Momentive Performance Materials Inc.

Second Quarter 2011
Earnings Conference Call

August 12, 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, the effects of the earthquake and tsunami in Japan on March 11, 2011 and related events, 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 Second Quarter 2011 Results

Craig Morrison
Chairman, President & CEO

Second Quarter 2011 Results

- Second Quarter 2011 results included:
  - Revenues of $728 million versus $651 million in prior year due to continued migration of portfolio to specialty applications and pricing actions
  - Operating income of $70 million compared to $72 million reflecting a $7 million negative impact from the earthquake in Japan and related events in early 2011; prior year period was favorably impacted by $8 million from inventory restocking that did not occur in 2Q'11
  - Combined Adjusted EBITDA(1)(2) (excluding impact of pro forma savings from the shared services agreement) of $125 million compared to $139 million in prior year quarter also reflecting the impact of the earthquake in Japan and the prior year inventory restocking

- Continued pricing actions are in process to offset residual raw material inflation

- In the first half of 2011, the Company achieved $9 million in savings from the shared services agreement with Momentive Specialty Chemicals Inc. (MSC)
  - Completed actions to date under the shared services agreement are expected to generate annual run-rate savings of $21 million

- MPM continues to maintain a strong liquidity position with cash and available borrowings of $527 million as of 2Q'11

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

(1) Defined as Adj. EBITDA plus EBITDA of the Unrestricted Subsidiary.
(2) EBITDA from unrestricted sub of $7 million in 2Q'11 and $5 million in 2Q'10 is included in Combined Adj. EBITDA (but excluded from Adj. EBITDA as defined in the debt documents.)

Second Quarter 2011 Summary Financial Performance

2Q Quarter Ended

($ in millions)	**2011**	**2010**	**Δ**
Revenue	**$728**	**$651**	**12%**
Operating income (loss)	**70**	**72**	**(3)%**
Combined Adj. EBITDA (excluding PF savings from shared services agreement) [1]	**125**	**139**	**(10)%**

Summary

- Operating income reflected lower overall SG&A expenses and strong Quartz results
- Japanese earthquake impacted operating income by $7 million

PRICING ACTIONS IN PROCESS TO SUPPORT MARGIN IMPROVEMENT IN 2H'11

(1) Combined Adjusted EBITDA excludes the impact of pro forma savings from shared services agreement. EBITDA from unrestricted sub of $7 million in 2Q'11 and $5 million in 2Q'10 is included in Combined Adj. EBITDA (but excluded from Adj. EBITDA as defined in the debt documents.)

