Momentive Performance Materials Inc.

First Quarter 2012 Earnings Conference Call

May 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.

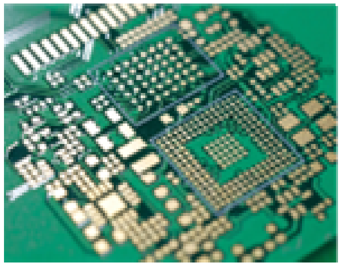
Momentive Performance Materials Inc. (MPM)

Overview of First Quarter 2012 Results

Craig O. Morrison
Chairman, President & Chief Executive Officer

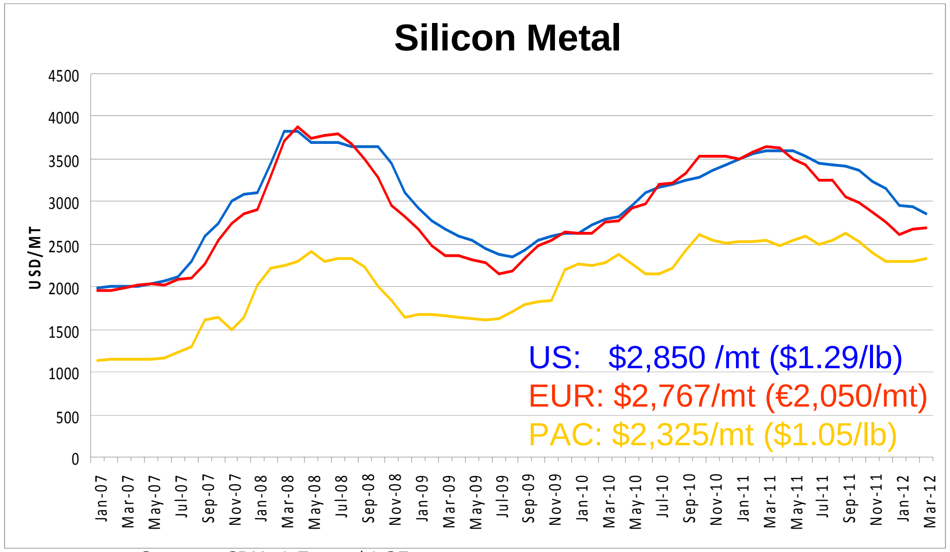
First Quarter 2012 Results

- Revenues of $593 million versus $660 million in prior year reflecting lower pricing and volumes, as well as a shift in product mix
- Combined Adjusted EBITDA(1)(2) of $55 million compared to $120 million in prior year quarter
  – YoY results reflect product mix shift and softer European and Asian markets
  – Sequential improvement with 42 percent gain vs. 4Q'11
  – Operating loss of $(5) million compared operating income of $73 million in 1Q'11
- MPM realized $7 million in savings from the shared services agreement in 1Q'12
  – Run-rate savings total $47 million since program's inception as of 1Q'12
  – Continuing to proactively identify additional cost-saving opportunities to offset economic weakness
- Ongoing investment in specialty product lines and emerging markets positions MPM for long-term growth and profitability
- Continue to maintain a strong liquidity position with cash and available borrowings of $378 million as of March 31, 2012
- In compliance with all financial covenants governing its senior secured credit facilities at March 31, 2012

