Momentive Performance Materials Inc.

Third Quarter 2011
Earnings Conference Call

November 9, 2011

Forward-Looking Statements

Certain statements in this presentation are forward-looking statements within the meaning of and made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In addition, our management may from time to time make oral forward-looking statements. All statements, other than statements of historical facts, are forward-looking statements. Forward-looking statements may be identified by the words “believe,” “expect,” “anticipate,” “project,” “plan,” “estimate,” “may,” “will,” “could,” “should,” “seek” or “intend” and similar expressions. Forward-looking statements reflect our current expectations and assumptions regarding our business, the economy and other future events and conditions and are based on currently available financial, economic and competitive data and our current business plans. Actual results could vary materially depending on risks and uncertainties that may affect our operations, markets, services, prices and other factors as discussed in the Risk Factors section of our most recent Annual Report on Form 10-K and our other filings with the Securities and Exchange Commission (the “SEC”). While we believe our assumptions are reasonable, we caution you against relying on any forward-looking statements as it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, a weakening of global economic and financial conditions, interruptions in the supply of or increased cost of raw materials, changes in governmental regulations and related compliance and litigation costs, difficulties with the realization of cost savings in connection with our strategic initiatives, including transactions with our affiliate, Momentive Specialty Chemicals Inc., pricing actions by our competitors that could affect our operating margins, the impact of our substantial indebtedness, our failure to comply with financial covenants under our credit facilities or other debt, and the other factors listed in the Risk Factors section of our most recent Annual Report on Form 10-K and in our other SEC filings. For a more detailed discussion of these and other risk factors, see the Risk Factors section in our most recent Annual Report on Form 10-K and our other filings made with the SEC, including our quarterly reports on Form 10-Q.All forward-looking statements are expressly qualified in their entirety by this cautionary notice. The forward-looking statements made by us speak only as of the date on which they are made. Factors or events that could cause our actual results to differ may emerge from time to time. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

This presentation contains non-GAAP financial information. Reconciliation to GAAP is included at the end of the presentation.

Adjusted EBITDA and Combined Adjusted EBITDA are non-GAAP financial measures. The closest GAAP financial measure is Net Income (Loss). A table that reconciles these two measures is at the end of this presentation. Management believes that Adjusted EBITDA and Combined Adjusted EBITDA are meaningful to investors because the former is used in the calculation of the senior secured leverage ratio under the Credit Agreement and the latter is one of the key performance measures used by management.

Momentive Performance Materials Inc.

Overview of Third Quarter 2011 Results

Craig O. Morrison
Chairman, President & Chief Executive Officer

Third Quarter 2011 Results: Strong Liquidity and Competitive Position

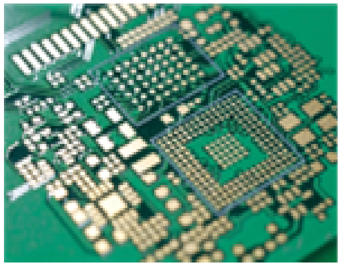
- Revenues of $653 million versus $662 million in prior year due to weakening of sales volumes

- Combined Adjusted EBITDA[(1)(2)] of $96 million compared to $125 million in prior year quarter
  - Impacted by raw material inflation, slowdown in economic activity in Europe and Asia, inventory build / replenishment in 3Q'10 and subsequent inventory destocking in 3Q'11
  - Operating income of $27 million compared to $68 million in Q3'10

- Achieved $15 million in savings from the shared services agreement with Momentive Specialty Chemicals Inc. ("MSC") YTD 2011; completed actions to date under the shared services agreement are expected to generate annual run-rate savings of $28 million
  - Reviewing plans to accelerate savings from the shared services agreement and drive additional cost savings / productivity to offset economic weakness

- MPM continues to maintain a strong liquidity position with cash and available borrowings of $500 million as of 3Q'11
  - Ongoing strategic investment in portfolio and into high-growth BRIC regions

- The Company was in compliance with all financial covenants governing its senior secured credit facilities at September 30, 2011