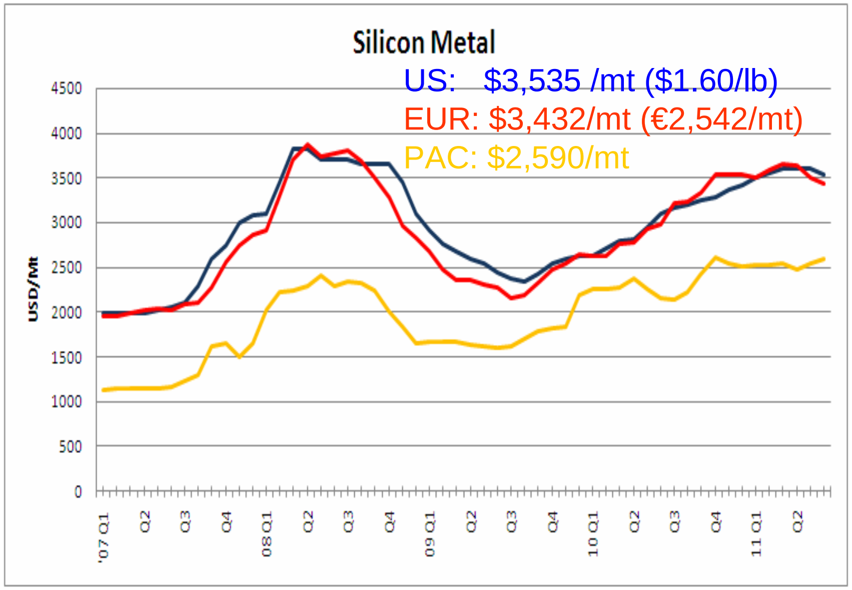
EBITDA Bridge: 2Q 2010 - 2Q 2011

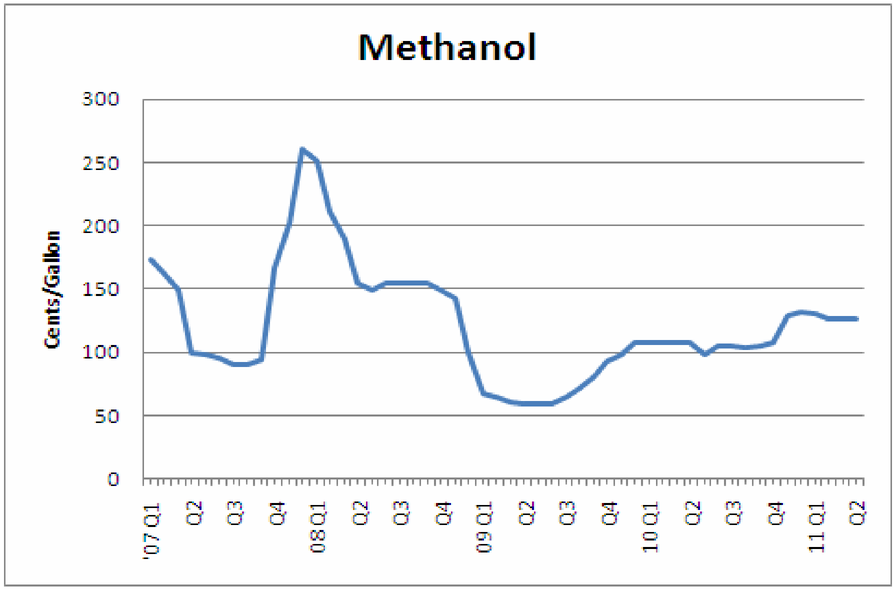
($ in millions)

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

2Q'10	**$139**
Selling Price / Mix	54
Raw Material Costs	(51)
Synergies	6
2Q'10 Inventory Build	(8)
Fx	(7)
Earthquake	(7)
Other	(1)
2Q'11	**$125**

Silicon Metal Spot Price Seeing Some Moderation, Methanol Prices Stable





Source: CRU

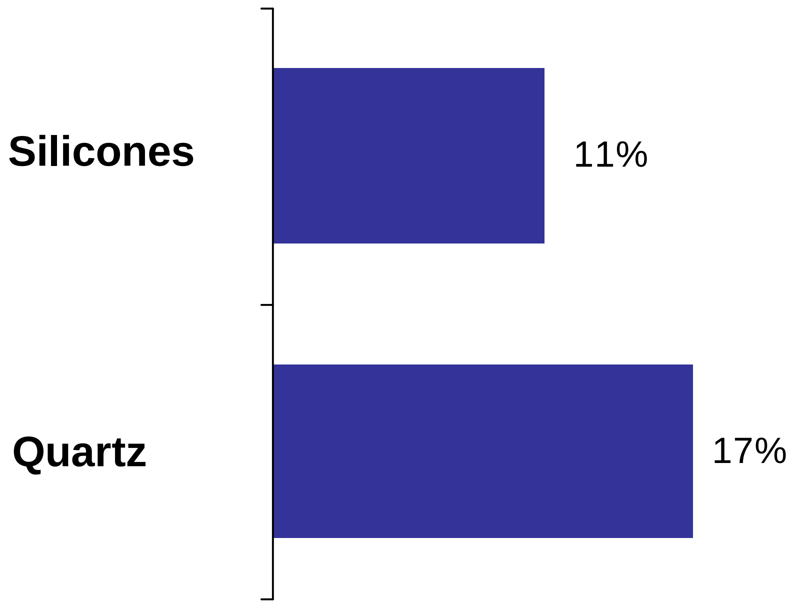
Source: CMAI Methanol Contract-Net Transaction FOB Houston Tx

Summary

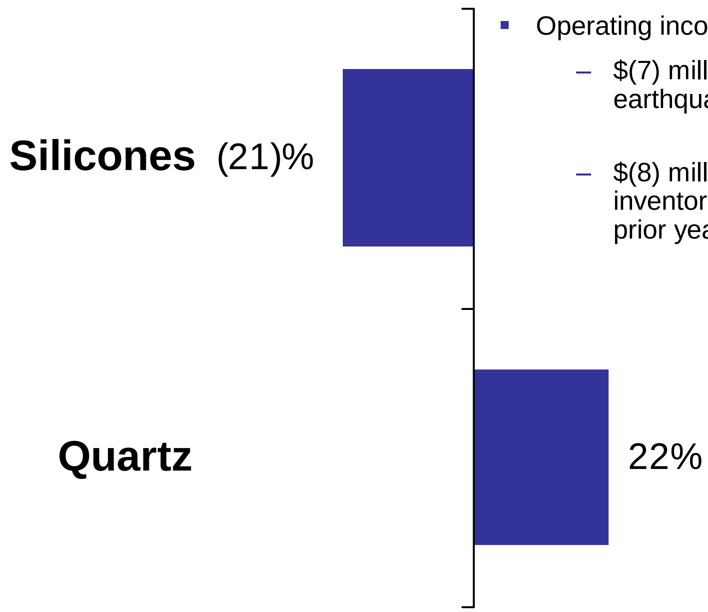
- Silicon metal spot prices slightly lower due to seasonality, reduced spot buying, and lingering effects of the March earthquake in Japan
- Methanol market steady in 2Q'11 but remains elevated from 2010 levels
- Previously announced pricing actions remain in-process

