Momentive Performance Materials Inc.

Fourth Quarter & Fiscal Year 2012 Earnings Conference Call

April 1, 2013

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, continued weak 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 the financial maintenance covenant under our senior secured credit facility or other covenants in such facility or other debt instruments, 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)

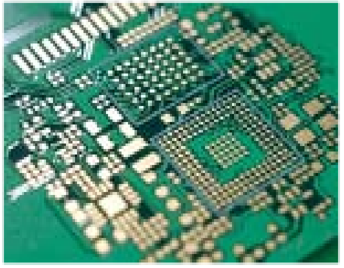
Overview of Fourth Quarter and Fiscal Year 2012 Results

Craig O. Morrison
Chairman, President & Chief Executive Officer

Fourth Quarter 2012 Results: Cost Reduction Initiatives Reflected in YoY Segment EBITDA Gains

- Revenues of $566 million versus $596 million, a 5 percent decrease from the prior year period, reflecting softer end use markets and excess capacity in the silicones industry
- Segment EBITDA(1) of $50 million compared to $35 million in the prior year period, an increase of 43 percent, from cost reduction initiatives and volume increases in silicones
  - Improved gross margins and synergy gains reflected in Segment EBITDA
  - Operating loss of $(3) million compared operating loss of $(28) million in 4Q'11
- Aggressively focusing on reducing cost structure as MPM realized $31 million in savings from the shared services agreement and $15 million in other programs in 2012
- Continuing to pursue $30 million in total pro forma cost savings at December 31, 2012
  - Accelerating cost-saving actions to offset economic weakness wherever possible

- Cash and available borrowings of $362 million as of December 31, 2012
- With MPM's fourth quarter 2012 refinancing transactions, the Company has no material debt maturities prior to 2016
- MPM was in compliance with all financial covenants governing its senior secured credit facilities and indentures at December 31, 2012



(1) Segment EBITDA is a non-GAAP financial measure. The closest GAAP financial measure is Net Income (Loss). A table that reconciles Segment EBITDA is at the end of this presentation. Segment EBITDA is defined as EBITDA (earnings before interest, income taxes, depreciation and amortization) adjusted for certain non-cash and other income and expenses. Effective in the third quarter of 2012, Segment EBITDA became the primary performance measure used by the Company's senior management, the chief operating decision-maker and the board of directors to evaluate operating results and allocate capital resources among segments.

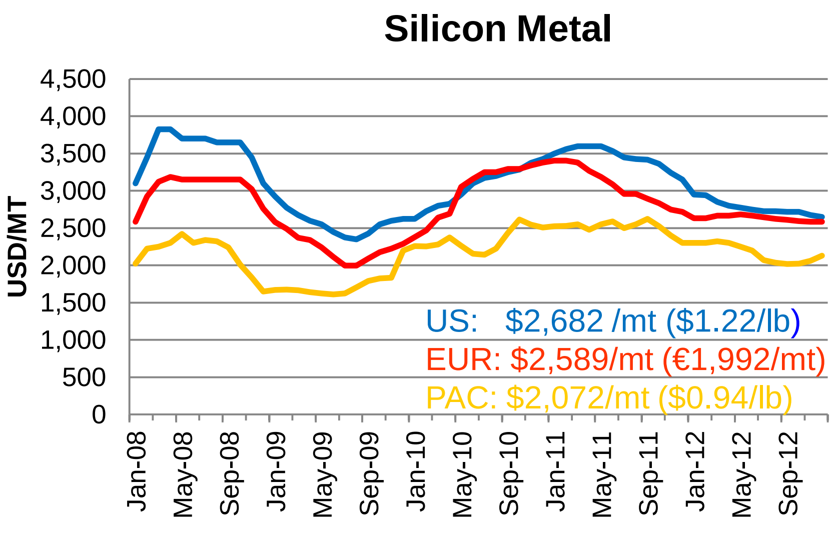
Fourth Quarter 2012 Segment Results

	Net Revenue ($ in millions)		Segment EBITDA ($ in millions)	
	4Q'12	**4Q'11**	**4Q'12**	**4Q'11**
Silicones	520	530	53	21
Quartz	46	66	6	18