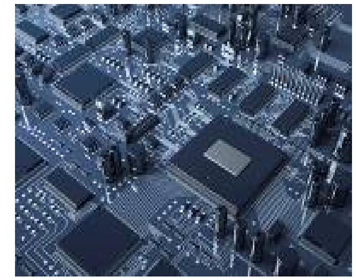
ATTRACTIVE LONG-TERM GROWTH OUTLOOK, NOTWITHSTANDING CURRENT MARKET CONDITIONS THAT HAVE IMPACTED 3Q RESULTS

(1) Excludes impact of pro forma savings from the shared services agreement.
(2) Defined as Adj. EBITDA plus EBITDA of Unrestricted Subsidiaries. EBITDA from unrestricted subsidiaries of $4 million in 3Q'11 and $6 million in 3Q'10 is included in Combined Adj. EBITDA (but excluded from Adj. EBITDA as defined in the debt documents.)

Third Quarter 2011 Summary Financial Performance

3Q Quarter Ended

($ in millions)	**2011**	**2010**	**Δ**
Revenue	**$653**	**$662**	**(1)%**
Combined Adj. EBITDA(1) (2)	**96**	**125**	**(23)%**
Operating income	**27**	**68**	**(60)%**



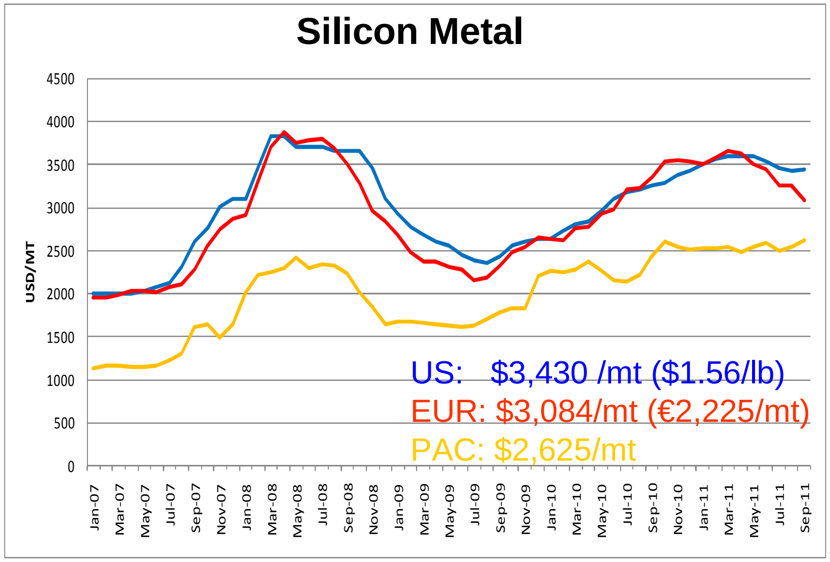
Summary

- Operating income reflects lower sales volumes, increased raw material costs and higher integration expense
  - Absorption costs impacted by inventory build in 3Q'10 and destocking in 3Q'11
  - Material inflation negatively impacted core product line margins
- Continued strong Quartz results in 3Q'11

