

COMPANY PROFILE

We are a leading single-family residential mortgage lender focused principally on the jumbo segment of the adjustable rate mortgage market. Backed by a balance sheet of \$55.2 billion in high-quality mortgage assets, we seek to deliver attractive dividend income and steady growth for our shareholders by acquiring high quality mortgage backed securities and growing our share of the mortgage loan origination business. Capitalizing on our innovative portfolio lending model, REIT tax structure and leading edge technology, we are a highly efficient provider of specialized mortgage loan products for borrowers nationwide with excellent credit.

BUSINESS STRATEGY

Throughout our thirteen-year history, our objective has been to generate an income return for our shareholders that compares favorably to other income investment alternatives in terms of both risk and consistency while providing long-term growth potential. Similar to other financial institutions, we generate profits from the interest spread between the interest income earned on the ARM assets in our portfolio and our financing costs. Since all of the assets we hold are ARM assets and we pursue a duration matching strategy, we're positioned to effectively manage our portfolio through a variety of interest rate environments and provide our shareholders with sustainable and consistent earnings and dividend growth over time.

COMPETITIVE STRENGTHS

Certain underlying fundamentals have been essential to our on-going success in the mortgage acquisition and origination business. Together these elements distinguish us from other long-term holders of ARM assets such as Fannie Mae, Freddie Mac, banks, thrifts, and other mortgage REITs, and provide us with significant competitive advantages.

- High Credit Quality Portfolio.** Close to 100% of our mortgage portfolio is comprised of AAA- or AA-rated ARM assets. We maintain high asset quality standards to minimize credit and financing risk and to maximize our access to low cost capital.
- Duration Matching Strategy.** Interest rate changes affect our cost of funds as well as mortgage loan prepayment activity. To counter this potential risk, we fund our hybrid ARMs with similar duration fixed-rate borrowings, which takes into account not only maturity dates, but also prepayment rates, market volatility and implied future interest rates. The lower the duration difference, the less future interest rate changes should impact earnings.
- Proprietary Loan Origination Channels.** We offer single-family residential mortgages through approximately 298 correspondent lenders and 411 mortgage brokerage firms across the country, and directly to borrowers in 49 states. Generally, originated loans provide higher yields relative to our other channels and can be originated at a lower cost. Our goal is to increase the percentage of our portfolio acquisitions that come from originations as we believe this will enhance earnings stability and growth over time.
- Significant Operating Efficiencies.** We do not have an on-going high fixed cost infrastructure. We originate loans through financial intermediaries, over the internet or by telephone. We also outsource our back office and servicing functions to high-quality, third-party vendors who are paid based on results (closed or serviced loans). Another cost advantage is our REIT tax structure. By distributing substantially all of our income in the form of dividends, we do not pay significant federal or state income tax at the corporate level.

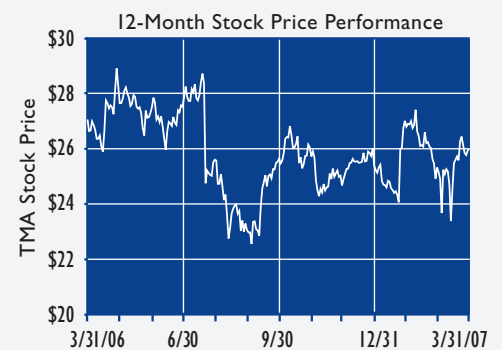
CONTACT INFORMATION

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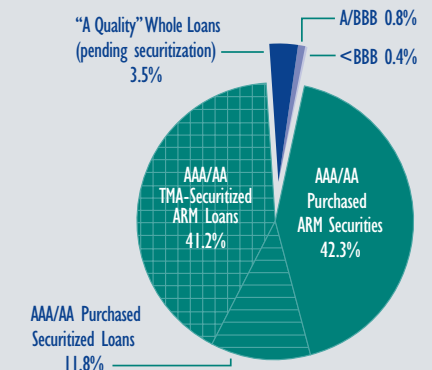
STOCK INFORMATION

(as of 3/31/07)

NYSE:	TMA
Common Share Price:	\$26.00
52-Week Price Range:	\$29.00-\$22.39
Average Daily Volume:	730,987
Current Dividend:	\$0.68/qtr
Current Dividend Yield:	10.5%
Equity Market Capitalization:	\$3.0 billion
Book Value:	\$18.76

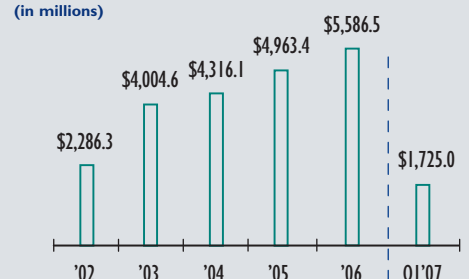


HIGH CREDIT STANDARDS



STRONG LOAN ORIGINATIONS

(in millions)



