Momentive Performance Materials Inc.

First Quarter 2011
Earnings Conference Call

May 13, 2011

Forward-Looking Statements

Certain statements included in this presentation constitute forward-looking statements within the meaning of and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 under 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 statements that could be forward-looking statements. Forward-looking statements may be identified by the words “believe,” “expect,” “anticipate,” “project,” “plan,” “estimate,” “will” or “intend” and similar words or expressions. These forward-looking statements reflect our current views with respect to future events 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. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: our substantial leverage; limitations in operating our business contained in the documents governing our indebtedness, including the restrictive covenants contained therein; weak or deteriorating global economic conditions; the effects of the earthquake and tsunami in Japan on March 11, 2011 and related events, difficulties with the integration process or realization of benefits in connection with the transactions with our affiliate, Momentive Specialty Chemicals Inc., including the shared services agreement. For a more detailed discussion of these and other risk factors, see our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 and our other filings with the Securities and Exchange Commission. All forward-looking statements are expressly qualified in their entirety by this cautionary notice. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this release. 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 First Quarter 2011 Results

Craig Morrison
Chairman, President & CEO

First Quarter 2011 Results

- Momentive Performance Materials' (MPM) 1Q'11 performance on a YoY basis reflected improved mix, operating leverage, and continued pricing actions, partially offset by significant raw material inflation and the impact of the Japan earthquake

- First Quarter 2011 results included:
  - Revenues of $660 million versus $605 million in prior year due to specialty product mix and pricing actions
  - Operating income of $73 million compared to $63 million despite a $12 million negative impact from a temporary manufacturing outage and an earthquake in Japan and related events
  - Combined Adjusted EBITDA(1)(2) (excluding impact of pro forma savings from the shared services agreement) of $120 million compared to $119 million in prior year quarter

- Adjusted EBITDA margins (excluding savings from shared services agreement) improved sequentially by 170 bps versus 4Q'10 levels as pricing actions were successfully implemented
  - Continued pricing actions are in process due to ongoing raw material inflation

- In the first quarter of 2011, the Company achieved $2 million in savings from the shared services agreement with Momentive Specialty Chemicals Inc. (MSC)
  - In addition to actions taken in the fourth quarter of 2010, completed actions under the shared services agreement will generate annual run-rate savings of $15 million

- MPM continues to maintain a strong liquidity position with cash and available borrowings of $465 million as of quarter end

- The Company remains in compliance with all financial covenants governing its senior secured credit facilities and indentures at quarter end

- Transaction in February 2011 extended the Company's debt maturity profile

1Q'11 SPECIALTY MIX AND ONGOING PRICING ACTIONS SUPPORTS SEQUENTIAL IMPROVEMENT IN ADJ. EBITDA MARGIN

(1) Defined as Adj. EBITDA plus EBITDA of the Unrestricted Subsidiary.
(2) EBITDA from unrestricted sub of $7MM in 1Q'11 and $2MM in 1Q'10 is included in Combined Adj. EBITDA (but excluded from Adj. EBITDA as defined in the debt documents.)

First Quarter 2011 Summary Financial Performance

1Q Quarter Ended

($ in millions)	2011	2010	Δ
Revenue	**$660**	**$605**	**9%**
Operating income (loss)	**73**	**63**	**16%**
Net loss	**(3)**	**(3)**	**--**
Combined Adj. EBITDA (excluding PF savings from shared services agreement) (1)	**120**	**119**	**1%**

Summary

- Sixteen percent increase in operating income
- Temporary plant outage and Japanese earthquake that impacted EBITDA by $12 million

AGGRESSIVE ACTIONS MINIMIZED ECONOMIC IMPACT OF EVENTS IN JAPAN

(1) Combined Adjusted EBITDA excludes the impact of pro forma savings from shared services agreement. EBITDA from unrestricted sub of $7MM in 1Q'11 and $2MM in 1Q'10 is included in Combined Adj. EBITDA (but excluded from Adj. EBITDA as defined in the debt documents.)