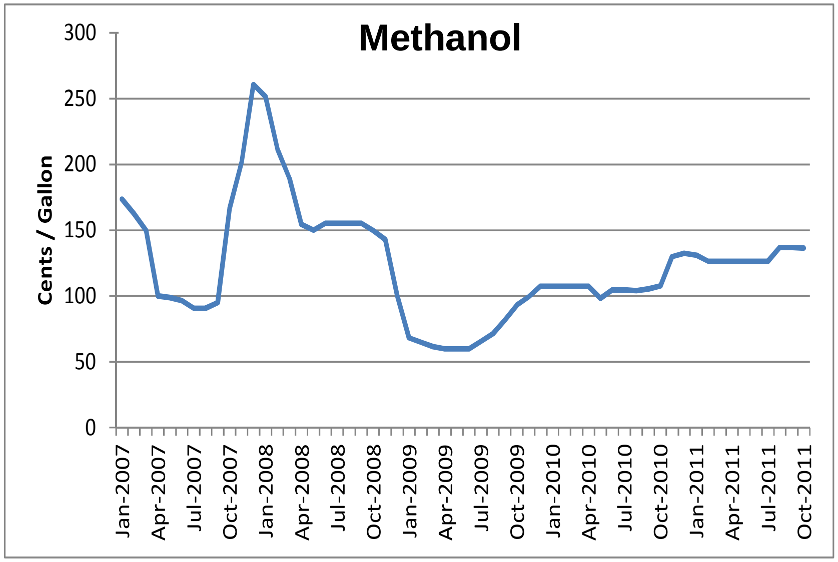
SELECTIVE PRICING ACTIONS AND AGGRESSIVE COST ACTIONS CONTINUE

(1) Excludes impact of pro forma savings from the shared services agreement.
(2) Defined as Adj. EBITDA plus EBITDA of Unrestricted Subsidiaries. EBITDA from unrestricted subsidiaries of $4 million in 3Q'11 and $6 million in 3Q'10 is included in Combined Adj. EBITDA (but excluded from Adj. EBITDA as defined in the debt documents).

Silicon Metal Spot Price Remains Elevated in Asia Pacific Region; Methanol Increased Sequentially