Second Quarter 2011 Segment Results

Net Revenue
2Q’11 vs. 2Q’10



Operating Income
2Q’11 vs. 2Q’10



- Operating income reflects
  - $(7) million from Japan earthquake
  - $(8) million from inventory restocking in prior year quarter

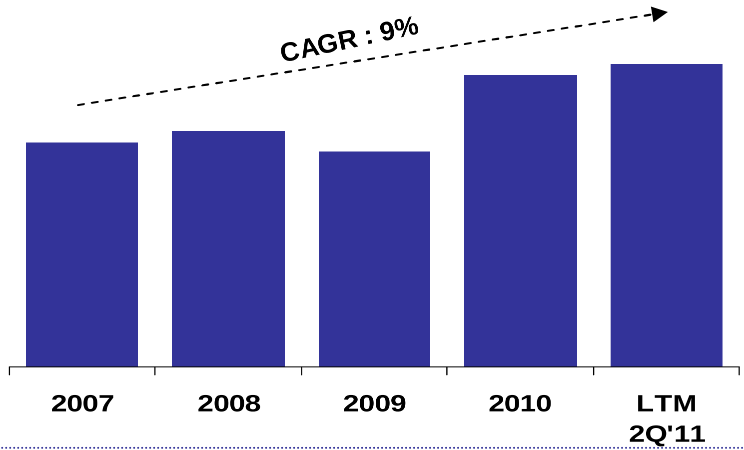
Summary

- Year-over-year silicone revenue gains despite $11 million in lost sales due to Japanese earthquake
- Quartz business reflected robust demand in the semiconductor and ceramics application market in 2Q’11
- Lead/lag effect from inflationary raw materials and earthquake negatively impacted 2Q’11 operating income

Growth Strategy Delivers Results

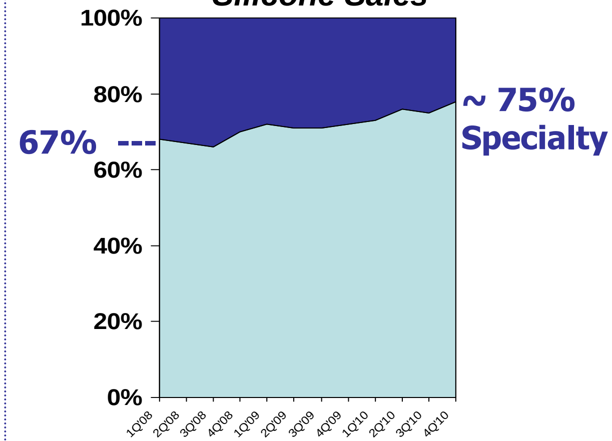
Expanding Global Reach in Faster Growing Regions:

BRIC Revenues



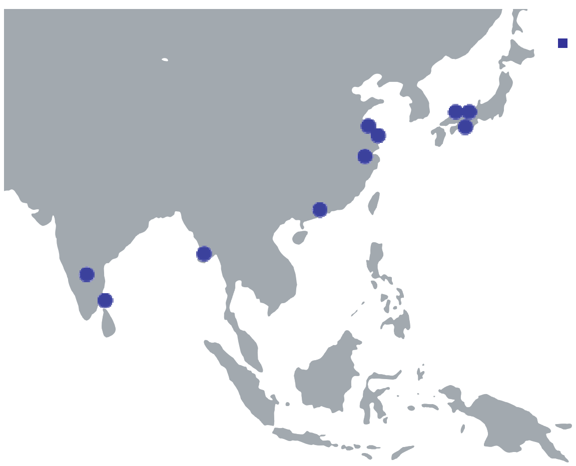
Growth in Specialty Products

Silicone Sales



- Steady progress in migrating to specialty applications

Strategically Positioned in Asia Pacific Region

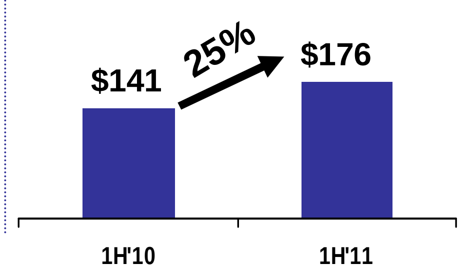


- Recent investments position Momentive for continued growth
  - Chennai, India: Specialty Silicones
  - Nantong, China: Silicones
  - Xinan, China: Siloxane

