From the TMP36 docs, I found that TMP36 is 750mV at 25 deg Celsius at 3 volts.  
It says it’s linear with 10 mV per 1 degree Celsius.  
(The range for TMP36 is -40 deg Celsius to 125 deg Celsius.)

This would create this equation:  
d degrees Celsius + 50 degrees Celsius = v mV / 10 mV/C  
If you plug the numbers in, v = 750. You should get d=25.

Then from the XBee product manual on page 95, it says:  
AD(mV) = (A/D reading \* 1200mV) / 1023

I had to rearrange the equation to have it make sense to me. I made it a ratio. The analog reading is scaled such that 0x0000 represents 0V, and 0x3FF = 1.2V.  
So,  
scaled\_reading / 1023 = V mv / 1200 mV  
(it’s the same thing as the other equation)

So, if you combine the top equation with the one right above, you get:  
scaled\_reading / 1023 \* 1200 / 10 – 50 = d degrees Celsius

so, I too don’t understand where 1.25 comes from. However, since I’m getting 3.3 volts in the circuit, perhaps 1.25 represents a scaling factor to address the slightly different voltage. (i.e. these equations are for 3 volts)