Source: CRU

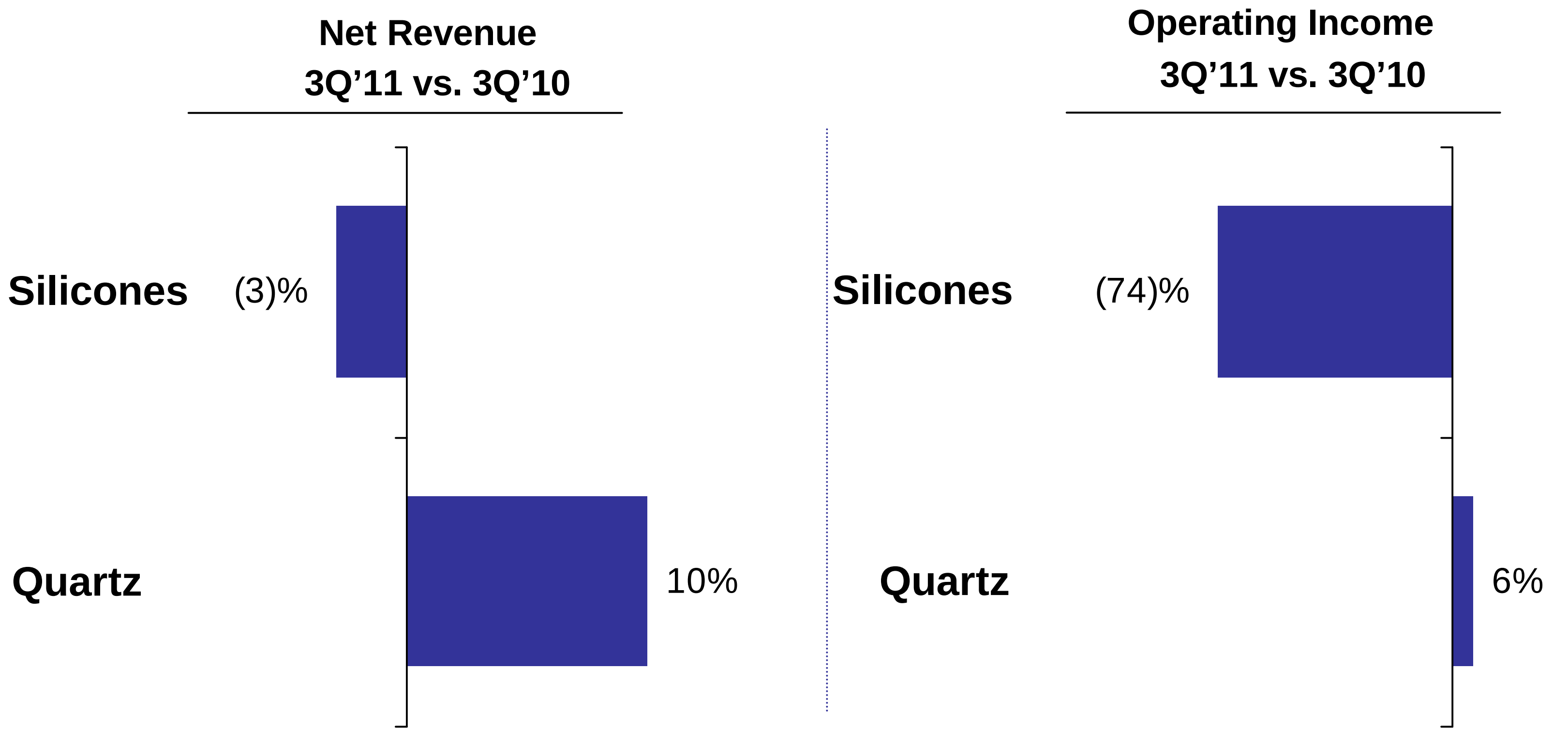


Source: CMAI Methanol Contract-Net Transaction FOB Houston Tx

Summary

- Silicon metal spot prices stabilized or softened in 3Q'11
- Methanol increased 26% in 3Q'11 over 3Q'10
- Anticipate that raw material costs will stabilize or modestly improve for the remainder of 2011

Third Quarter 2011 Segment Results



Summary

- Year-over-year silicones revenue primarily reflected softness in China and EU region
- Quartz reflected more stable demand in the semiconductor market and strong performance in ceramics businesses in 3Q'11