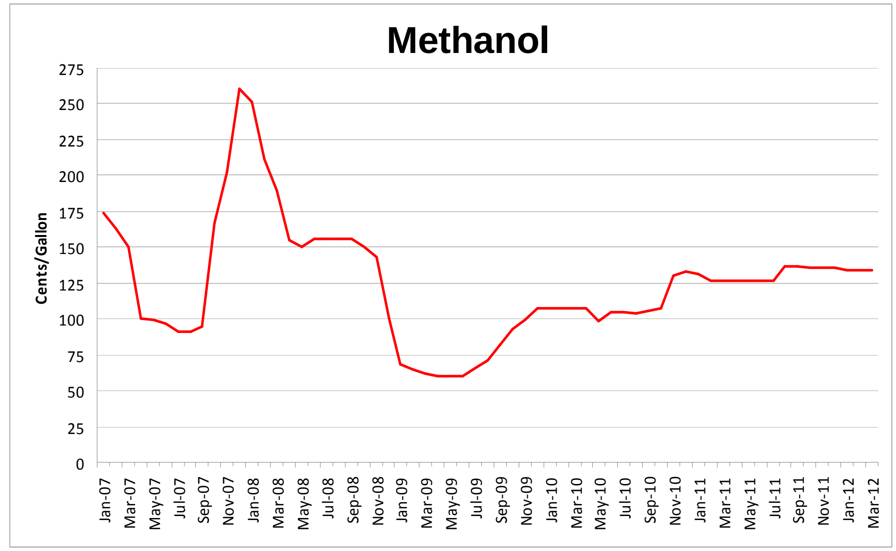


(1) Excludes impact of pro forma savings from the shared services agreement.
(2) Defined as Adj. EBITDA plus EBITDA of Unrestricted Subsidiaries. EBITDA from unrestricted subsidiaries is included in Combined Adj. EBITDA (but excluded from Adj. EBITDA as defined in the debt documents).

Silicon Metal Spot Prices Bottoming; Methanol Increased Sequentially



Source: CRU, 1 Euro=$1.35



Source: CMAI Methanol Contract-Net Transaction FOB Houston Tx

Summary

- Silicon metal spot prices generally trended downward; regional differences persist
- Methanol market price increased 4.6% in 1Q’12 over 1Q’11
- Anticipate raw material costs to remain stable in 1H’12 and increase during 2H’12

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Global Economic Volatility and Negative Product Mix Drove a Significant Decrease in 1Q'12 Segment Results

	Net Revenue ($ in millions)		Operating Income ($ in millions)	
	1Q'12	1Q'11	1Q'12	1Q'11
Silicones	536	573	7	51
Quartz	57	88	2	22

Summary

- 1Q'12 YoY silicones results continued to reflect softness in China and EU region, softer volumes and product mix shift due to declines in certain higher-margin products
- 1Q'12 quartz results reflected cyclical downturn in demand for semiconductor capital goods

EBITDA Bridge: 1Q'11 - 1Q'12

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

($ in millions)

1Q'11	$120
Volume	(18)
Selling Price / Mix	(24)
Raw Material Costs	(32)
Synergies	7
Other	2
1Q'12	**$55**

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LONG-TERM POTENTIAL OF THE BUSINESS PORTFOLIO SUPPORTED BY OUR GLOBAL FOOTPRINT, OPERATING LEVERAGE AND FOCUS ON PROVIDING SPECIALTY PRODUCTS

Chennai Phase II Expansion: Strengthens India & Middle East Footprint

- Capacity expansion to serve high growth regional market segments and customers in India, Middle East & South Asia
- Phase II expansion announced February 2012
- Brings global technology and state of the art manufacturing processes to Chennai facility
- Allows for regional commercialization of specialty silicone branded products

Product*	Application
Magnasoft	Textiles
Silwet	Agriculture
Niax	Polyurethane foam
SilFORT Hardcoats	Auto lighting and glazing

- Part of long-standing commitment to India and surrounding areas
  - Along with opening of Bangalore regional HQ and global R&D center later this year

*Magnasoft, Silwet, Niax & SilFORT are trademarks of Momentive Performance Materials Inc.

Momentive Performance Materials Inc.