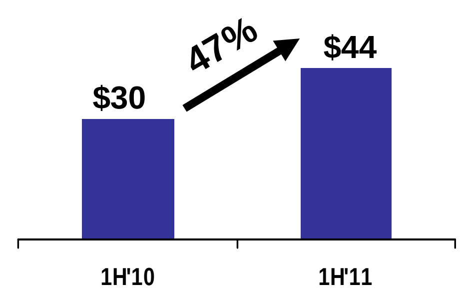
($ in millions)

Strong Quartz Performance

Revenue



Operating Income



- Strong top line and operating income momentum in 1H'11

BRIC REVENUES CONTINUE STRONG GROWTH, EVEN THROUGH ECONOMIC VOLATILITY

Financial Review

Bill Carter
Executive Vice President & Chief Financial Officer

Silicones
Second Quarter 2010 Segment Highlights

2Q Quarter Ended

($ in millions)	**2011**	**2010**	Δ
Revenue	$ 640	$ 576	11%
Operating Income	$ 56	$ 71	(21)%

2Q'11 Sales Comparison YOY

Volume	Price	Foreign Exchange	Total
2%	4%	5%	11%

Summary

- Strong demand from automotive, construction, energy and industrial markets in 2Q'11
- Operating income reflected headwinds from raw material inflation, negative earthquake impact and impact of prior-year inventory restocking
- Continued pricing actions underway to address raw material inflation
- Specialty products have recovered inflation while margin recovery for core products remains in-process

Silicones 2Q'11: Effects of Unusual Items

Earthquake

- Although our manufacturing facility in Ohta, Japan suffered no significant damage to key assets or materials from the March 2011 earthquake and tsunami in Japan and subsequent aftershocks, operations were impacted in the second quarter of 2011 by power, transportation and supply related issues

	EBITDA Impact ($ in millions)
– Supply Constraints	$4.0
– Asset/Cost Inefficiency	3.0
Total Unusual Items Related to Earthquake	$7.0

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Quartz
Second Quarter 2011 Segment Highlights

2Q Quarter Ended

($ in millions)	**2011**	**2010**	**Δ**
Revenue	$ 88	$75	17%
Operating Income	$ 22	$ 18	22%

2Q'11 Sales Comparison YOY

Volume	Price	Foreign Exchange	Total
9%	6%	2%	17%

Summary

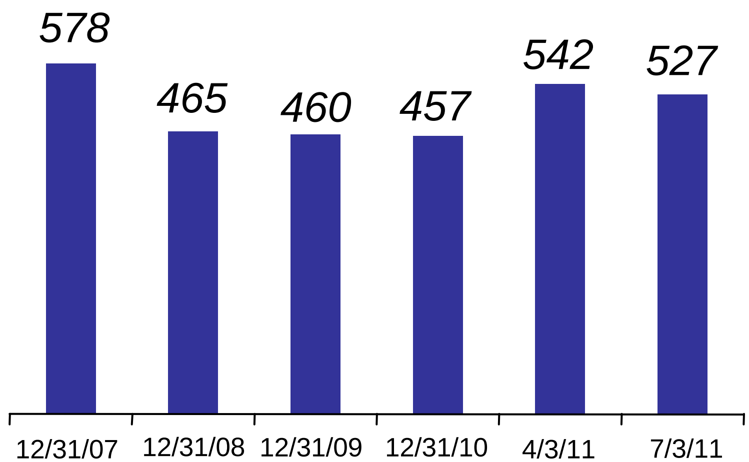
- Continued strength in semiconductor-related products driving quartz demand
- Continued strength in the semiconductor equipment sector positively impacted 2Q'11 results.
  - For 2H'11, expect pace of capital equipment spending to slow
- Continued investment in Quartz business through expansion of specialty ceramics site in Strongsville, Ohio

Balance Sheet Update & Financial Summary

- Cash from operations totaled $86 million in 2Q'11
- Net working capital increased by $70 million compared to year-end 2010 levels
  - Increase primarily driven by Accounts Receivable impact of $54 million (timing of sales during the last four weeks of 2Q'11 vs. last four weeks of 4Q'10); increased raw materials costs of $26 million and turnarounds/safety stock/Japan earthquake of $14 million; partially offset by $18 million in change of days
- 2Q'11 capital expenditures totaled $27 million
- Liquidity remained strong with cash plus borrowing availability of $527 million at 2Q'11