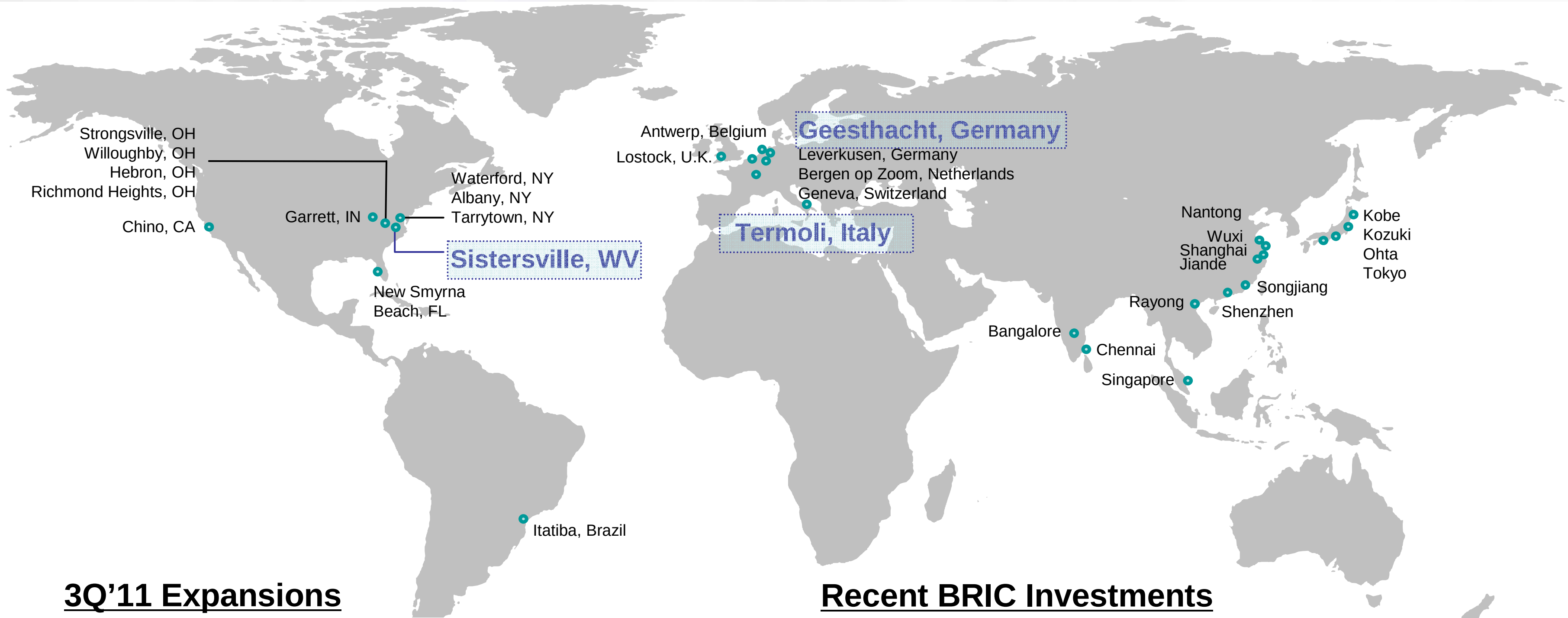
EBITDA Bridge: 3Q 2010 - 3Q 2011

($ in millions)

Combined Adjusted EBITDA
(excluding pro forma synergies from shared services agreement)

3Q'10	$125
Volume	(20)
Selling Price / Mix	23
Raw Material Costs	(36)
Synergies	5
Other	(1)
3Q'11	$96

Continuing to Strategically Invest in Global Footprint



3Q'11 Expansions

- MPM announced it will expand silanes production capacity at Sistersville, WV, and Termoli, Italy, sites
  - Anticipate completion in 2012
- Announced $14 million expansion of a specialty quartz production facility in Geesthacht, Germany. Quartz and ceramic expansions under way in Newark, OH and Strongsville, OH sites
  - Anticipate completion of expansion projects in 2012

Recent BRIC Investments

- New finishing plant In Chennai, India (mid-2010)
- Siloxane manufacturing joint venture in Jiande China (4Q'10)
- Announced "Phase II" expansion that will triple siloxane capacity by 2013
- Nantong, China, silicone finishing plant (2008)

Momentive Performance Materials Inc.

Financial Review

William H. Carter
Executive Vice President & Chief Financial Officer

Silicones
Third Quarter 2011 Segment Results

3Q Quarter Ended

($ in millions)	**2011**	**2010**	Δ
Revenue	$ 568	$ 585	(3)%
Operating Income	16	61	(74)%

3Q'11 Sales Comparison YOY

Volume	Price	Foreign Exchange	Total
(13)%	6%	4%	(3)%

Summary

- Sales volume was lower in the construction, industrial and personal care sectors partially offset by higher volumes in the auto sector
- Operating income reflected headwinds from raw material inflation in core products and inventory destocking
- Specialty products have recovered inflation

Quartz
Third Quarter 2011 Segment Results

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3Q Quarter Ended

($ in millions)	**2011**	**2010**	**Δ**
Revenue	$ 85	$77	10%
Operating Income	18	17	6%

3Q11 Sales Comparison YOY

Volume	Price	Foreign Exchange	Total
2%	5%	3%	10%

Summary

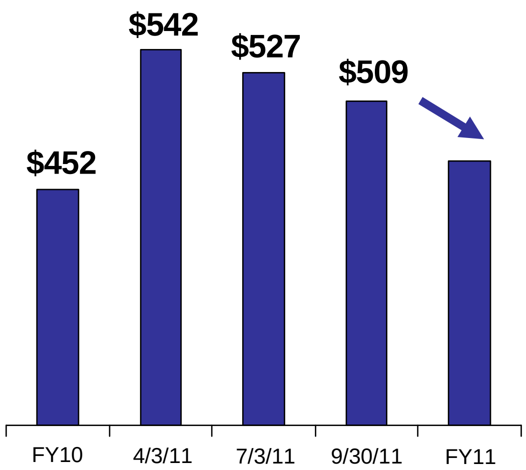
- Stable semiconductor-related demand drove positive quartz results, however 4Q'11 semiconductor outlook is softening
- Ongoing strategic investment in Quartz and Ceramics businesses through expansion of production facilities in Geesthacht, Germany, Strongsville, OH and Newark, OH

