Momentive Performance Materials Inc.

Second Quarter 2012 Earnings Conference Call

August 7, 2012

Forward-Looking Statements

Momentive Performance Materials Inc. (MPM)

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. 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.

Momentive Performance Materials Inc. (MPM)

Overview of Second Quarter 2012 Results

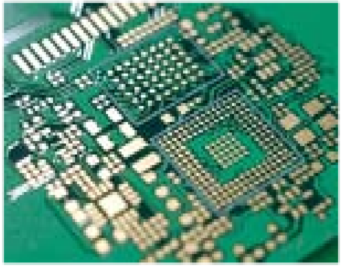
Craig O. Morrison
Chairman, President & Chief Executive Officer

Second Quarter 2012 Results

- Revenues of $627 million versus $728 million in prior year reflecting a 14% decline due to lower volumes, product mix shift and margin compression in commodity product lines

- Combined Adjusted EBITDA excluding all pro forma savings [(1)] of $64 million compared to $125 million in prior year quarter
  - YoY results reflect product mix shift and continued softness in European and Asian markets
  - Combined Adjusted EBITDA excluding all pro forma savings improved sequentially with 25 percent gain vs. 1Q’12
  - Operating loss of $(24) million compared operating income of $70 million in 2Q’11

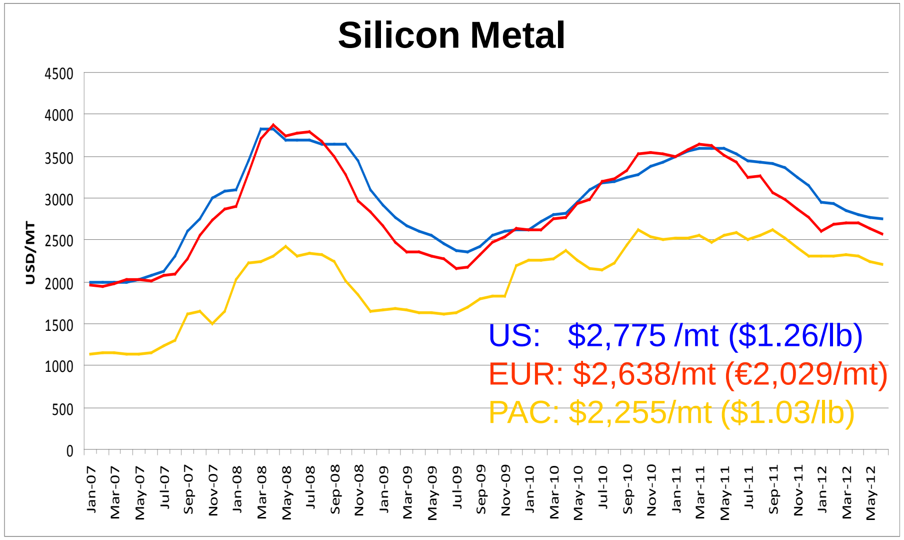
- MPM realized $13 million in savings from the shared services agreement in the first half of 2012
  - Achieved $48 million on a run-rate basis since the program’s inception as of June 30, 2012
- Announced aggressive productivity initiatives in response to challenging market conditions
  - Announced $33 million in incremental cost savings resulting in $54 million of total pro forma cost savings at June 30, 2012
  - Continuing to proactively identify additional cost-saving opportunities to offset economic weakness