Sil Metal Spot Price Seeing Pressure Globally, Methanol Moderated

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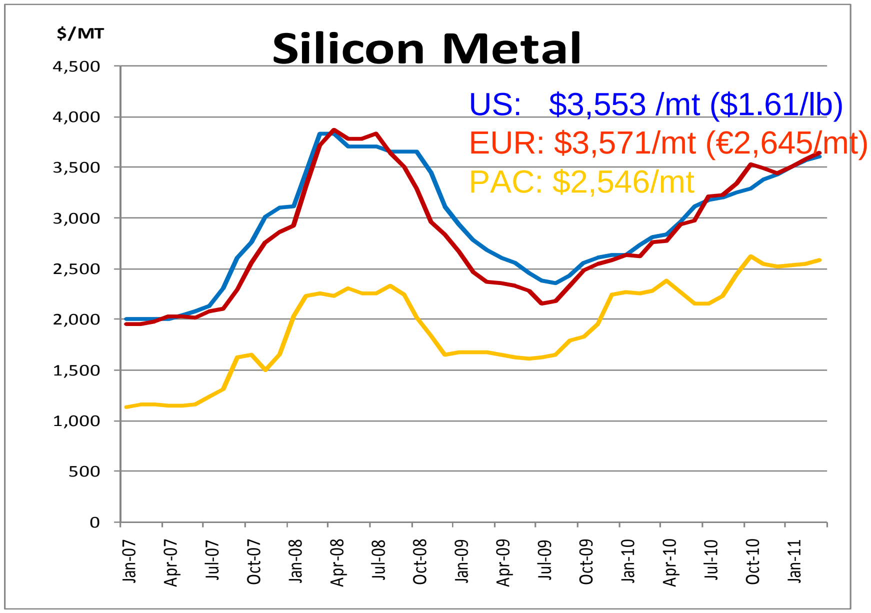
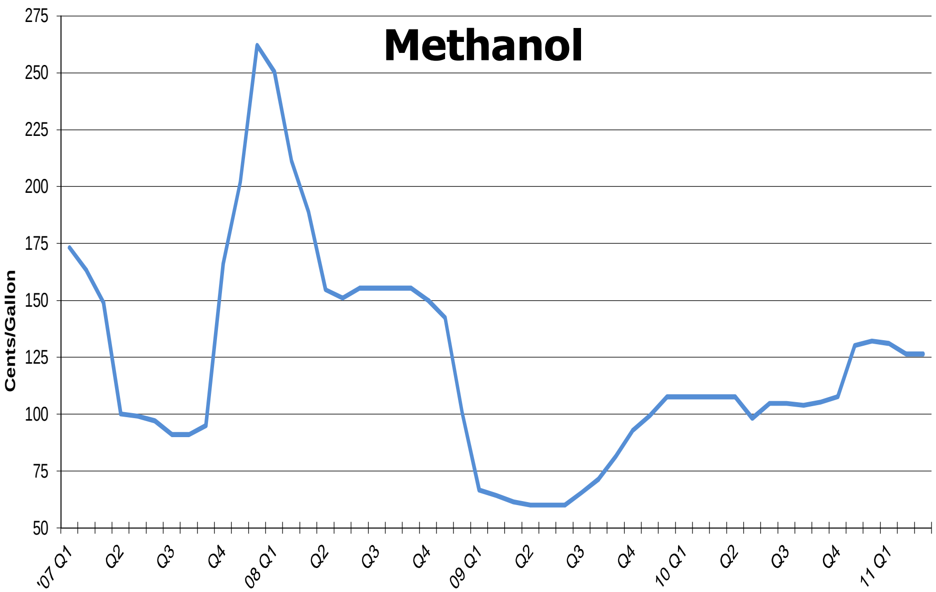