Balance Sheet Update & Financial Summary

- Cash from operations totaled $84 million as of 3Q'11
- Working to optimize working capital and position inventories at appropriate levels in response to volatile demand outlook
- 3Q'11 capital expenditures totaled $25 million and continue to anticipate full-year 2011 capex of ~ $120 to $130 million
- Liquidity remained strong with cash plus borrowing availability of $500 million at 3Q'11

Net Working Capital (1)

$ in millions



NET DEBT $2.75 billion (9/30/11)

(1) Net working capital defined as accounts receivable and inventories less accounts payable.

Closing Remarks

Third Quarter 2011 Closing Remarks

- Revenue and Combined Adjusted EBITDA in 3Q'11 reflected global economic uncertainty, credit tightening in China and general economic weakness in Europe, partially offset by strong quartz performance
- Successful with pricing actions in specialty products although pricing/inflation gap exists for core products
- Remain focused on continued achievement of savings from shared services agreement with MSC and MPM's run-rate savings totaled $28 million since the program's inception at 9/30/11
- Comprehensive cost reviews are underway while the Company reviews opportunities to accelerate synergy savings
- Challenging market conditions in 3Q'11 expected to continue into the fourth quarter
- MPM continues to maintain a strong liquidity position with cash and available borrowings of $500 million
- Attractive long-term growth outlook and market position

Appendices

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Reconciliation of Non-GAAP Financial Measures

		Fiscal three-month period ended		Fiscal nine-month period ended		Last twelve months ended
		September 30, 2011†	September 26, 2010	September 30, 2011†	September 26, 2010	September 30, 2011†
		(dollars in millions)				
Net income (loss) attributable to Momentive Performance Materials Inc.		$ (32)	$ 29	$ (46)	$ 25	(134)
Loss on extinguishment and exchange of debt		—	—	—	—	78
Interest expense, net		64	60	193	183	259
Income taxes		(5)	(21)	22	(6)	25
Depreciation and amortization		49	49	147	143	200
EBITDA		76	117	316	345	428
Noncontrolling interest	(a)	—	—	1	1	1
Restructuring and non-recurring	(b)	7	2	21	15	29
Non cash and purchase accounting effects	(c)	12	5	—	19	(12)
Exclusion of unrestricted subsidiary results	(d)	(4)	(6)	(18)	(13)	(24)
Management fee and other	(e)	1	1	3	4	4
Pro forma savings from shared services agreement	(f)	7	13	24	39	33
Adjusted EBITDA		$ 99	$ 132	$ 347	$ 410	459
Inclusion of unrestricted subsidiary results		4	6	18	13	24
Combined Adjusted EBITDA		$ 103	$ 138	$ 365	$ 423	483
Combined Adjusted EBITDA excluding pro forma savings from the shared services agreement		$ 96	$ 125	$ 341	$ 384	450

(1) This presentation contains non-GAAP financial information. Adjusted EBITDA and Combined Adjusted EBITDA are non-GAAP financial measure as defined by SEC rules. Adjusted EBITDA and Combined Adjusted EBITDA are not intended to represent any measure of earnings or cash flow in accordance with US GAAP and the calculation and use of this measure may differ from other companies. Adjusted EBITDA and Combined Adjusted EBITDA should not be used in isolation or as a substitute for measures of performance or liquidity. Adjusted EBITDA and Combined Adjusted EBITDA should not be considered an alternative to operating income or net income (loss) under US GAAP to evaluate results of operations or as an alternative to cash flows as a measure of liquidity. Adjusted EBITDA is defined as MPM's Adjusted EBITDA plus EBITDA of the unrestricted subsidiaries. (The Unrestricted Subsidiaries are excluded from Adj. EBITDA as defined in our debt documents.) The Combined Adj. EBITDA of MPM includes $33 million of expected synergies from the shared services arrangement. For additional information on Momentive Performance Material's Adj. EBITDA, including a reconciliation of such previously reported amounts to the company's operating income, please see the company's press release discussing its 2Q 2011 results as issued on November **9,** 2011.