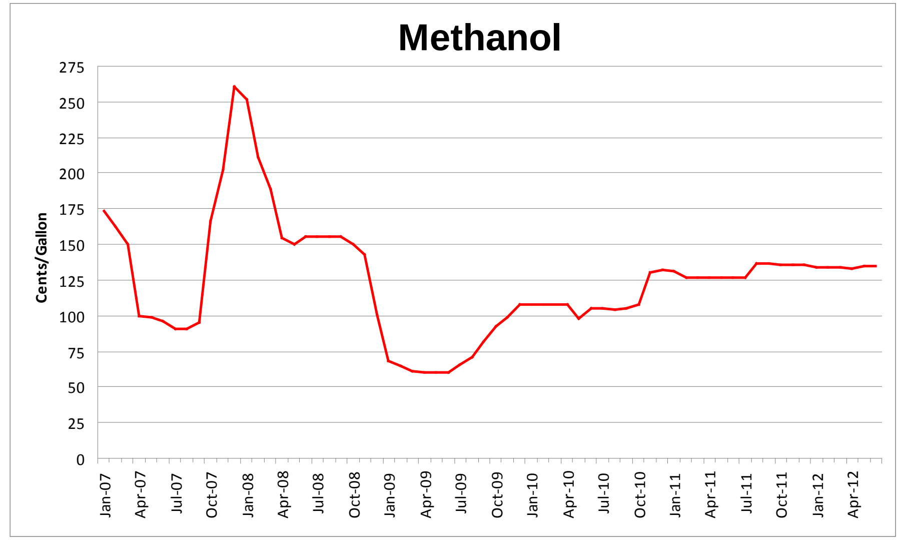
- Cash and available borrowings of $339 million as of June 30, 2012
- In compliance with the financial covenant governing senior secured credit facilities at June 30, 2012

(1) Represents Adjusted EBITDA plus EBITDA of Unrestricted Subsidiaries and excludes all pro forma savings. EBITDA from Unrestricted Subsidiaries is included in Combined Adjusted EBITDA (but excluded from Adjusted EBITDA as defined in the debt documents). Combined Adjusted EBITDA, excluding all pro forma cost savings, is an important measure used by our senior management and board of directors to evaluate operating results and allocate capital resources. See the appendix for reconciliations of this measure to net income and by reportable segment (including Corporate).

Economic Volatility Impacting Silicon and Methanol Prices



Source: CRU, 1.30 Fx EURO



Source: CMAI Methanol Contract-Net Transaction FOB Houston Tx

Summary

- Silicon metal spot prices have declined due to lower demand and macro economic uncertainty
- Methanol contract market price increased 6% in 2Q'12 compared to 2Q'11
  - Weakening market conditions have placed pressure on pricing going forward
- Macro economic uncertainty creates potential raw material cost volatility in 2H'12

Results Reflect YoY Weakening Economy

	Net Revenue ($ in millions)			Combined Adjusted EBITDA excluding all pro forma savings ($ in millions)		
	2Q'12	**1Q'12**	**2Q'11**	**2Q'12**	**1Q'12**	**2Q'11**
Silicones	568	536	640	58	53	98
Quartz	59	57	88	13	9	29

Summary

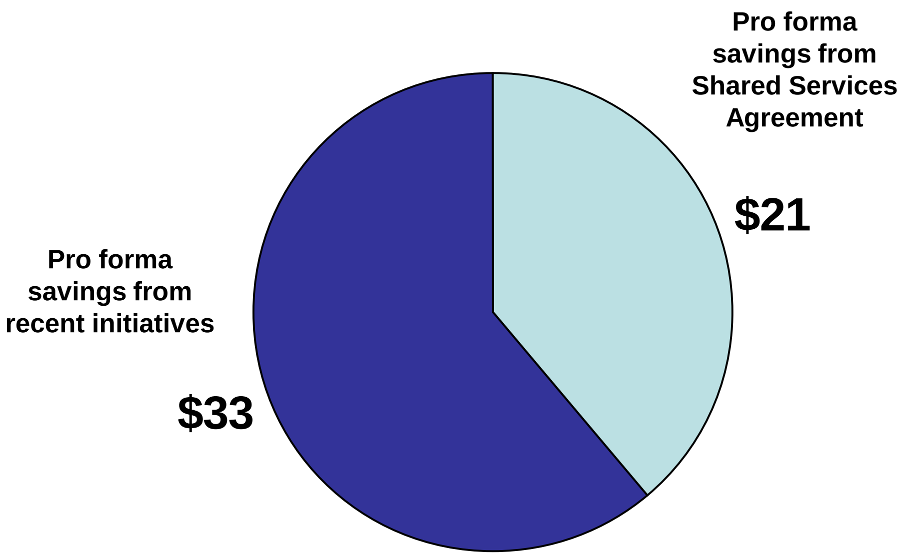
- 2Q'12 YoY silicones results continued to reflect softness in China and EU region, softer volumes and product mix shift due to declines in higher-margin product lines such as electronics and solar energy
  - Sequential revenue and Combined Adjusted EBITDA excluding pro forma savings increase of 6 percent and 9 percent, respectively (2Q'12 vs. 1Q'12)
- 2Q'12 quartz results reflected cyclical downturn in demand for semiconductor capital goods
  - Sequential revenue and Combined Adjusted EBITDA excluding pro forma savings increase of 4 percent and 44 percent, respectively (2Q'12 vs. 1Q'12)