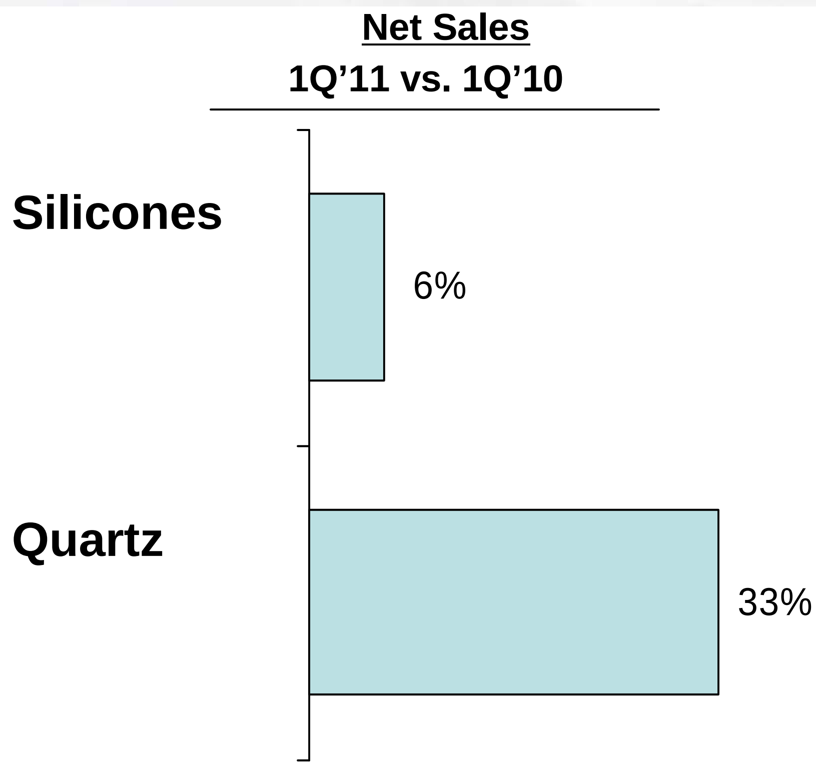
Source: CRU

Source: CMAI Methanol Contract-Net Transaction FOB Houston Tx

Summary

- **Silicon metal has demonstrated continued inflationary trend year-over-year and approaching levels last seen in 2008**
- **Methanol is easing off after Q4 2010 increase**
- **Previously announced pricing actions remain in-process**
- **Outlook is for continued raw material pressure in 2011; anticipate ongoing pricing actions to recover margins**

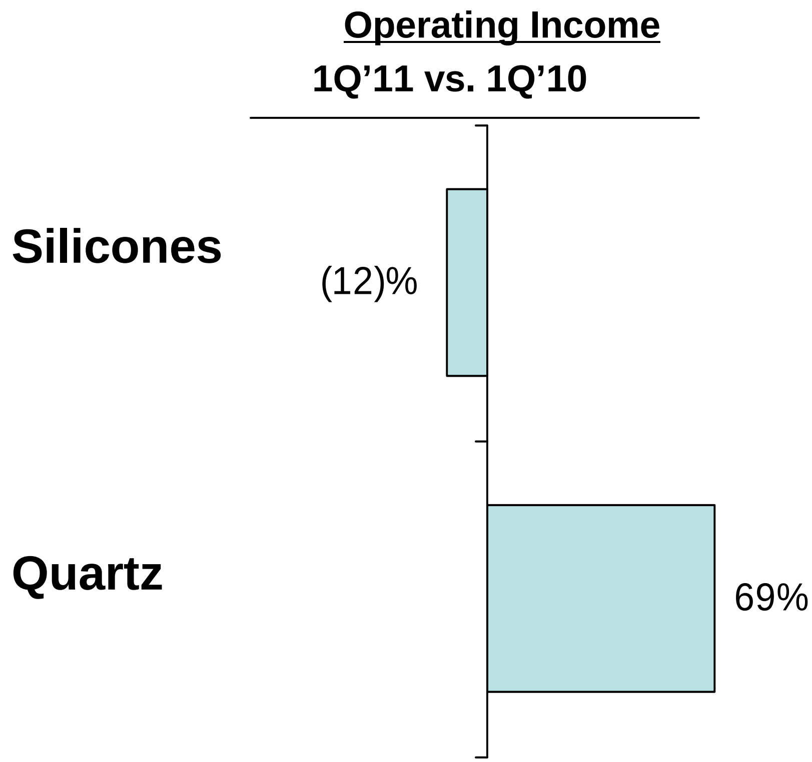
First Quarter 2011 Segment Net Sales



Summary

- Year-over-year silicone revenue gains despite $20 million in lost sales due to Japanese earthquake
- Company continues to pursue specialty silicones vs. core applications
- Quartz business reflected ongoing robust demand in the semiconductor and ceramics application market