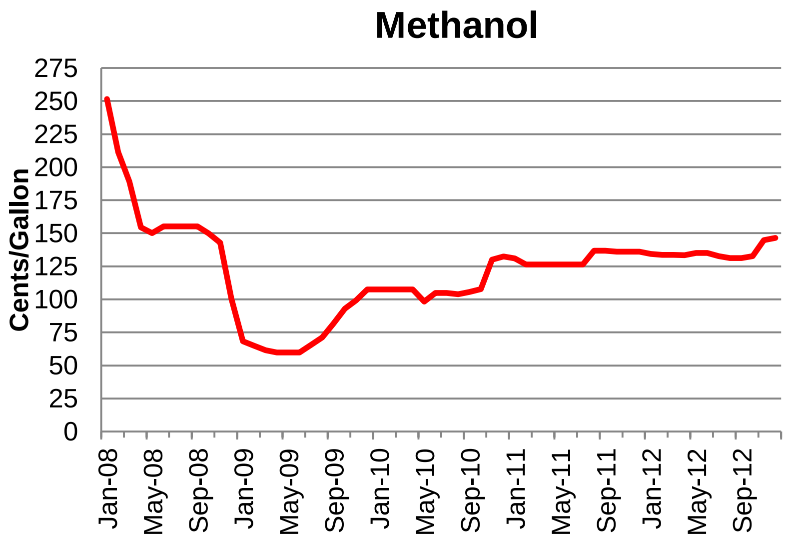
Summary

- 4Q'12 silicones results improved primarily due to cost reduction initiatives as multiple end markets remain sluggish
- 4Q'12 quartz results continued to reflect cyclical downturn in demand for semiconductor capital goods

Economic Volatility Impacting Silicon and Methanol Prices



Source: CRU, 1.30 Fx EURO



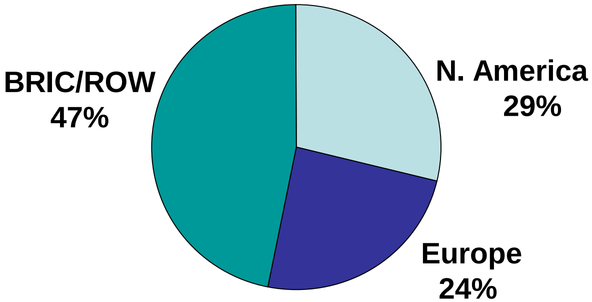
Source: CMAI Methanol Contract-Net Transaction FOB Houston Tx

Summary

- 4Q'12 silicon metal prices essentially unchanged from 3Q'12 levels
- Methanol pricing supported by steady global demand and below average inventories
- Macro economic uncertainty creates potential raw material cost volatility in 2013

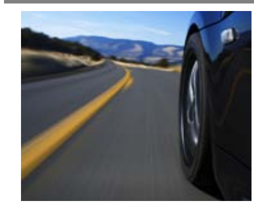
Strategic Emerging Market Presence Enhances Long Term Growth

Revenue by Geography



Strong exposure to high-growth BRIC regions

Strong Track Record of New Product Development



Boron Nitride – Brakes

Quartz – Tubing

Silanes – NXT™

Elastomers – Infrastructure

OilPlus™ Proppants

Silicone Powders -- Cosmetics

2013 Priorities

- Leverage strategic exposure to BRIC/ROW regions and specialty portfolio mix
- Continue to drive new product development
  - Targeting 22% of revenue over five year period
- Continue to aggressively drive cost savings initiatives and accelerate projects wherever possible
- Prudent balance sheet management
  - Aggressively manage working capital
  - Carefully manage liquidity

BRIC/ROW PRESENCE AND SPECIALTY PORTFOLIO POSITION MPM FOR LONG-TERM GROWTH AS KEY END USE MARKETS CONTINUE TO RECOVER

Momentive Performance Materials Inc.