Incremental Cost Savings Overview

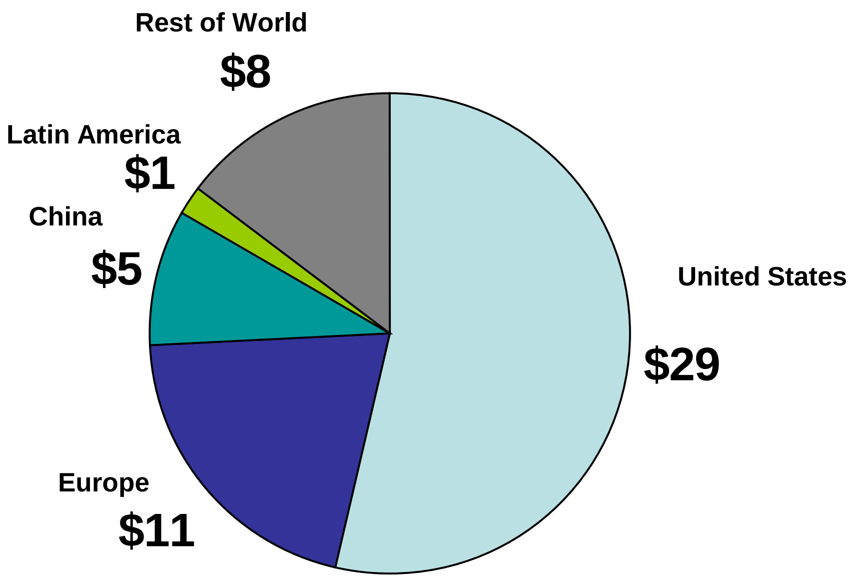
- Pro forma cost savings total $54 million at end of 2Q’12
- Announced $33 million in incremental cost targets to be achieved over the next 12 to18 months.
- Additional cost actions continue to be assessed

Cost Savings by Type

($ in millions)