Financial Review

William H. Carter
Executive Vice President & Chief Financial Officer

Silicones
First Quarter 2012 Segment Results

1Q Quarter Ended

($ in millions)	2012	2011	Δ
Revenue	$ 536	$ 572	(6)%
Operating Income	7	51	(86)%

1Q'12 Sales Comparison YOY

Volume	Price/Mix	Foreign Exchange	Total
3%	(9)%	--	(6)%

Summary

- Results continued to reflect YoY weakness in Europe & Asia Pacific region, while Americas stable
- MPM posted sequential sales increase in 1Q'12 vs. 4Q'11 levels, although volumes decreased slightly
- Maintaining strong emphasis on cost optimization
- Continue to aggressively focus on growth programs for 2012 to offset volatility
  - BRIC regions and higher growth product lines
  - Co-location of technology resources
  - Strategically focused market development teams

Quartz
First Quarter 2012 Segment Results

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1Q Quarter Ended

($ in millions)	**2012**	**2011**	Δ
Revenue	$ 57	$ 88	(35)%
Operating Income	2	22	(91)%

1Q'12 Sales Comparison YOY

Volume	Price/Mix	Foreign Exchange	Total
(35)%	--	--	(35)%

Summary

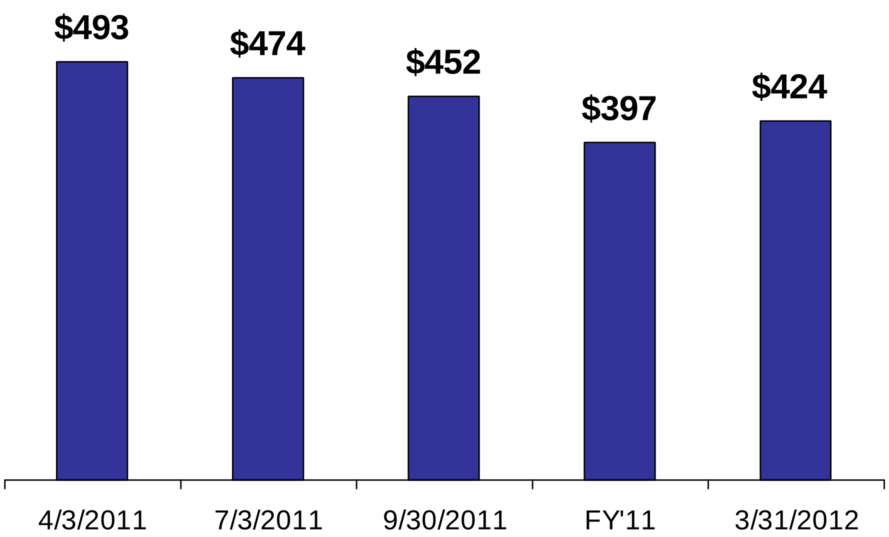
- Slowdown in semiconductor-related demand drove softer 1Q'12 results
- Expect slowdown to continue in 2Q'12, with results to gradually improve on a sequential basis in 2012
  - Growth investments and cost actions will reduce cycle impact over the long-term

Balance Sheet Update & Financial Summary

- Continuing to aggressively optimize working capital and position inventories in 2012
  - 1Q'12 rose slightly due to seasonal inventory build vs. year-end levels and a planned turnaround
- 1Q'12 capital expenditures of $20 million
  - Anticipate FY'12 capital expenditures of ~ $120 to $130 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.
- Liquidity remained strong with cash plus borrowing availability of $378 million at 3/31/12

Net Working Capital (1)

