |
| | | | |
| | | | |

| | Six Months Ended June 30, | | |
|--------------------------|------------------------------|-----------|-----------|
| | 2003 | 2002 | Variance |
| | | | |
| | (Megawatt hours) | | |
| Long-term contracts..... | 1,062,117 | 508,153 | 553,964 |
| Forward sales..... | 1,517,380 | 652,980 | 864,400 |
| Short-term sales..... | 2,808,744 | 3,609,715 | (800,971) |
| | | | |
| | 5,388,241 | 4,770,848 | 617,393 |
| | | | |
| | | | |

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PNM RESOURCES, INC.

(Registrant)

Date: July 30, 2003

/s/ Robin A. Lumney

Robin A. Lumney
Vice President, Controller
and Chief Accounting Officer
(Officer duly authorized to sign this report)

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