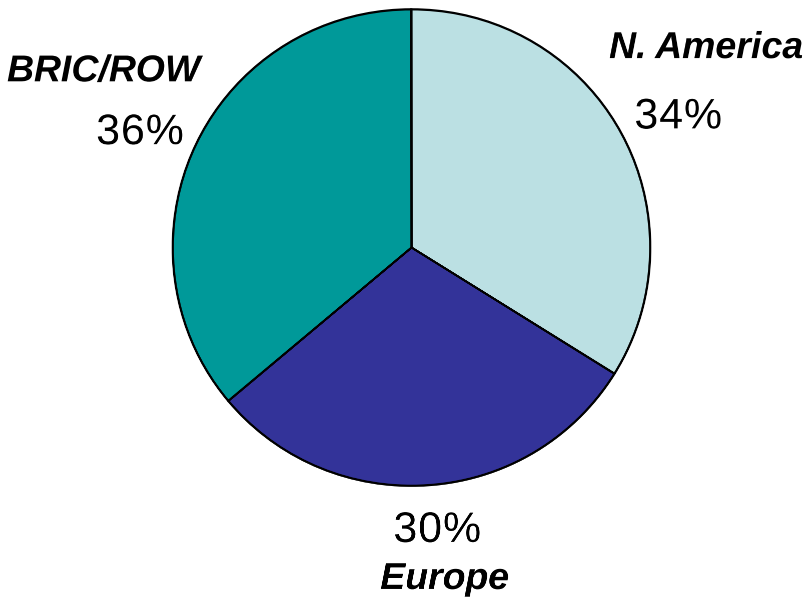


Total In Process Cost Savings by Region



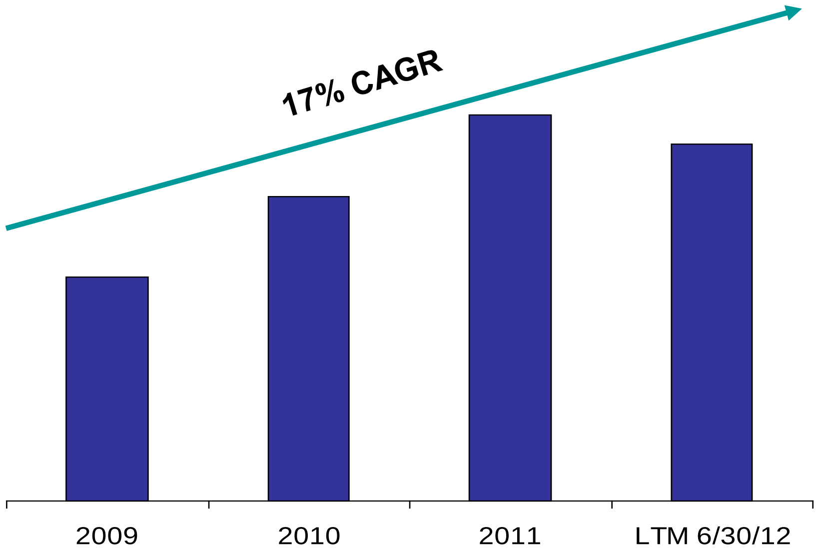
MPM Benefits from Balanced Geographic Footprint and Strategic BRIC Focus

Revenue by Geography



Balanced global presence

Strategic BRIC Growth



Significant Expansion Projects

- New finishing plant In Chennai, India (mid-2010)
- Siloxane manufacturing joint venture in Jiande China (4Q'10)
- Siloxane JV announced "Phase II" expansion Nantong, China, silicone finishing plant (2008)
- Multiple quartz expansion projects (2011-ongoing)
- Bangalore regional HQ and global research center

Momentive Performance Materials Inc.

Financial Review

William H. Carter
Executive Vice President & Chief Financial Officer

Silicones
Second Quarter 2012 Segment Results

($ in millions)	2Q Quarter Ended 2012	2011	Δ
Revenue	$ 568	$ 640	(11)%
Combined Adj. EBITDA **excluding PF savings** (1)	58	98	(55)%

2Q'12 Sales Comparison YoY

Volume	Price/Mix	Foreign Exchange	Total
4%	(12)%	(3)%	(11)%

Summary

- Results continued to reflect YoY weakness in Europe & Asia Pacific region, while Americas proved more resilient
- MPM posted sequential sales increase in 2Q'12 vs. 1Q'12 levels of 6 percent
- Aggressively working to restore margins to historical levels
- Focused on accelerating productivity actions as quickly as possible, while maintaining customer focus

(1) See the appendix for reconciliations of this measure to net income and by reportable segment (including Corporate).