(2) Momentive Performance Materials Holdings LLC ("Holdco") is the ultimate parent company of MPM and MSC (collectively, the "new Momentive"). **The MSC debt is not issued or guaranteed by HoldCo, Momentive Performance Materials Holdings Inc. (" MPM Holdings"), MPM or any of MPM's subsidiaries, and is also not secured by any assets of such entities. None of HoldCo, MPM Holdings, MPM, or any of MPM's subsidiaries is obligated with respect to any of MSC's indebtedness or other liabilities. The MPM debt is not issued or guaranteed by HoldCo, Momentive Specialty Holdings Inc. ("MSC Holdings"), MSC or any of MSC's subsidiaries, and is also not secured by any assets of such entities. None of HoldCo, MSC Holdings, MSC, or any of MSC's subsidiaries is obligated with respect to any of MPM's indebtedness or other liabilities.**

Footnotes for Reconciliation of Non-GAAP Financial Measures

† The earthquake and tsunami on March 11, 2011 and related events reduced results from the first half of 2011. The calculation of EBITDA, Adjusted EBITDA and Combined Adjusted EBITDA does not include add-backs with respect to these events of $16 million and $16 million, respectively, for the fiscal nine-month period ended and last twelve months ended September 30, 2011.

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(a) Reflects the elimination of noncontrolling interests resulting from the Shenzhen joint venture.

(b) Relates primarily to restructuring and non-recurring costs.

(c) Non-cash items include the effects of (i) stock-based compensation expense, (ii) non-cash mark-to-market revaluation of foreign currency forward contracts and unrealized gains or losses on revaluations of the U.S. dollar denominated debt of our foreign subsidiaries and the Euro denominated debt of our U.S. subsidiary, (iii) unrealized natural gas derivative gains or losses, and (iv) reserve changes and impairment charges. For the fiscal three-month period ended September 30, 2011, non-cash items include: (i) unrealized foreign currency exchange loss of $11 million and (ii) stock-based compensation expense of $1 million. For the fiscal three-month period ended September 26, 2010, non-cash items include (i) unrealized foreign currency exchange loss of $4 million and (ii) unrealized loss on natural gas hedges of $1 million.

(d) Reflects the exclusion of the EBITDA of our subsidiaries that are designated as Unrestricted Subsidiaries under our debt documents.

(e) Management Fees and Other include management and other fees to Apollo and affiliates.

(f) Represents estimated cost savings, on a pro-forma basis, from the Shared Services Agreement with MSC.

Momentive Performance Materials Debt at September 30, 2011

(dollars in millions)	September 30, 2011 Long Term	September 30, 2011 Due Within One Year	December 31, 2010 Long Term	December 31, 2010 Due Within One Year
ST ABOC Working Capital Loan Due 2012		15.6	-	
Short-term Borrowings		1.0		2.1
Long-term debt including current portion:				
Senior secured credit facilities				
Revolving credit facility due 2014	-	-	-	-
Term loan tranche B-1A due 2013	65.4	0.7	498.8	5.3
Term loan tranche B-1B due 2015	429.4	4.6		
Term loan tranche B-2A due 2013	114.4	1.2	500.8	5.3
Term loan tranche B-2B due 2015	398.5	4.2		
9% Springing Lien Notes due 2021	1,160.7	-	1,160.7	-
9.5% Springing Lien Notes due 2021	204.1	-	197.7	-
11 1/2% Senior Subordinated Notes due 2016	379.0	-	378.6	-
12.5% Second Lien Notes due 2014	177.5	-	172.6	-
Agricultural Bank of China loan Due 2015	29.7	7.8	38.2	12.7
Medium term loan	2.8	1.4	4.6	1.6
Total long-term debt	**2,961.4**	**19.9**	**2,951.9**	**24.8**
Total Opco debt	**2,961.4**	**36.6**	**2,951.9**	**26.9**

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