CURRENT SNAPSHOT

- Q1 2007 EPS of \$0.62 – versus \$0.66 a year ago
- Dividend maintained at \$0.68 per share
- Market capitalization of \$3.0 billion – up 3% year-over-year
- Total assets of \$55.2 billion – 20% year-over-year growth
- Loan originations of \$1.7 billion – up 20% year-over-year
- 60-day delinquent loans at 0.11%

FINANCIAL HIGHLIGHTS

(dollars in thousands, except per share data)

Income Statement

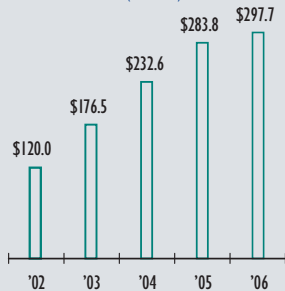
	For the quarters ended Mar 31		For the years ended Dec 31		
	2007	2006	2006	2005	2004
Net interest income	\$ 90,680	\$ 88,621	\$ 346,684	\$ 344,457	\$ 293,699
Net income	\$ 74,997	\$ 72,421	\$ 297,697	\$ 282,844	\$ 232,564
Earnings per share	\$ 0.62	\$ 0.66	\$ 2.58	\$ 2.79	\$ 2.80
Portfolio margin	0.68%	0.83%	0.73%	1.01%	1.25%
Return on average equity	13.1 %	12.9 %	12.8 %	14.0 %	15.6 %

Balance Sheet

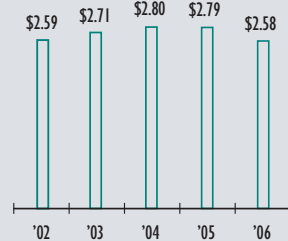
	For the quarters ended Mar 31		For the years ended Dec 31		
	2007	2006	2006	2005	2004
Total assets	\$55,152,837	\$ 46,133,744	\$ 52,705,052	\$ 42,507,741	\$ 29,212,402
Shareholders' equity	\$ 2,411,931	\$ 2,373,790	\$ 2,377,072	\$ 2,207,086	\$ 1,789,184
Book value per common share	\$ 18.76	\$ 21.00	\$ 18.92	\$ 20.00	\$ 19.47
Loan originations	\$ 1,725,009	\$ 1,441,743	\$ 5,586,486	\$ 4,963,364	\$ 4,316,055

NET INCOME

(millions)

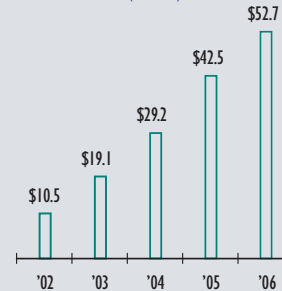


EARNINGS PER SHARE

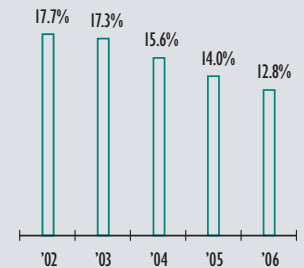


TOTAL ASSETS

(billions)



RETURN ON AVERAGE EQUITY



ANALYST COVERAGE

Firm	Analyst	Telephone
A.G. Edwards	Greg Mason	314.955.4449
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Credit Suisse First Boston	Moshe Orenbuch Kerry Hueston	212.538.6795 212.538.6704
Deutsche Bank	Stephen Laws	212.250.6219
Friedman Billings Ramsey	Paul Miller Steve Stelmach	703.469.1252 703.312.1848
Jefferies & Company, Inc.	Richard B. Shane, Jr. Rohit Dewan	415.229.1525 415.229.1481
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RBC Capital Markets	James Ackor	207.780.1554
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FIRST CALL EARNINGS ESTIMATE SUMMARY

(as of 5/1/07)

Year Ending	Q1 Mar	Q2 Jun	Q3 Sept	Q4 Dec	Fisc Yr Annual
2008	0.67	0.68	0.69	0.69	2.63
2007	0.62A	0.59	0.60	0.62	2.41
2006	0.66A	0.61A	0.64A	0.68A	2.58
2005	0.72A	0.70A	0.70A	0.68A	2.79
2004	0.70A	0.71A	0.69A	0.71A	2.81
2003	0.67A	0.67A	0.68A	0.69A	2.71

FOR MORE INFORMATION

Call toll free 1-888-898-8698 or visit our website at thornburgmortgage.com for more information on Thornburg Mortgage or to request an investor kit. The investor kit contains the year 2006 annual report, the most recent quarterly shareholder letter, as well as recent press releases and analyst reports.