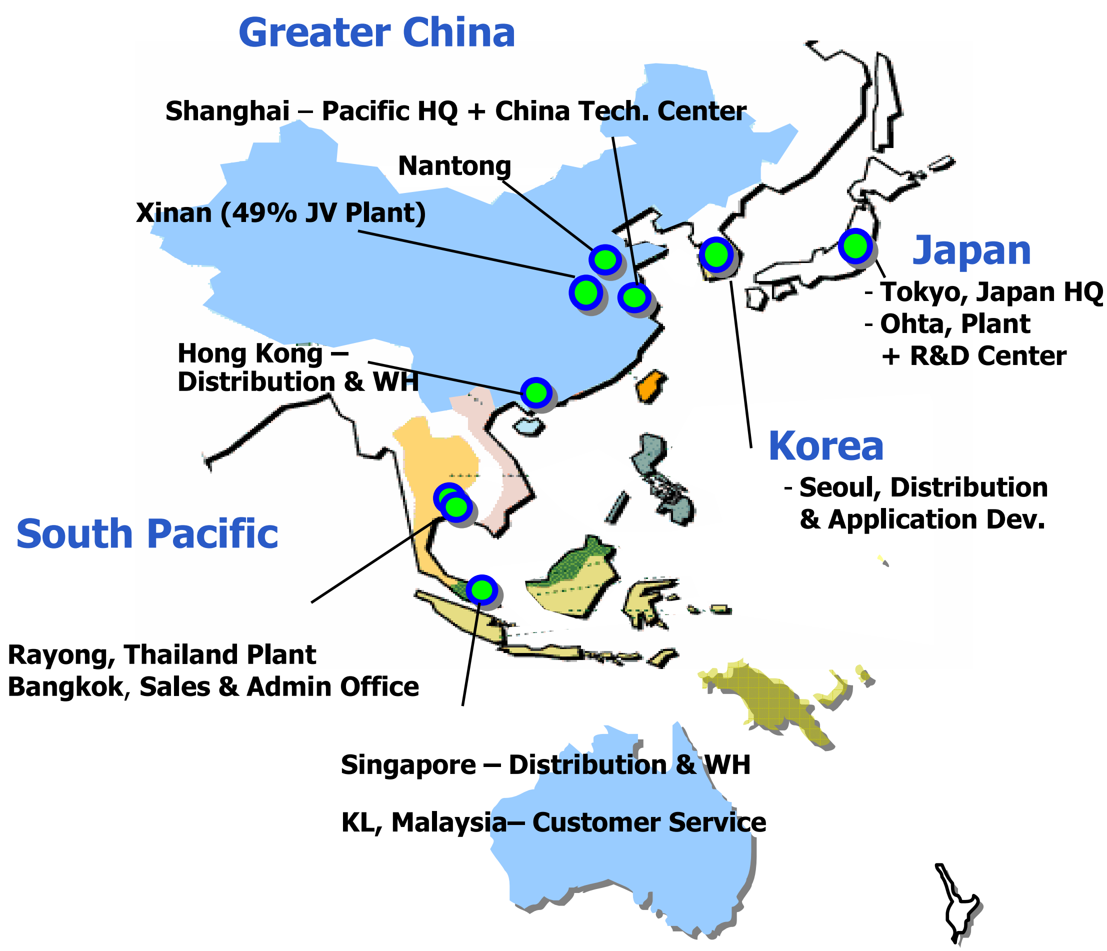
First Quarter 2011 Operating Income Results



Summary

- Lead/lag effect from inflationary raw materials, earthquake impact and Japanese manufacturing outage impacted 1Q'11 operating income
  - Continue to pursue pricing actions which should compensate for the inflation in raw materials and energy costs over the balance of 2011

