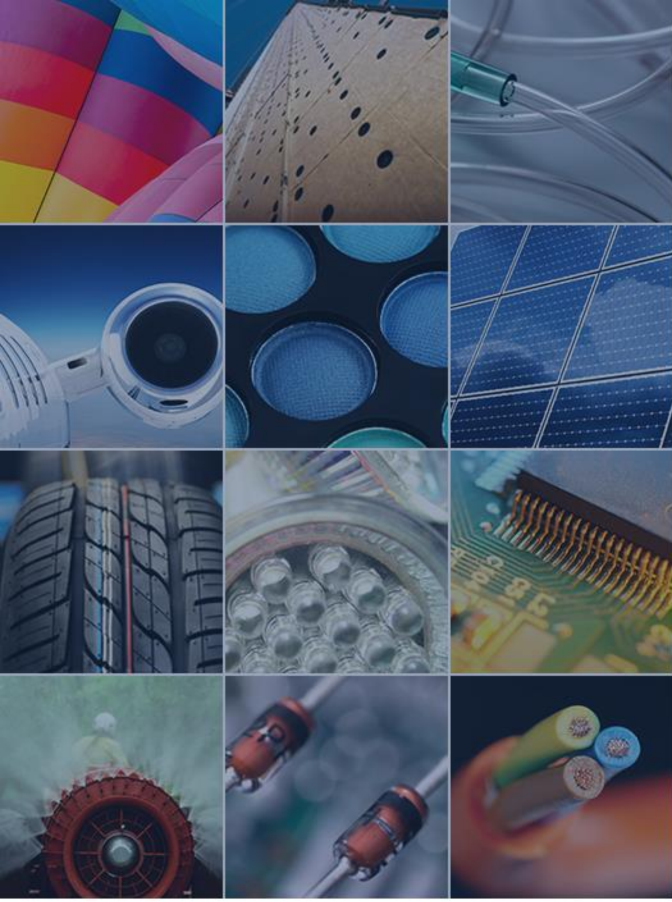

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inventing possibilities

# MPM HOLDINGS INC. (“Momentive”)
## Third Quarter 2015 Earnings Conference Call
## November 13, 2015

# Forward Looking Statements
# MPM Holdings Inc. (“Momentive “)

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 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: our ability to obtain additional financing, increased legal costs related to the Chapter 11 proceedings and other potential litigation, 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 global restructuring and strategic initiatives, including transactions with our affiliate, Hexion Inc., pricing actions by our competitors that could affect our operating margins and the other factors listed in the Risk Factors section of our 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.** [(1)]

(1) As a result of the application of fresh start accounting, as well as the effects of implementing the Company's plan of reorganization, the Consolidated Financial Statements and results reported on or after October 24, 2014 reflected a different basis of accounting than the Consolidated Financial Statements prior to that date. References to “Successor” or “Successor Company” relate to the financial position and results of operations of the reorganized Company.



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## OVERVIEW OF THIRD QUARTER 2015 RESULTS

# Overview Third Quarter 2015 Results

## Commentary

- During 3Q'15 the Company saw significant destocking of its customers supply chain
  - Softening end markets and inventory destocking at our customers, compounded with seasonal European slowdown, impacted expected sales volume
  - Net sales decreased 11% due to strengthening of the U.S. dollar against most other currencies. On a constant currency basis, net sales would have decreased by 4%
- Product portfolio mix negatively impacted by China market slowdown and related global destocking effect, as well as operational stability impacts
  - Excluding currency, Segment EBITDA[1] declined 25% year on year
- The Company's diversified portfolio remains strong and is well positioned when the markets recover
- In light of significant market headwinds, the Company is embarking on a global restructuring to reduce cost to serve and expects this program to improve financial results by ~ $25 million in 2016, while preserving growth projects and customer-facing activities

## Summary Financials

| *($ in millions)* | 3Q'14 | 3Q'15 | Δ | Ex FX |
|---|---|---|---|---|
| **Net sales** | **$631** | **$559** | **(11)%** | **(4)%** |
| Segment EBITDA | | | | |
| Silicones | 70 | 42 | (40)% | (27)% |
| Quartz | 5 | 6 | 20% | 20% |
| Corporate | (12) | (7) | (42)% | (25)% |
| **Total Segment EBITDA** | **$63** | **$41** | **(35)%** | **(25)%** |
| Segment EBITDA margin | 10.0 % | 7.3 % | 70bps | 60 bps |



**Company Embarking on $25mm Cost Reduction Program to Address Market Headwinds and Customer Destocking Related to China Slowdown**

(1) Segment EBITDA is a non-GAAP financial measure. Segment EBITDA should not be considered a substitute for net income (loss) or other results reported in accordance with GAAP. 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. Segment EBITDA is an important measure used by the Company's senior management and board of directors to evaluate operating results and allocate capital resources among businesses.