Financial Review

William H. Carter
Executive Vice President & Chief Financial Officer

Silicones
Fourth Quarter 2012 Segment Results

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($ in millions)	4Q Quarter Ended 2012	2011	Δ
Revenue	$ 520	$ 530	(2)%
Segment EBITDA	53	21	>100%

4Q'12 Sales Comparison YoY

Volume	Price/Mix	Foreign Exchange	Total
1%	(1)%	(2)%	(2)%

Summary

- Significant YoY increase in Segment EBITDA despite only slightly higher volumes
- Sequential sales improvement due to seasonality and slight improvement in Asia Pacific demand
- Segment EBITDA gains driven primarily by cost reduction programs despite relatively soft demand in electronics and industrial sectors when compared to historical levels
- Continue to take actions to restore margins to historical levels

Quartz
Fourth Quarter 2012 Segment Results

($ in millions)	4Q Quarter Ended 2012	2011	Δ
Revenue	$ 46	$ 66	(30)%
Segment EBITDA	6	18	(67)%

4Q'12 Sales Comparison YoY

Volume	Price/Mix	Foreign Exchange	Total
(29)%	--	(1)%	(30)%

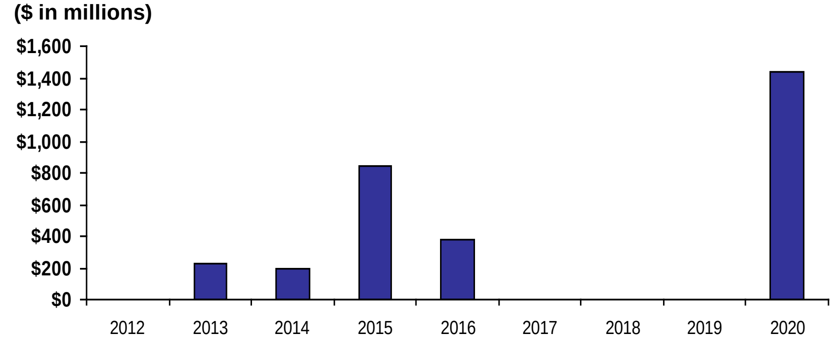
Summary

- Slowdown in semiconductor-related demand continued to negatively impact softer 4Q'12 results as customers took extended shutdowns to adjust inventory
- Continuing to diversify product portfolio
  - Semiconductor sales totaled 41 percent of segment sales in 2012 versus 48 percent in 2011
- Semiconductor cycle visibility remains limited, but anticipate demand to improve in 2H'13

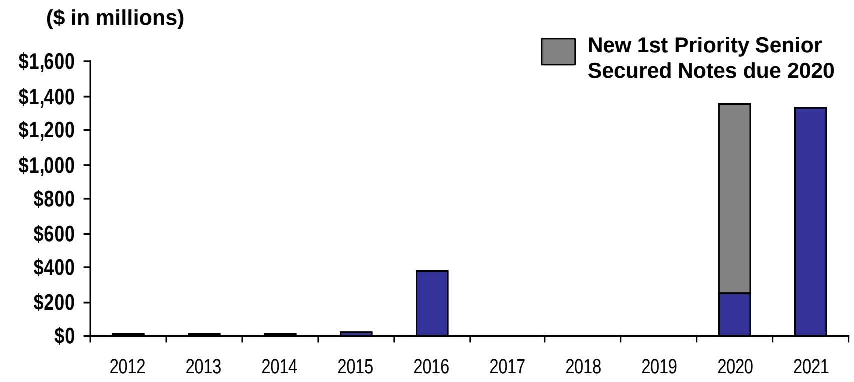
Proactive Capital Structure Management has Provided Significant Maturity Headroom

- On October 25, 2012, MPM issued $1.1 billion principal amount of 8.875% First-Priority Senior Secured Notes due 2020. Proceeds were used to:
  - Repay term loans due 2015 and outstanding revolver borrowings under MPM's Senior Secured Credit Facility
  - Discharge $200 million aggregate principal amount of MPM's 2nd Lien Senior Secured Notes due 2014
  - Fund cash to MPM's balance sheet for general corporate purposes and pay transaction-related fees and expenses
- On October 25, 2012, the Company also obtained $270 million of commitments for a new asset-based revolving loan facility ("ABL Facility") subject to a borrowing base
- On March 15, 2013, the Company obtained additional commitments from a financial institution for a new $75 million revolving credit facility (the "Cash Flow Facility")
- As a result of the $1.1 billion refinancing and pro forma for the proposed ABL Facility and Cash Flow Facility, as of December 31, 2012, MPM had no material debt maturities before 2016

Debt Maturities (12/31/11)



Debt Maturities Post Refinancing (12/31/12) (1) (2)



Weighted Average Maturity 7.6 yrs.

