Momentive Performance Materials Inc. Reports Third Quarter 2007 Results

Wilton, Connecticut – NOVEMBER 19, 2007 – Momentive Performance Materials Inc. (“Momentive” or “the Company”) today reported its consolidated results for the fiscal three-month period ended September 30, 2007. Highlights include:

- Net sales of $624.4 million compared to $615.6 million in the fiscal three-month period ended October 1, 2006.

- Operating loss of $8.1 million versus operating income of $57.5 million in the fiscal three-month period ended October 1, 2006.

- Net loss of $74.5 million compared to net income of $17.8 million in the fiscal three-month period ended October 1, 2006.

- Adjusted EBITDA of $115.9 million compared to Adjusted EBITDA of $111.0 million in the fiscal three-month period ended October 1, 2006, resulting in an Adjusted EBITDA for the Last Twelve Month (LTM) period ending September 30, 2007 of $440.9 million.

“We are pleased to report progress during the third quarter in our plans for growing this organization as an integrated standalone global enterprise, reflected in our EBITDA growth, positive cash flow from operations, and working capital reductions." said Jonathan Rich, president & CEO. He added, "We expect to continue to benefit from the success of our technologically-advanced products and the sustained global growth of silicone applications."

In connection with the issuance of the third quarter 2007 financial report of consolidated results, Momentive Performance Materials has restated the first quarter financial report for fiscal period ended April 1, 2007 and the second quarter financial report for the fiscal period ended July 1, 2007, respectively. The first quarter financial report was restated to reflect a $6.8 million decrease in cost of sales. The second quarter financial report was restated to reflect a $6.8 million increase in cost of sales, $9.3 million increase in depreciation expense and a $4.3 million reduction in tax expense. The corrections have no effect on Adjusted EBITDA or the cash flows. Additional details, pertaining to the above noted corrections, may be found in the footnotes to the restated first and second quarter financial report.

For more information, interested parties may participate in Momentive’s Third Quarter Results Earnings Conference Call on Monday, November 19, 2007 at 4:00 P.M. EST:

U.S. Toll-Free:	866.543.6407
Outside of the U.S.:	+1.617.213.8898
Password:	76621836

Forward-Looking and Cautionary Statements

Certain statements included in this press release may constitute forward-looking statements within the meaning 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. 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 on flexibility in operating our business contained in the documents governing our indebtedness; changes in prices and availability of raw materials and key intermediates; rising energy costs; and risks associated with our separation from General Electric Company. For a more detailed discussion of these and other risk factors, see our Annual Report to bondholders for the year ended December 31, 2006. 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.

About the Company

Momentive Performance Materials Inc. is a premier specialty materials company, providing high-technology materials solutions to the silicones, quartz and ceramics markets. The company, as a global leader with worldwide operations, has a robust product portfolio, an enduring tradition of service excellence, and industry-leading research and development capabilities. Momentive Performance Materials Inc. is controlled by an affiliate of Apollo Management, L.P. Additional information is available at www.momentive.com.

Contact:
Diana Sousa
T +1.203.761.1994
diana.sousa@momentive.com

Summary Results

The following table sets forth certain historical consolidated and combined financial information for the fiscal three-month period ended September 30, 2007:

	Successor			Predecessor		
	(dollars in millions)					
	Fiscal three-month period ended					
	September 30, 2007			October 1, 2006		
Net sales	$	624.4	100.0 %	$	615.6	100.0 %
Cost of sales		395.4	63.3 %		397.5	64.6 %
Gross profit		**229.0**	36.7 %		**218.1**	35.4 %
Selling, general and administrative expenses		207.3	33.2 %		139.9	22.7 %
Research and development expenses		18.8	3.0 %		20.7	3.4 %
Restructuring and other costs		11.0	1.8 %		-	0.0 %
Operating income		**(8.1)**	(1.3)%		**57.5**	9.3 %
Other income (expenses):						
Interest expense, net		(70.5)	(11.3)%		(1.5)	(0.2)%
Other income (expense), net		2.9	0.5 %		(0.6)	(0.1)%
Minority interests		0.2	0.0 %		(14.2)	(2.3)%
Income (loss) before income taxes		**(75.5)**	(12.1)%		**41.2**	6.7 %
Income taxes (benefit)		(1.0)	(0.2)%		23.4	3.8 %
Net income (loss)	**$**	**(74.5)**	(11.9)%	**$**	**17.8**	2.9 %
Net Sales by Segment						
Silicones	$	562.3	90.1 %	$	547.5	88.9 %
Quartz	$	62.1	9.9 %	$	68.1	11.1 %
Total	**$**	**624.4**	100.0 %	**$**	**615.6**	100.0 %

Net sales. Net sales in the fiscal three-month period ended September 30, 2007 were $624.4 million, compared to $615.6 million for the same period in 2006, an increase of 1.4%. The increase was primarily due to an increase in selling prices and exchange rate fluctuations offset by a decrease in sales volume of 0.7%.

Cost of sales. Cost of sales in the fiscal three-month period ended September 30, 2007 were $395.4 million, compared to $397.5 million for the same period in 2006, a decrease of 0.5%. The decrease was primarily due to cost reduction programs and favorable product mix.

Gross Profit. Gross profit in the fiscal three-month period ended September 30, 2007 was $229.0 million, compared to $218.1 million for the same period in 2006, an increase of 5.0%. The increase is primarily due to the effects described above in cost of sales.