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# Silicones
# Third Quarter 2015 Segment Results

| | 3Q Quarter Ended | | | |
|---|---|---|---|---|
| *($ in millions)* | **2014** | **2015** | **Δ** | **Ex FX** |
| Net Sales | $ 587 | $ 514 | (12)% | (5)% |
| Segment EBITDA | 70 | 42 | (40)% | (27)% |
| Segment EBITDA Margin | 11.9% | 8.2% | (370)bps | (200)bps |

**3Q'15 Net Sales Comparison Year on Year**

| Volume | Price/Mix | Foreign Exchange | Total |
|---|---|---|---|
| (1)% | (4)% | (7)% | (12)% |

**Summary**

- Sales impacted by customer destocking primarily related to China slowdown in demand and by currency headwinds
- Segment EBITDA decline reflects the impacts of the volume slowdown, currency headwinds and a negative product mix impact
  - Mix impact reflects softer demand for products serving the oil and gas, construction and high-end auto markets
- The Company remains focused on reducing costs and rightsizing inventory and has embarked on a restructuring initiative in 4Q'15 to dramatically reduce costs



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# Quartz
# Third Quarter 2015 Segment Results

| | 3Q Quarter Ended | | | |
|---|---|---|---|---|
| *($ in millions)* | **2014** | **2015** | **Δ** | **Ex FX** |
| Net Sales | $ 44 | $ 45 | 2% | 9% |
| Segment EBITDA | 5 | 6 | 20% | 20% |
| Segment EBITDA Margin | 11.4% | 13.3% | 190bps | 190bps |

**3Q'15 Net Sales Comparison Year on Year**

| Volume | Price/Mix | Foreign Exchange | Total |
|---|---|---|---|
| 9% | (1)% | (6)% | 2% |

**Summary**

- Sales reflected higher volumes offset by currency headwinds
- Segment EBITDA reflected improved processing costs and manufacturing efficiencies, as well as raw material productivity
- During 3Q'15, the Company experienced production issues which have since been resolved but will have a several million dollar impact on 4Q'15 profitability



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# Targeted Cost Reduction Plan of ~$25 million

**Overview**

- The Company announced today that it will be initiating a global cost reduction program targeted to reduce 2016 cost by ~$25 million
- The targeted savings will be achieved primarily through position eliminations and productivity actions at its operating facilities
- The Company expects the program costs to be ~ $10 million of cash costs which will be incurred in 2015 and 2016

**Productivity Targets**


**Company Embarking on $25mm Cost Reduction Program**



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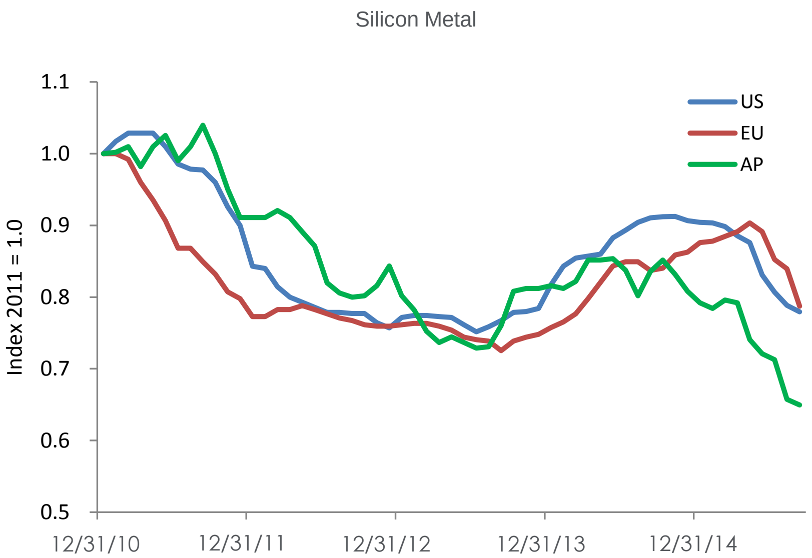
# Update on Raw Materials Environment from MPM
*Through September 30, 2015*