DISCIPLINED CAPITAL STRUCTURE MANAGEMENT AND LONG-DATED DEBT MATURITY PROFILE

(1) Maturity schedule includes only MPM OpCo debt and does not include debt from subsidiaries
(2) Pro forma for the proposed ABL Facility

Balance Sheet Update & Financial Summary

- Continuing to aggressively optimize working capital and position inventories in 2013
  - Inventories declined by $20 million at year-end 2012 vs. year-end 2011
  - Believe structural improvement opportunities remain to further reduce inventories by year-end 2013
- FY'12 capital expenditures of $98 million
  - FY'13 capital expenditures anticipated to total $90 million - $100 million
  - Low maintenance capital expenditures; cash flow supported by low working capital intensity
- Liquidity: cash plus borrowing availability of $362 million as of 12/31/12

Net Working Capital (1)

($ in millions)

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

Closing Remarks

Fourth Quarter 2012 Closing Remarks

- 4Q'12 Segment EBITDA improved significantly year over year despite continued global economic volatility and the impact of industry capacity expansion

- Continuing to aggressively pursue productivity initiatives in response to challenging market conditions
  - $30 million of total pro forma cost savings as of December 31, 2012

- Liquidity position: cash and available borrowings of $362 million as of 12/31/12

- Following the $1.1 billion refinancing and pro forma for the proposed ABL Facility and Cash Flow Facility, MPM has no material debt maturities prior to 2016

- MPM remains focused on aggressively managing liquidity, achieving structural cost savings and fully leveraging the strategic growth investments

Appendices

Reconciliation of Non-GAAP Financial Measures

	Three Months Ended December 31,		Year Ended December 31,	
	2012	2011	2012	2011
Segment EBITDA:				
Silicones	$ 53	$ 21	$ 206	$ 291
Quartz	6	18	44	101
Other	(9)	(4)	(36)	(13)
Total	50	35	214	379
Reconciliation:				
Items not included in Segment EBITDA:				
Non-cash charges	6	(4)	(3)	(8)
Restructuring and other costs	(12)	(15)	(47)	(39)
Total adjustments	(6)	(19)	(50)	(47)
Interest expense, net	(80)	(63)	(277)	(256)
Income tax (expense) benefit	1	(5)	(8)	(27)
Depreciation and amortization	(45)	(50)	(187)	(197)
(Loss) gain on extinguishment and exchange of debt	(51)	7	(57)	7
Net loss attributable to Momentive Performance Materials Inc.	$ (131)	$ (95)	$ (365)	$ (141)

(1) This presentation contains non-GAAP financial information. Adjusted EBITDA is a non-GAAP financial measure as defined by SEC rules. Adjusted EBITDA is 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 should not be used in isolation or as a substitute for measures of performance or liquidity. 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. Adjusted EBITDA includes pro forma cost savings.

(2) The Company believes that Adjusted EBITDA provides additional information to investors about the Company's ability to comply with its financial covenant and to obtain additional debt in the future.

(3) 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.**

Reconciliation of Non-GAAP Financial Measures

		Last Twelve Months Ended December 31, 2012
Net loss attributable to Momentive Performance Materials Inc.	$	(365)
Loss on extinguishment and exchange of debt		57
Interest expense, net		277
Income taxes		8
Depreciation and amortization		187
EBITDA		164
Noncontrolling interest (a)		—
Restructuring and other costs (b)		43
Non cash and purchase accounting effects (c)		4
Management fee and other (d)		7
Pro forma savings from Shared Services Agreement (e)		9
Pro forma cost savings from other initiatives (f)		21
Exclusion of Unrestricted Subsidiary results (g)		(20)
Adjusted EBITDA	$	228

Key Calculations under Credit Agreement		
Total Senior Secured Net Debt	$	1,011
Senior Secured Leverage Ratio for the twelve-month period ended December 31, 2012 (h)		4.43

Footnotes for Reconciliation of Non-GAAP Financial Measures

(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 or disposal charges. For the fiscal year ended December 31, 2012, non-cash items include: (i) unrealized foreign currency exchange loss of $1 million, (ii) asset disposal charges of $3 million, (iii) stock-based compensation expense of $1 million and (iv) pension curtailment gains 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.

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

(h) The Senior Secured Leverage Ratio measures the ratio of Senior Secured Net Debt to Adjusted EBITDA.