Reconciliation of Net Income to Adjusted EBITDA

Certain covenants contained in the credit agreement governing our credit facilities and the indentures governing the Senior Notes, Senior Toggle Notes and Senior Subordinated Notes (i) require the maintenance of a net first-lien secured indebtedness to Adjusted EBITDA ratio and/or (ii) restrict our ability to take certain actions such as incurring additional debt or making acquisitions if we are unable to meet certain financial tests. For example, the indenture covenants restrict our ability to incur additional indebtedness (subject to certain exceptions) unless we are able to comply, on a pro forma basis, with an Adjusted EBITDA to Fixed Charges ratio (measured on a trailing four-quarter basis) of 2.0:1.0. Inability to comply with such covenants can result in limiting our long-term growth prospects by hindering our ability to incur future indebtedness. The Company is in compliance with the covenant requirements at September 30, 2007.

EBITDA consists of earnings before interest, taxes and depreciation and amortization. EBITDA is a measure commonly used in our industry and we present EBITDA to enhance your understanding of our operating performance. We use EBITDA as one criterion for evaluating our performance relative to that of our peers. We believe that EBITDA is an operating performance measure, and not a liquidity measure, that provides investors and analysts with a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. Adjusted EBITDA is defined as EBITDA further adjusted to exclude unusual items and other pro forma adjustments as described in the table and footnotes below, permitted in calculating covenant compliance in the indentures governing the notes and the credit agreement. However, EBITDA and Adjusted EBITDA are not measurements of financial performance under U.S. GAAP, and our EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures of other companies. You should not consider our EBITDA or Adjusted EBITDA as an alternative to operating or net income, determined in accordance with U.S. GAAP, as an indicator of our operating performance, or as an alternative to cash flows from operating activities, determined in accordance with U.S. GAAP, as an indicator of our cash flows or as a measure of liquidity.

The following table reconciles net income to EBITDA and Adjusted EBITDA for the periods presented:

		Successor	Predecessor	Successor	Predecessor	Predecessor & Successor	
		Fiscal three-month period ended		Fiscal nine-month period ended		Period from	
		September 30, 2007	October 1, 2006	September 30, 2007	October 1, 2006	January 1, 2006 to December 31, 2006	October 1, 2006 to September 30, 2007
Net income (loss)		$ (74.5)	$ 17.8	$ (176.4)	$ 46.9	$ (36.9)	$ (260.2)
Interest expense, net		70.5	1.5	209.4	14.7	33.4	228.3
Income taxes (benefit)		(1.0)	23.4	7.8	61.7	55.6	1.7
Depreciation and amortization		101.3	41.2	219.9	123.9	180.4	276.4
EBITDA		$ 96.3	$ 83.9	$ 260.7	$ 247.2	$ 232.5	$ 246.2
Minority interests	(a)	-	16.0	-	49.6	49.8	0.2
Non-cash, purchase accounting effects	(b)	(0.8)	-	26.9	-	86.4	113.3
Stand-alone cost adjustment	(c)	1.5	4.6	0.4	13.8	15.7	2.3
U.S. benefit plan savings	(d)	-	1.1	-	3.2	4.0	0.8
Cost savings - new initiatives	(e)	-	1.9	1.9	5.6	7.4	3.7
Restructuring and stand alone costs	(f)	11.0	-	24.0	3.0	10.8	31.8
Transaction and other costs	(g)	7.9	3.5	24.8	3.4	21.2	42.6
Adjusted EBITDA		$ 115.9	$ 111.0	$ 338.7	$ 325.8	$ 427.8	$ 440.9

(a) Reflects the elimination of minority interests resulting from the acquisition of the partner interest in joint ventures with Toshiba and Bayer of $14.2 million in the fiscal three-month period ended October 1, 2006, $46.5 million for the nine-months ended October 1, 2006, and $44.9 million for the year ended December 31, 2006 along with the consolidation of OSi Italy from May 2006 to December 3, 2006.

(b) For the fiscal nine-month period ended September 30, 2007 and the year ended December 31, 2006, non cash charges of $26.9 million and $34.4 million, respectively, resulting from the sales of inventories revalued at fair value through purchase accounting. For the fiscal year end December 31, 2006, represents non-cash charges outlined above and $52.0 million of in-process research and development.

(c) For the predecessor period during the year ended December 31, 2006 and the fiscal three-month period ended October 1, 2006, represents pro-forma stand-alone cost savings for functions and services previously provided by GE. These services were historically billed to us through an assessment and related to services such as IT, finance, treasury, operations, research and development, insurance, legal, and human resources. The assessment was $62.6 million for 2006. These assessments were discontinued at the time of the Acquisition. For the fiscal three-month period ended September 30, 2007, reflects transition services provided by GE of $3.0 million and stand-alone cost incurred of $9.5 million.

(d) Represents savings related to our U.S. benefit plans as compared to the cost historically billed directly to us by GE.

(e) Represents cost savings from initiatives which have been implemented by management, including headcount reductions, reduction in the number of legal entities, and consolidation of warehouses and offices.

(f) Relates primarily to restructuring and start up costs.

(g) For the fiscal three-month period ended, September 30, 2007, represents (i) impact of management inventory optimization efforts (ii) non-cash mark-to-market revaluation of foreign exchange contracts, (iii) management fee paid to Apollo, and (iv) other non-recurring costs. For the fiscal three-month period ended October 1, 2006, reflects discontinuation of royalty payments to Toshiba and other non-recurring charges. For the year ended December 31, 2006, represents (i) non-cash charges of $14.9 million that will not repeat including inventory reserves; (ii) other consulting fees and services of $3.6 million and (iii) the discontinuation of royalty payments to Toshiba of $2.7 million.