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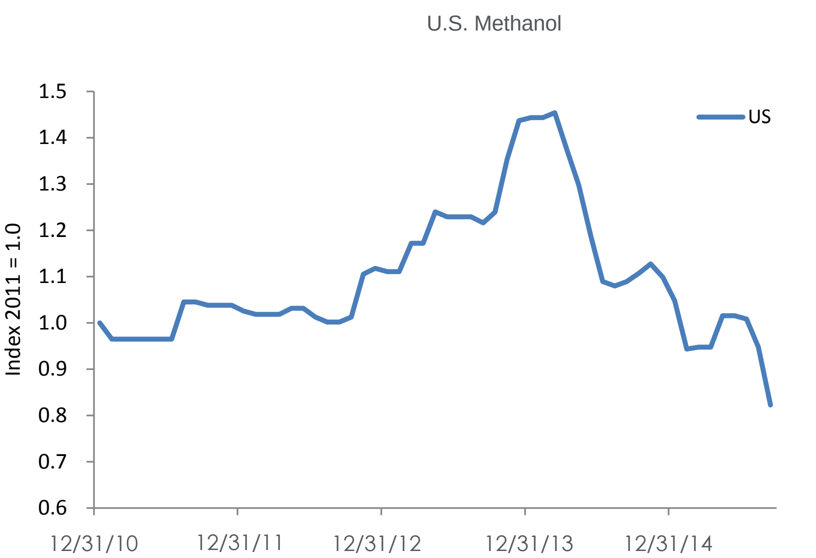


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Summary

- Global silicon metal prices declined ~ 9% sequentially in the third quarter of 2015
- Global methanol pricing decreased ~10% sequentially in the third quarter of 2015
- While MPM expects a positive impact on silicones profitability from recent oil declines, more than 70% of raw material inputs are not petroleum-based



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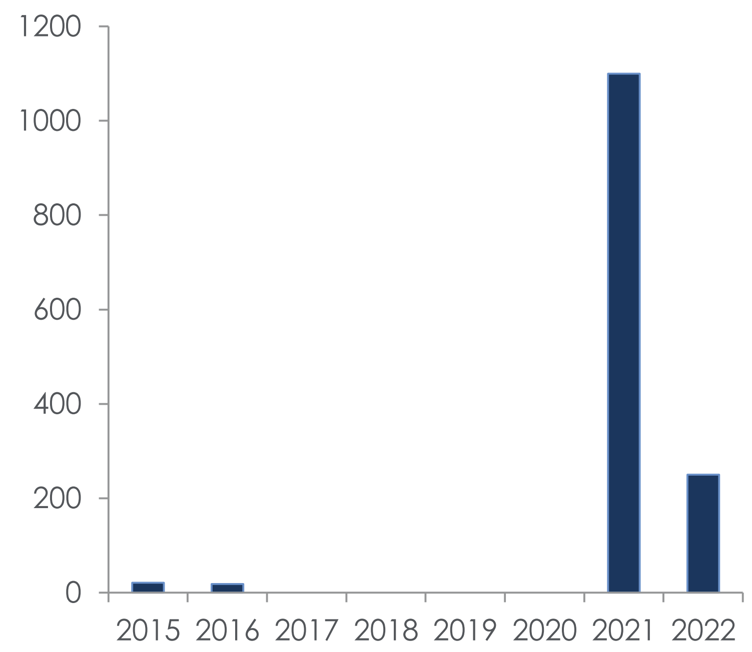
# Balance Sheet Update & Financial Summary

- Liquidity: cash plus borrowing availability of $374 million at 9/30/15 with no significant maturities until 2021
- Generated net cash from operations $23 million in 3Q'15
- Strong balance sheet and significant liquidity provides meaningful financial flexibility
  - 3Q'15 capital expenditures total $34 million
  - FY'15E capital expenditures of $120 million (down from previous guidance of $125 million)
  - Net debt of $1.2 billion as of September 30, 2015
- Company remains focused on optimizing working capital and repositioning inventories in 4Q'15
  - Expects slight use of net working capital in FY'15

**Maturity Schedule**




**Focused on Maintaining Strong Liquidity while**
**Strategically Leveraging Balance Sheet to Drive Key Growth Projects**



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# Closing Remarks

- Despite slowing of demand in certain of our end markets, our long term core business fundamentals remain strong

- Focused on leveraging our new balance sheet and strong liquidity position to execute our strategic global growth initiatives

  – While we continue to remain well positioned for long-term growth, we anticipate inventory destocking trends and economic volatility will continue into the fourth quarter of 2015

  – The Company is not standing still as we are strategically reducing our costs in the current challenging business environment

- Momentive remains excited about its product portfolio and remains well positioned when end market recovers