Quartz
Second Quarter 2012 Segment Results

($ in millions)	2Q Quarter Ended 2012	2011	Δ
Revenue	$ 59	$ 88	(33)%
Combined Adj. EBITDA **excluding PF savings** [(1)]	13	29	(41)%

2Q'12 Sales Comparison YoY

Volume	Price/Mix	Foreign Exchange	Total
(32)%	--	(1)%	(33)%

Summary

- Slowdown in semiconductor-related demand continued to negatively impact softer 2Q'12 results
- Soft semiconductor demand expected to impact results in 2H'12

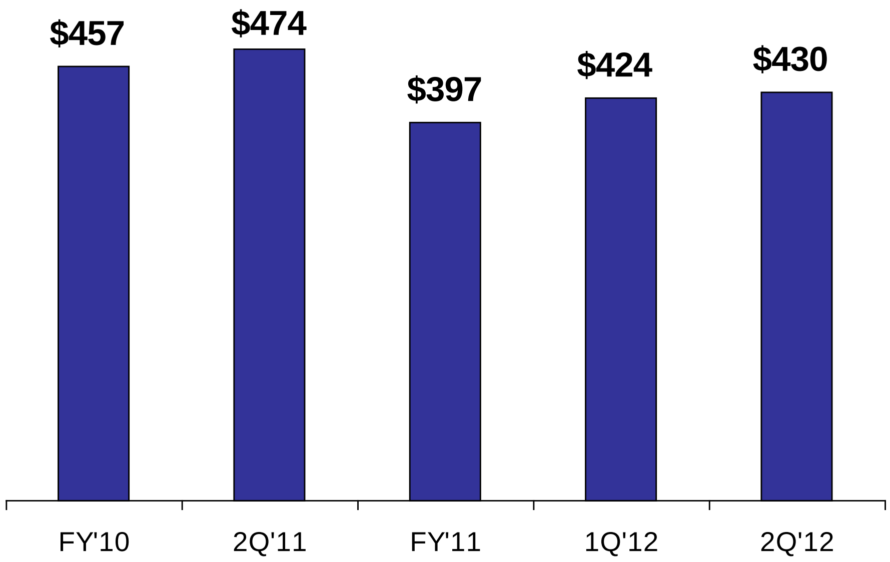
(1) See the appendix for reconciliations of this measure to net income and by reportable segment (including Corporate).

Balance Sheet Update & Financial Summary

- Continuing to aggressively optimize working capital and position inventories in 2012
  - 2Q'12 rose slightly due to seasonal inventory build vs. year-end levels
  - Days inventory outstanding decreased by 3 days
  - Anticipate working capital declines in 2H'12 despite anticipated raw material volatility
- 2Q'12 capital expenditures of $25 million
  - FY'12 capital expenditures target revised to $ 100 million to $110 million
  - Low maintenance capital expenditures; free cash flow supported by low working capital intensity
- As a result of a refinancing in April 2012, the Company extended the maturity of $175 million of long-term debt from December 2013 to May 2015
- In May 2012, the Company issued $250 million aggregate principal amount of 10% senior secured notes due 2020 and used the net proceeds to repay $240 million aggregate principal amount of existing term loans maturing May 2015 under its senior secured credit facilities, effectively extending these maturities by approximately five years
- Liquidity: cash plus borrowing availability of $339 million at 6/30/12

Net Working Capital (1)

($ in millions)



TOTAL DEBT: ~ 3.0 billion; NET DEBT ~ $2.8 billion (6/30/12)

