Momentive Performance Materials Inc.

First Quarter 2013
Earnings Conference Call

May 14, 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 covenants under our secured revolving credit facilities or other covenants in such facilities 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.

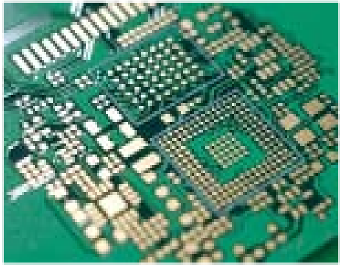
Momentive Performance Materials Inc. (MPM)

Overview of First Quarter 2013 Results

Craig O. Morrison
Chairman, President & Chief Executive Officer

First Quarter 2013 Results

- Revenues of $570 million versus $593 million in prior year quarter, a 4 percent decline reflecting softer end use markets and excess capacity in the silicones industry
- Segment EBITDA[1] of $68 million compared to $48 million in prior year quarter, an increase of 42 percent, primarily due to cost reduction initiatives and slight volume increases in silicones
  - Improved gross margins and synergy gains reflected in Segment EBITDA
  - Operating income of $17 million in 1Q'13 compared to operating loss of $(5) million in 1Q'12 reflecting lower selling, general and administrative expenses as well as decreased restructuring and other costs
- Continue to realize targeted cost savings as anticipated
  - As of March 31, 2013, realized $63 million in savings on a run-rate basis from the shared services agreement since inception
  - Continuing to pursue $22 million in total pro forma cost savings at March 31, 2013
  - Accelerating cost-saving actions to offset economic weakness wherever possible
- Cash and available borrowings of $301 million as of March 31, 2013
- MPM was in compliance with all financial covenants governing its senior secured credit facility and indentures at March 31, 2013
  - In April '13, MPM entered into two new secured revolving credit facilities replacing its previous senior secured credit facility



(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.

First Quarter 2013 Segment Results

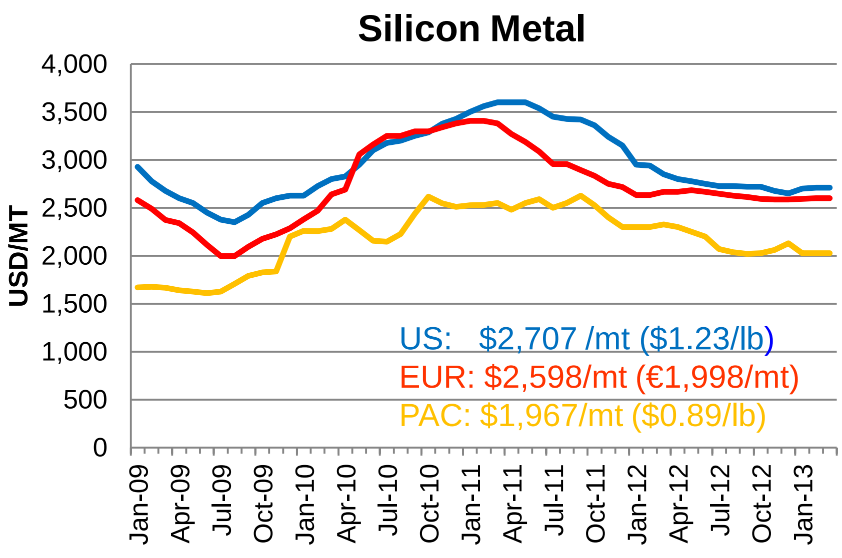
	Net Revenue ($ in millions)		Segment EBITDA ($ in millions)	
	1Q'13	**1Q'12**	**1Q'13**	**1Q'12**
Silicones	528	536	75	50
Quartz	42	57	5	9