$ in millions

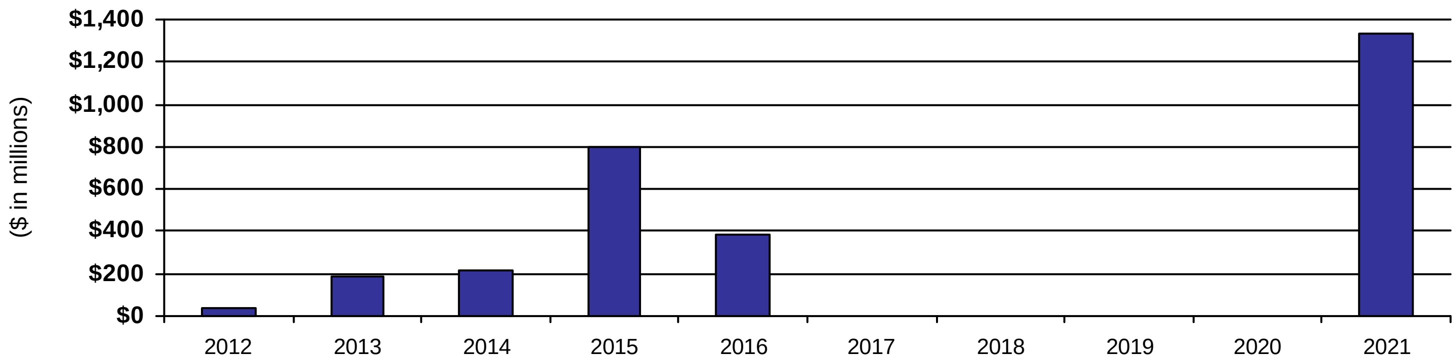


TOTAL DEBT: ~ 3.0 billion; NET DEBT ~ $2.9 billion (3/31/12)

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

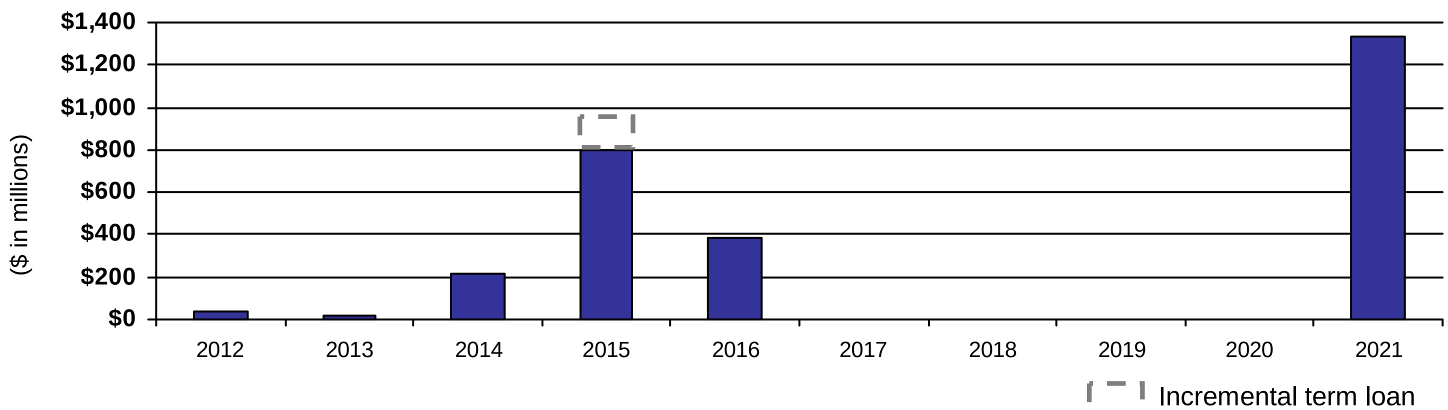
MPM Term Loan Transaction Extends Debt Maturity Profile

Debt Maturities (current)



Weighted Average Maturity 6.6 yrs

Debt Maturities (Post refinancing)



Weighted Average Maturity 6.7 yrs

MPM RAISED $175MM SENIOR SECURED TERM LOAN (MAY 2015 MATURITY); PROCEEDS USED TO PAY DOWN EXISTING TERM LOANS THAT MATURE IN DECEMBER 2013

Note: Maturity schedules are for MPM Inc. debt only

Closing Remarks

First Quarter 2012 Closing Remarks

- Revenue and Combined Adjusted EBITDA[1] in 1Q'12 reflected global economic volatility, product mix shift, industry capacity expansion and softer volumes
- Sequential improvements anticipated in 2Q'12 but product mix and margin pressure is expected to continue through 1H'12
- MPM realized $7 million in savings from the shared services agreement in 1Q'12; MPM's run-rate savings totaled $47 million as of March 31, 2012
- Aggressively identifying additional cost savings to offset economic weakness
- MPM continues to maintain a strong liquidity position with cash and available borrowings of $378 million
- Specialty product portfolio holds strong upside potential with economic and industry rebound, as well as alignment with global megatrends

(1) Defined as Adj. EBITDA plus EBITDA of Unrestricted Subsidiaries. EBITDA from unrestricted subsidiaries is included in Combined Adj. EBITDA (but excluded from Adj. EBITDA as defined in the debt documents.)