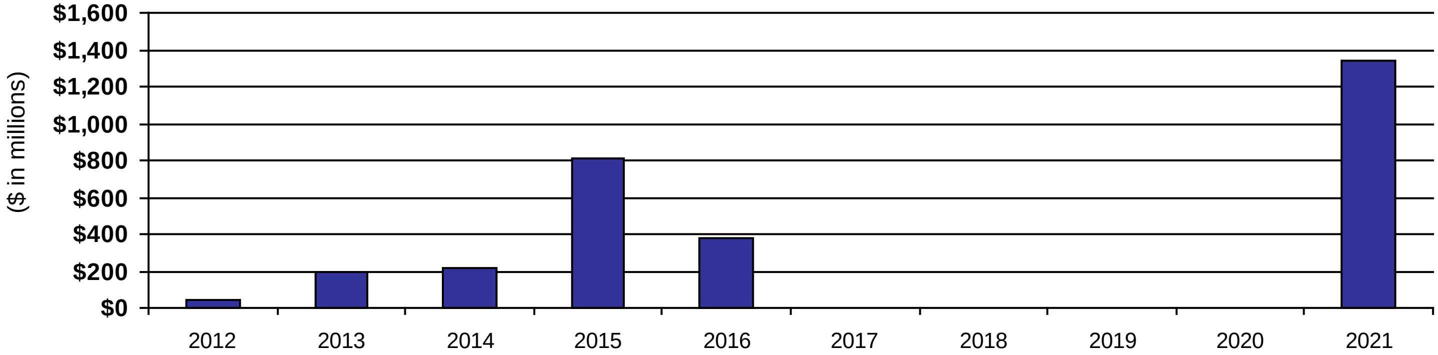
(1) Net working capital defined as accounts receivable and inventories less trades payable.

Q2'12 Transactions Further Extend Debt Maturity Profile of MPM

Refinancing Strategy

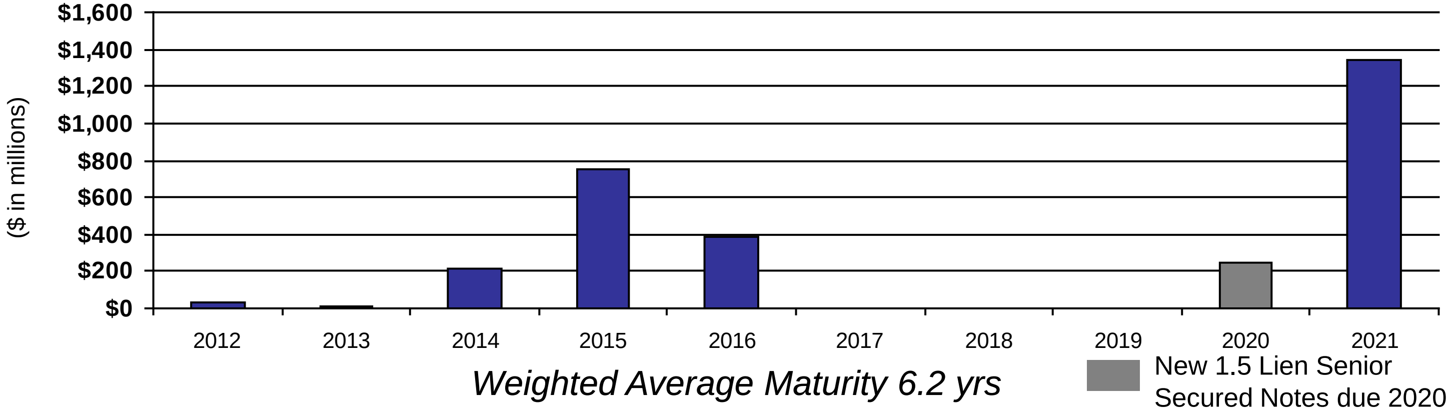
- Continue to proactively and opportunistically address nearer-term debt maturities
- Prudently manage liquidity

Debt Maturities Q1'12



Weighted Average Maturity 5.2 yrs

Debt Maturities Q2'12



Weighted Average Maturity 6.2 yrs

MPM ISSUED $250MM IN SENIOR SECURED NOTES MATURING 2020 TO PAY DOWN PORTIONS OF ITS EXISTING TERM LOANS THAT MATURE IN MAY 2015

Note: Maturity schedules are for MPM OpCo debt only.