Momentive Performance Materials Debt at 12/31/2012

(dollars in millions)	December 31, 2012		September 30, 2012		June 30, 2012		March 31, 2012		December 31, 2011	
	Long Term	Due Within One Year	Long Term	Due Within One Year	Long Term	Due Within One Year	Long Term	Due Within One Year	Long Term	Due Within One Year
Short-term Borrowings		6.0		4.0		4.0		4.5		2.5
Long-term debt including current portion:	-		-		-		-			
Senior secured credit facilities	-		-		-		-			
Revolving credit facility due 2014	-	-	80.0	-	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	-	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	-	-	372.5	4.0	368.1	3.9	388.5	4.1	378.3	4.0
Term loan tranche B-3 due 2015	-	-	165.1	1.8	164.8	1.8				
8.875% 1st Lien Senior Secured Notes due 2020	1,100.0	-								
9% Springing Lien Notes due 2021	1,160.7	-	1,160.7	-	1,160.7	-	1,160.7	-	1,160.7	-
9.5% Springing Lien Notes due 2021	175.1	-	170.7	-	168.3	-	177.1	-	171.9	-
10.0% 1.5 Senior Secured Notes due 2020	250.0	-	250.0	-	250.0	-				
11 1/2% Senior Subordinated Notes due 2016	379.7	-	379.6	-	379.4	-	379.3	-	379.2	-
12.5% Second Lien Notes due 2014	-	-	184.2	-	182.5	-	180.8	-	179.2	-
ABOC Asset Loan Due 2015	14.4	8.0	22.3	8.0	22.0	7.9	22.2	7.9	22.2	7.9
ABOC Working Capital Loan Due 2013	-	16.1	-	15.7	-	15.7	-	15.9	-	15.8
JiangSu Bank of China Working Capital Line Due 2013	-	3.2								
Medium term loan	1.1	1.3	1.6	1.3	1.8	1.3	2.0	1.7	2.2	1.3
Total long-term debt	**3,081.1**	**28.6**	**2,978.4**	**30.8**	**2,924.4**	**30.6**	**2,914.3**	**36.1**	**2,895.7**	**35.5**
Total Opco debt	**3,081.1**	**34.6**	**2,978.4**	**34.8**	**2,924.4**	**34.6**	**2,914.3**	**40.6**	**2,895.7**	**38.0**

Statement of Cash Flows – Revision 10K FN 1

The Company revised the Consolidated Balance Sheet as of December 31, 2011 and the Consolidated Statements of Cash Flows for the years ended December 31, 2011 and 2010 to correct for the error in the classification of certain outstanding checks that were originally classified as "Trade payables." The amounts have now been properly classified as a reduction to "Cash and cash equivalents." The Company also revised the Consolidated Statements of Cash Flows for the years ended December 31, 2011 and 2010 to correct for the error in the inclusion of capital expenditures that resided in trade payables. These amounts have now been properly excluded from operating and investing activities. Additionally, the Company also revised the Consolidated Statements of Cash Flows for the years ended December 31, 2011 and 2010 to correct for the error in the classification of certain currency translation adjustments within the "Effects of exchange rate changes on cash" line item. These amounts have now been properly reflected in operating activities. Management does not believe these errors were material to the Company's prior years' Consolidated Financial Statements. The impacts of correcting the financial statements for the specified periods are as follows:

Consolidated Balance Sheets:	As Previously Reported	Adjustments	As Revised
As of December 31, 2011			
Cash and cash equivalents	$ 203	$ (4)	$ 199
Trade payables	312	(4)	308

Consolidated Statements of Cash Flows:	As Previously Reported	Adjustments	As Revised
Year Ended December 31, 2011			
Net cash provided by operating activities	$ 109	$ (3)	$ 106
Net cash used investing activities	(119)	(1)	(120)
Effect of exchange rate changes on cash	—	4	4
Cash and cash equivalents at beginning of year	254	(4)	250
Cash and cash equivalents at end of year	203	(4)	199
Year Ended December 31, 2010			
Net cash provided by operating activities	$ 262	$ (9)	$ 253
Net cash used in investing activities	(99)	4	(95)
Effect of exchange rate changes on cash	(7)	4	(3)
Cash and cash equivalents at beginning of year	210	(3)	207
Cash and cash equivalents at end of year	254	(4)	250

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