Appendices

Reconciliation of Non-GAAP Financial Measures

		Fiscal three-month period ended		Last twelve months ended
		March 31, 2012	April 3, 2011†	March 31, 2012
		(dollars in millions)		
Net loss attributable to Momentive Performance Materials Inc.		$ (65)	$ (3)	(203)
Gain on extinguishment of debt		—	—	(7)
Interest expense, net		62	64	254
Income taxes		—	12	15
Depreciation and amortization		46	50	193
EBITDA		43	123	252
Noncontrolling interest	(a)	—	—	1
Restructuring and non-recurring	(b)	9	5	39
Pro forma cost savings	(c)	4	—	6
Non cash and purchase accounting effects	(d)	(3)	(9)	9
Exclusion of Unrestricted Subsidiary results	(e)	(5)	(7)	(20)
Management fee and other	(f)	2	1	7
Pro forma savings from Shared Services Agreement	(g)	10	11	27
Adjusted EBITDA		$ 60	$ 124	321
Inclusion of Unrestricted Subsidiary results		5	7	20
Combined Adjusted EBITDA		$ 65	$ 131	341
Combined Adjusted EBITDA excluding pro forma savings from the Shared Services Agreement		$ 55	$ 120	314
Key calculations under the Credit Agreement				
Total Senior Secured Net Debt		$ 901		
Senior Secured Leverage Ratio for the twelve-month period ended March 31, 2012		2.81		

(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 subsidiaries. (The Unrestricted Subsidiaries are excluded from Adj. EBITDA as defined in our debt documents.) The Combined Adj. EBITDA of MPM includes 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 most recent earnings results as issued on May 7, 2012.

(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 first quarter 2011 results. Adjusted EBITDA and Combined Adjusted EBITDA for the fiscal three-month period ended April 3, 2011 were negatively impacted by $9 million related to these events.

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

(b) Relates primarily to restructuring and other costs.

(c) Represents estimated cost savings, on a pro forma basis, from initiatives implemented or being implemented by management, including headcount reductions and indirect cost savings. For the fiscal three-month period ended March 31, 2012, estimated cost savings include facility rationalizations and headcount reductions.

(d) 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 March 31, 2012, non-cash items include unrealized foreign currency exchange loss of $3 million. For the fiscal three-month period ended April 3, 2011, non-cash items include unrealized foreign currency exchange loss of $9 million.

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

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

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

Momentive Performance Materials Debt at March 31, 2012

($ in millions)

(dollars in millions)	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		4.5		2.5
Long-term debt including current portion:	-			
Senior secured credit facilities	-			
Revolving credit facility due 2014	-	-	-	-
Term loan tranche B-1A due 2013	65.0	0.7	65.2	0.7
Term loan tranche B-1B due 2015	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	388.5	4.1	378.3	4.0
9% Springing Lien Notes due 2021	1,160.7	-	1,160.7	-
9.5% Springing Lien Notes due 2021	177.1	-	171.9	-
11 1/2% Senior Subordinated Notes due 2016	379.3	-	379.2	-
12.5% Second Lien Notes due 2014	180.8	-	179.2	-
ABOC Asset Loan Due 2015	22.2	7.9	22.2	7.9
ABOC Working Capital Loan Due 2012	-	15.9	-	15.8
Medium term loan	2.0	1.7	2.2	1.3
Total long-term debt	**2,914.3**	**36.1**	**2,895.7**	**35.5**
Total Opco debt	**2,914.3**	**40.6**	**2,895.7**	**38.0**

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