Xinan JV Phase II Expansion Strengthens Pacific Footprint



Xinan JV Expansion:

- MPM and Zhejiang Xinan Chemical Industrial Group announced a capacity expansion via their joint venture company
- JV plans to increase annual production capacity from 50,000 metric tons of siloxane to 150,000 metric tons
- New capacity anticipated to come online in 2013
- Expansion follows successful start-up of Xinan JV siloxane manufacturing plant in 4Q'10
- MPM experienced normal site operations in 1Q'11 with majority of major systems operational

Financial Review

Bill Carter
Executive Vice President & Chief Financial Officer

Silicones
First Quarter 2010 Segment Highlights

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1Q Quarter Ended

($ in millions)	2011	2010	Δ
Revenue	$ 572	$ 539	6%
Operating Income	$ 51	$ 58	(12)%

1Q'11 Sales Comparison YOY

Volume	Price	Currency Translation	Total
1%	5%	---	6%

Summary

- Strong demand from industrial, automotive, agriculture and electronics sectors in 1Q'11, partially offset by $20 million in lost sales from the Japan earthquake
- Operating income reflected headwinds from raw material inflation, temporary plant outage and negative earthquake impact
- 1Q'11 average order rate continued to improve vs. year-end levels
- Pricing actions in process to address raw material inflation

Silicones 1Q'11: Effects of Unusual Items

Earthquake

- Although our manufacturing facility in Ohta, Japan suffered no significant damage to key assets or materials from the earthquake and tsunami in Japan and subsequent aftershocks, MPM's operations at this facility during the quarter were impacted by rolling power blackouts and transportation and supply related issues

	EBITDA Impact ($ in millions)
Supply Constraints	$8.0
Additional Transportation	0.3
Asset/Cost Inefficiency	0.7
	$9.0

Other

Operational outage	$ 3.0
Total Unusual Items	$12.0

Quartz
First Quarter 2011 Segment Highlights

1Q Quarter Ended

($ in millions)	2011	2010	Δ
Revenue	$ 88	$66	33%
Operating Income	$ 22	$ 13	69%

1Q'11 Sales Comparison YOY

Volume	Price	Currency Translation	Total
27%	6%	---	33%

Summary

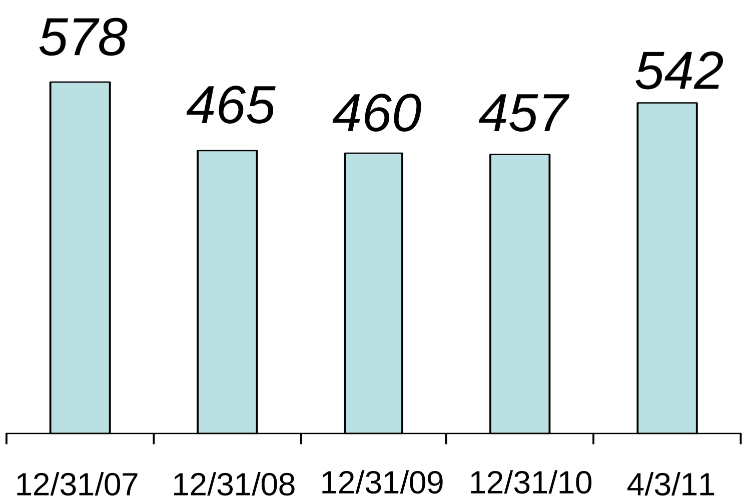
- Record performance in 1Q'11
- Continued strength in electronics, semiconductor and ceramic segments
- Expect semiconductor-related product sales to remain strong throughout 2011
- Record levels of backlog
- Continued investment in Quartz business through expansion of specialty quartz site in Hebron, Ohio