Closing Remarks

Second Quarter 2012 Closing Remarks

- Revenue and Combined Adjusted EBITDA[1] excluding all pro forma savings continued to reflect global economic volatility, product mix shift, industry capacity expansion and softer volumes in 2Q'12
  - Combined Adjusted EBITDA excluding all pro forma savings improved sequentially with 25 percent gain vs. 1Q'12
  - Product mix and margin pressure is expected to continue in 2H'12
- MPM realized $13 million in savings from the shared services agreement in the first half of 2012
- MPM announced aggressive productivity initiatives in response to challenging market conditions
  - Announced $33 million in incremental cost savings resulting in $54 million of total pro forma cost savings at June 30, 2012
  - Continuing to proactively identify additional cost-saving opportunities to offset economic weakness
- Liquidity position: cash and available borrowings of $339 million

Appendices

Reconciliation of Non-GAAP Financial Measures

		Fiscal three-month period ended		Fiscal six-month period		Last twelve months ended
		June 30, 2012	July 3, 2011	June 30, 2012	July 3, 2011	June 30, 2012
		(dollars in millions)				
Net loss attributable to Momentive Performance Materials Inc.		$ (88)	$ (11)	(153)	(14)	(280)
Loss (gain) on extinguishment and exchange of debt		6	—	6	—	(1)
Interest expense, net		64	65	126	129	253
Income taxes		4	15	4	27	4
Depreciation and amortization		48	48	94	98	193
EBITDA		34	117	77	240	169
Noncontrolling interest	(a)	—	1	—	1	—
Restructuring and other costs	(b)	15	9	24	14	45
Non cash and purchase accounting effects	(c)	14	(3)	11	(12)	26
Management fee and other	(d)	1	1	3	2	7
Combined Adjusted EBITDA, excluding all pro forma savings		$ 64	$ 125	115	245	247
Pro forma savings from Shared Services Agreement	(e)					21
Pro forma savings from other initiatives	(f)					33
Combined Adjusted EBITDA						$ 301
Exclusion of Unrestricted Subsidiary results	(g)					(19)
Adjusted EBITDA						$ 282
Key calculations under the Credit Agreement						
Total Senior Secured Net Debt		$ 678				
Senior Secured Leverage Ratio for the twelve-month period ended June 30, 2012		2.40				

(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 excludes the EBITDA of our subsidiaries that are designated as Unrestricted Subsidiaries under our debt documents. We define Combined Adjusted EBITDA as Adjusted EBITDA modified to include the EBITDA of our subsidiaries that are designated as Unrestricted Subsidiaries under our debt documents. Both Adjusted EBITDA and Combined Adjusted EBITDA include pro forma cost savings. Combined Adjusted EBITDA, excluding all pro forma cost savings, and Combined Adjusted EBITDA are important performance measures used by our senior management and the board of directors to evaluate operating results and allocate capital resources.

(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 2011 results. The calculation of EBITDA, Adjusted EBITDA and Combined Adjusted EBITDA for the fiscal three-month and six-month periods ended July 3, 2011 were negatively impacted by $7 million and $16 million, respectively, related to these events.

(a) Reflects the elimination of noncontrolling interests resulting from the sale of the Shenzhen joint venture in 2011.

(b) Relates primarily to restructuring and other 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) impairment charges. For the fiscal three-month period ended June 30, 2012, non-cash items include unrealized foreign currency exchange loss of $14 million. For the fiscal three-month period ended July 3, 2011, non-cash items include: (i) unrealized foreign currency exchange gain of $4 million and (ii) stock-based compensation expense of $1 million.

(d) Management Fees and Other include management and other fees to Apollo and affiliates and business optimization expenses.

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

(f) Represents estimated cost savings, on a pro forma basis, from initiatives not related to the Shared Services Agreement implemented or being implemented by management, including headcount reductions and indirect cost savings. For the fiscal three-month period ended June 30, 2012, estimated cost savings include facility rationalizations and headcount reductions.