**Momentive Executing Cost Reduction Program to be in Position for Market Recovery**



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# APPENDICES

# Reconciliation of Non-GAAP Financial Measures

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | Successor | Predecessor | Successor | Predecessor |
| **Segment EBITDA:** | | | | |
| Silicones | $ 42 | $ 70 | $ 154 | $ 195 |
| Quartz | 6 | 5 | 26 | 17 |
| Corporate | (7) | (12) | (27) | (35) |
| **Total** | $ 41 | $ 63 | $ 153 | $ 177 |
| **Reconciliation:** | | | | |
| Items not included in Segment EBITDA: | | | | |
| Non-cash charges | $ — | $ (145) | $ (3) | $ (116) |
| Realized and unrealized actuarial gains from pension liabilities | — | — | 13 | — |
| Restructuring and other costs | (4) | (6) | (13) | (20) |
| Reorganization items, net | (1) | (44) | (8) | (114) |
| Total adjustments | (5) | (195) | (11) | (250) |
| Interest expense, net | (20) | (36) | (59) | (153) |
| Income tax benefit (expense) | (6) | 23 | (11) | 2 |
| Depreciation and amortization | (42) | (54) | (118) | (137) |
| Net income (loss) | $ (32) | $ (199) | $ (46) | $ (361) |

(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.

# Reconciliation of Non-GAAP Financial Measures

| | | September 30, 2015 LTM Period |
|---|---|---|
| Net income | $ | 1,941 |
| Interest expense, net | | 83 |
| Income tax expense | | 50 |
| Depreciation and amortization | | 151 |
| EBITDA | | 2,225 |
| Adjustments to EBITDA | | |
| Restructuring and other costs[(a)] | | 18 |
| Reorganization items, net[(b)] | | (2,075) |
| Unrealized loss on pension and postretirement benefits[(c)] | | 2 |
| Non-cash charges and other income and expense[(d)] | | 47 |
| Exclusion of Unrestricted Subsidiary results[(e)] | | (23) |
| Adjusted EBITDA | $ | 194 |
| Pro forma fixed charges[(f)] | $ | 59 |
| Ratio of Adjusted EBITDA to Fixed Charges[(g)] | | 3.29 |

# Footnotes for Reconciliation of Non-GAAP Financial Measures

(a) Relates primarily to one-time payments for services and integration expenses, as well as costs related to restructuring our capital structure incurred prior to the Bankruptcy Filing.

(b) Represents incremental costs incurred directly as a result of the Bankruptcy Filing, including certain professional fees, the Backstop Commitment Premium and financing fees related to the debtor-in-possession credit facilities. Also includes the impact of reorganization and fresh start accounting adjustments recorded on the Emergence Date.

(c) Represents non-cash actuarial losses resulting from pension and postretirement liability curtailment and remeasurements.

(d) Non-cash charges and other income and expenses includes the effects of unrealized foreign exchange transaction losses related to certain intercompany arrangements, unrealized derivative gains and losses, losses on asset disposals and stock-based compensation expense.

(e) Reflects the exclusion of the EBITDA of our subsidiaries that are designated as Unrestricted Subsidiaries under the ABL Facility.

(f) Reflects pro forma interest expense based on outstanding indebtedness and interest rates at September 30, 2015.

(g) The Company's ability to incur additional indebtedness, among other actions, is restricted under the indentures governing our notes, unless the Company has an Adjusted EBITDA to Fixed Charges ratio of 2.0 to 1.0. As of September 30, 2015, we were able to satisfy this test and incur additional indebtedness under these indentures.

# Debt at September 30, 2015

| | September 30, 2015 | | December 31, 2014 | |
|---|---|---|---|---|
| | Long-Term | Due Within One Year | Long-Term | Due Within One Year |
| **Senior Secured Credit Facilities:** | | | | |
| ABL Facility | $ — | $ — | $ — | $ — |
| **Secured Notes:** | | | | |
| 3.88% First-Priority Senior Secured Notes due 2021 (includes $127 and $140 of unamortized debt discount, respectively) | 973 | — | 960 | — |
| 4.69% Second-Priority Senior Secured Notes due 2022 (includes $43 and $47 of unamortized debt discount, respectively) | 207 | — | 203 | — |
| **Other Borrowings:** | | | | |
| China bank loans | — | 34 | — | 32 |
| Other | — | 6 | — | 6 |
| **Total debt** | $ 1,180 | $ 40 | $ 1,163 | $ 38 |

(1) Momentive Performance Materials Inc. ("MPM") is the issuer of all debt obligations and the secured notes are fully and unconditionally guaranteed by certain subsidiaries of MPM.