Balance Sheet Update & Financial Summary

- Cash from operations totaled $11 million in 1Q'11
- Net working capital increased by $85 million compared to year-end 2010 levels primarily driven by: Accounts Receivable impact of $35 million (timing of sales during the last four weeks of 1Q'11 vs. last four weeks of 4Q'10); turnarounds/safety stock/Japan earthquake impact of $18 million; and increased raw materials costs of $11 million
- 1Q'11 capital expenditures totaled $18 million
- Liquidity remained strong with cash plus borrowing availability of $465 million at 1Q'11

Net Working Capital

$ in millions



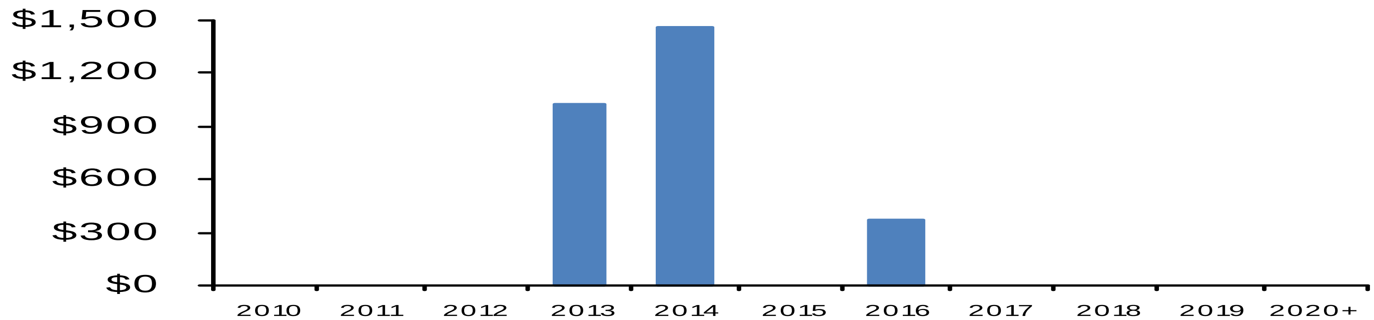
NET DEBT $2.8 billion (4/3/11)

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

Q4'10 and February '11 Amend and Extend Improved Debt Maturity Profile

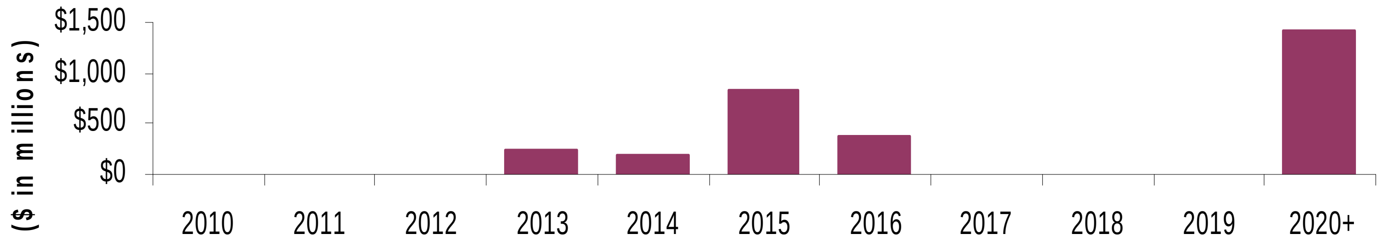
- Current capital structure conservative with no near-term maturities

Debt Maturities (12/31/09)



Weighted Average Maturity 4.0 yrs

Debt Maturities (4/3/11)



Weighted Average Maturity 7.6 yrs

MOST RECENT ACTION INCLUDED EXTENSION OF ~ $846 MILLION OF SENIOR CREDIT FACILITY IN FEBRUARY 2011; RECENTLY EXTENDED $300 MILLION OF REVOLVER BY TWO YEARS;

Note: Maturity schedules are for MPM Inc. debt only

Summary

Summary: First Quarter 2011

- Solid overall top-line growth despite outages in Japan
- Record performance in Quartz while Silicones reflected favorable pricing and better specialty mix, partially offset by the effects of the Japanese earthquake and a temporary manufacturing outage during 1Q'11
- Sequential Adj. EBITDA margin improvement while continuing to pursue pricing initiatives to offset inflationary raw materials
- MPM continues to maintain a strong liquidity position with cash and available borrowings of $465 million
- Focused on continued achievement of savings from shared services agreement with MSC