Net Working Capital

$ in millions



NET DEBT $2.8 billion (7/3/11)

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

Summary

Summary: Second Quarter 2011

- Twelve percent top-line growth despite outages in Japan
- Ongoing strong performance in Quartz business, with operating income growing 22%
- Silicones reflected favorable pricing in specialty products, partially offset by raw material headwinds, the effects of the Japanese earthquake and the dramatic inventory build in 2Q'10 that did not reoccur in 2Q'11
- Continued pricing actions are in process due to ongoing raw material inflation and MPM expects the impact of in-process pricing actions to support margins more inline with historical trends in 2H'11
- MPM continues to maintain a strong liquidity position with cash and available borrowings of $527 million
- Due to the recent worldwide economic developments, the short-term outlook for the remainder of 2011 for our business is difficult to predict, although we believe our business is well-positioned over the long-term
- Remain focused on continued achievement of savings from shared services agreement with MSC as MPM's run-rate savings totaled $21 million since the program's inception

CONTINUED STRONG TOP-LINE GROWTH IN 2Q'11

Appendices

Reconciliation of Non-GAAP Financial Measures

		Fiscal three-month period ended		Fiscal six-month period ended		Last twelve months ended
		July 3, 2011†	June 27, 2010††	July 3, 2011†	June 27, 2010††	July 3, 2011†
		(dollars in millions)				
Net loss attributable to Momentive Performance Materials Inc.		$ (11)	$ (1)	$ (14)	$ (4)	(73)
Loss on entinguishment and exchange of debt		—	—	—	—	78
Interest expense, net		65	63	129	123	255
Income taxes		15	10	27	15	9
Depreciation and amortization		48	48	98	95	201
EBITDA		117	120	240	229	470
Noncontrolling interest	(a)	1	—	1	—	1
Restructuring and non-recurring	(b)	9	12	14	13	24
Non cash and purchase accounting effects	(c)	(3)	6	(12)	14	(19)
Exclusion of unrestricted subsidiary results	(d)	(7)	(5)	(14)	(7)	(26)
Management fee and other	(e)	1	1	2	2	4
Pro forma savings from shared services agreement	(f)	7	13	18	26	40
Adjusted EBITDA		$ 125	$ 147	$ 249	$ 277	494
Inclusion of unrestricted subsidiary results		7	5	14	7	26
Combined Adjusted EBITDA		$ 132	$ 152	$ 263	$ 284	520
Combined Adjusted EBITDA excluding pro forma savings from the shared services agreement		$ 125	$ 139	$ 245	$ 258	480

(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 $xx 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 August 12, 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 2011. The calculation of EBITDA, Adjusted EBITDA and Combined Adjusted EBITDA does not include add-backs with respect to these events of $7 million, $16 million and $16 million, respectively, for the three-month period ended, the six-month period ended and last twelve months ended July 3, 2011.

†† The second quarter of 2010 and fiscal six-month results correspond to the totals reported in our Annual Report on Form 10-K for the year ended December 31, 2010, which include the pro-forma effects of certain estimated cost saving initiatives reported in subsequent periods of 2010.

(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 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. For the fiscal three-month period ended June 27, 2010, non-cash items include: (i) unrealized foreign currency exchange loss of $6 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 July 3, 2011

(dollars in millions)	July 3, 2011 Long Term	July 3, 2011 Due Within One Year	December 31, 2010 Long Term	December 31, 2010 Due Within One Year
ST ABOC Working Capital Loan Due 2012		15.5	-	2.1
Long-term debt including current portion:				
Senior secured credit facilities				
Revolving credit facility due 2014	-	-	-	-
Term loan tranche B-1A due 2013	65.5	0.7	498.8	5.3
Term loan tranche B-1B due 2015	430.6	4.6		
Term loan tranche B-2A due 2013	122.4	1.3	500.8	5.3
Term loan tranche B-2B due 2015	426.4	4.5		
9% Springing Lien Notes due 2021	1,160.7	-	1,160.7	-
9.5% Springing Lien Notes due 2021	217.8	-	197.7	-
11 1/2% Senior Subordinated Notes due 2016	378.9	-	378.6	-
12.5% Second Lien Notes due 2014	175.9	-	172.6	-
Agricultural Bank of China loan Due 2015	29.4	7.7	38.2	12.7
Medium term loan	3.4	1.6	4.6	1.6
Total long-term debt	**3,011.0**	**20.4**	**2,951.9**	**24.8**
Total Opco debt	**3,011.0**	**35.8**	**2,951.9**	**26.9**

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