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

Reconciliation of Non-GAAP Financial Measures by Reportable Segment

($ in millions)

Q1 2012

	Silicones	Quartz	Corporate	Total
Combined Adj. EBITDA excluding pro forma savings	**53**	**9**	**(11)**	**51**
Reconciliation				
Non-cash charges	3	-		3
Restructuring and other	(7)	-	(4)	(11)
Other	-	-	-	-
Total adjustments	(4)	-	(4)	(8)
Interest expense, net	(62)	-	-	(62)
Income taxes	-	-	-	-
Depreciation	(40)	(6)	-	(46)
Net (loss) income	**(53)**	**3**	**(15)**	**(65)**

Q2 2012

	Silicones	Quartz	Corporate	Total
Combined Adjusted EBITDA excluding pro forma savings	**58**	**13**	**(7)**	**64**
Reconciliation				
Non-cash charges	(14)	-		(14)
Restructuring and other	(12)	-	(4)	(16)
Other	-	-	-	-
Total adjustments	(26)	-	(4)	(30)
Interest expense, net	(64)	-	-	(64)
Income taxes	1	(5)	-	(4)
Depreciation	(41)	(7)	-	(48)
Loss on debt extinguishment	(6)	-	-	(6)
Net (loss) income	**(78)**	**1**	**(11)**	**(88)**

Q2 2011

	Silicones	Quartz	Corporate	Total
Combined Adjusted EBITDA excluding pro forma savings	**98**	**29**	**(2)**	**125**
Reconciliation				
Non-cash charges	2	-	-	2
Restructuring and other	(4)	-	(6)	(10)
Other	-	-	-	-
Total adjustments	(2)	-	(6)	(8)
Interest expense, net	(65)	-	-	(65)
Income taxes	(8)	(7)	-	(15)
Depreciation	(41)	(7)	-	(48)
Net (loss) income	**(18)**	**15**	**(8)**	**(11)**

Momentive Performance Materials Debt at June 30, 2012

(dollars in millions)	June 30, 2012 Long Term	June 30, 2012 Due Within One Year	March 31, 2012 Long Term	March 31, 2012 Due Within One Year	December 31, 2011 Long Term	December 31, 2011 Due Within One Year
Short-term Borrowings		4.0		4.5		2.5
Long-term debt including current portion:	-		-			
Senior secured credit facilities	-		-			
Revolving credit facility due 2014	35.0	-	-	-	-	-
Term loan tranche B-1A due 2013	-	-	65.0	0.7	65.2	0.7
Term loan tranche B-1B due 2015	191.7	-	427.2	4.6	428.3	4.6
Term loan tranche B-2A due 2013	-	-	111.5	1.2	108.6	1.2
Term loan tranche B-2B due 2015	368.1	3.9	388.5	4.1	378.3	4.0
Term loan tranche B-3 due 2015	164.8	1.8				
9% Springing Lien Notes due 2021	1,160.7	-	1,160.7	-	1,160.7	-
9.5% Springing Lien Notes due 2021	168.3	-	177.1	-	171.9	-
10.0% 1.5 Senior Secured Notes due 2020	250.0	-				
11 1/2% Senior Subordinated Notes due 2016	379.4	-	379.3	-	379.2	-
12.5% Second Lien Notes due 2014	182.5	-	180.8	-	179.2	-
ABOC Asset Loan Due 2015	22.0	7.9	22.2	7.9	22.2	7.9
ABOC Working Capital Loan Due 2012	-	15.7	-	15.9	-	15.8
Medium term loan	1.8	1.3	2.0	1.7	2.2	1.3
Total long-term debt	**2,924.4**	**30.6**	**2,914.3**	**36.1**	**2,895.7**	**35.5**
Total Opco debt	**2,924.4**	**34.6**	**2,914.3**	**40.6**	**2,895.7**	**38.0**

MOMENTIVE™