COMPANY IS WELL POSITIONED DUE TO GLOBAL FOOTPRINT AND FOCUS ON PROVIDING SPECIALTY SILICONES VS. CORE PRODUCTS

Appendices

Reconciliation of Non-GAAP Financial Measures

		Fiscal three-month period ended		Last twelve months ended
		April 3, 2011†	March 28, 2010††	April 3, 2011†
		(dollars in millions)		(dollars in millions)
Net income (loss) attributable to Momentive Performance Materials Inc.		$ (3)	$ (3)	$ (63)
Loss on extinguishment and exchange of debt		—	—	78
Interest expense, net		64	61	253
Income taxes		12	5	3
Depreciation and amortization		50	47	200
EBITDA		123	110	471
Noncontrolling interest	(a)	—	—	1
Restructuring and non-recurring	(b)	5	1	27
Non cash and purchase accounting effects	(c)	(9)	7	(9)
Exclusion of unrestricted subsidiary results	(d)	(7)	(2)	(24)
Management fee and other	(e)	1	1	4
Pro forma savings from shared services agreement	(f)	11	13	48
Adjusted EBITDA		$ 124	$ 130	$ 518
Inclusion of unrestricted subsidiary results		7	2	24
Combined Adjusted EBITDA		$ 131	$ 132	$ 542
Combined Adjusted EBITDA excluding pro forma savings from the shared services agreement		$ 120	$ 119	$ 494

(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 subsidiary. (The Unrestricted Subsidiary is excluded from Adj. EBITDA as defined in our debt documents.) The Combined Adj. EBITDA of MPM includes $48 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 1Q 2011 results as issued on May 13, 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

(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 April 3, 2011, non-cash items include: (i) unrealized foreign currency exchange gain of $9 million. For the fiscal three-month period ended March 28, 2010, non-cash items include: (i) unrealized foreign currency exchange loss of $6 million, and (ii) unrealized loss on natural gas hedges of $1 million.

(d) Reflects the exclusion of the EBITDA of our subsidiary that is designated as an Unrestricted Subsidiary 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 April 3, 2011

(dollars in millions)	April 3, 2011 Long Term	April 3, 2011 Due Within One Year	December 31, 2010 Long Term	December 31, 2010 Due Within One Year	December 31, 2009 Long Term	December 31, 2009 Due Within One Year
Short-term Borrowings	-	-	-	2.1	-	-
Long-term debt including current portion:						
Senior secured credit facilities						
Revolving credit facility due 2014	-	-	-	-	25.0	75.0
Term loan tranche B-1A due 2013	65.7	0.7	498.8	5.3	504.0	5.3
Term loan tranche B-1B due 2015	431.7	4.6				
Term loan tranche B-2A due 2013	119.1	1.3	500.8	5.3	554.3	5.8
Term loan tranche B-2B due 2015	415.0	4.4				
9% Springing Lien Notes due 2021	1,160.7	-	1,160.7	-	-	-
9.5% Springing Lien Notes due 2021	211.4	-	197.7	-	-	-
11 1/2% Senior Subordinated Notes due 2016	378.8	-	378.6	-	378.1	-
12.5% Second Lien Notes due 2014	174.2	-	172.6	-	166.3	-
9 3/4%Senior Notes due 2014	-	-	-	-	716.6	-
10 1/8% / 10 7/8% Senior Toggle Notes Due 2014	-	-	-	-	203.1	-
9% Senior Notes Due 2014	-	-	-	-	353.9	-
Agricultural Bank of China loan Due 2015	29.0	7.6	38.2	12.7	49.3	11.1
Medium term loan	3.8	1.6	4.6	1.6	4.8	0.9
Total long-term debt	**2,989.5**	**20.1**	**2,951.9**	**24.8**	**2,955.5**	**98.0**
Total Opco debt	**2,989.5**	**20.1**	**2,951.9**	**26.9**	**2,955.5**	**98.0**

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