Summary

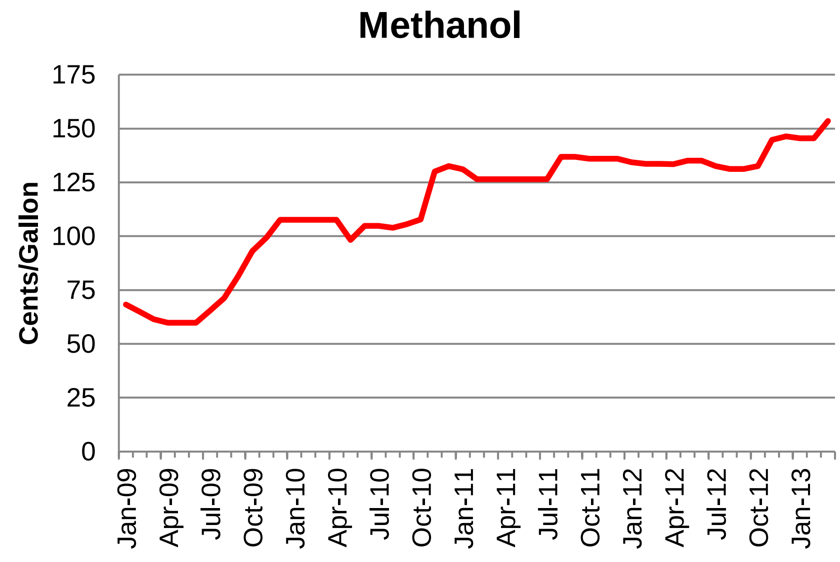
- 1Q'13 YoY silicones improvement reflects cost reduction initiatives and strong performance in specialty silicones partially offset by softer demand for core silicones as certain end markets remain sluggish

- 1Q'13 quartz results continued to reflect cyclical downturn in demand for semiconductor capital goods

Raw Material Price Trends



Source: CRU, 1.30 Fx EURO



Source: CMAI Methanol Contract-Net Transaction FOB Houston Tx

Summary

- 1Q'13 silicon metal prices essentially unchanged from 4Q'12 levels
  - International demand is still constrained by sluggish activity levels in Asia and Europe
- Methanol pricing supported by steady global demand and below average inventories
- Macro economic uncertainty creates potential raw material cost volatility in 2013

Productivity Initiatives Support Earnings Recovery and Cash Flow Generation

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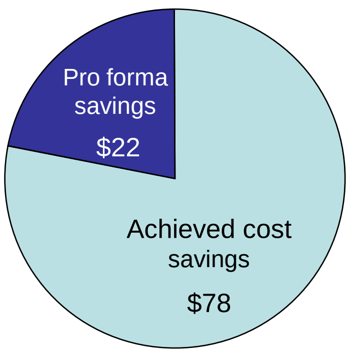
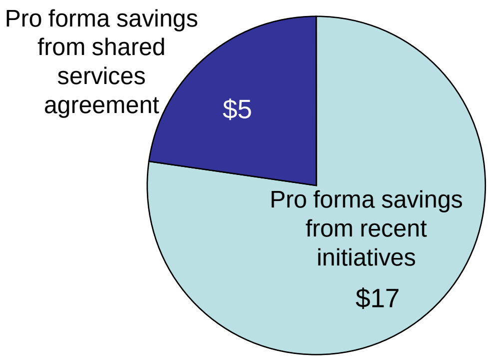
Total Cost Savings Targets

Total = $100mm



PF Savings by Category

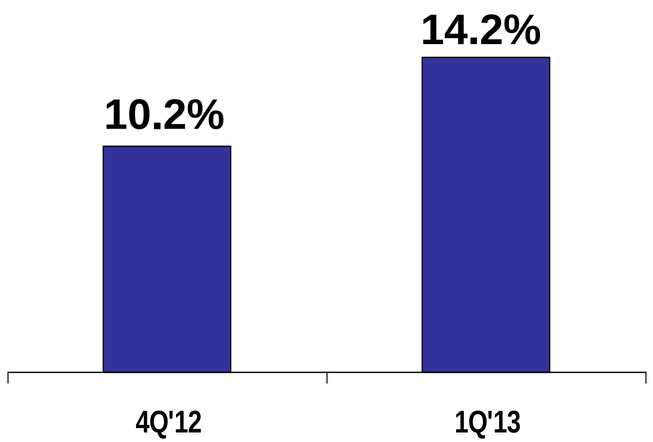
Total = $22mm



Summary

- $100 million of total cost savings targeted since October 2010, including $36 million of cost reduction programs identified in 2012
  - Headcount actions announced in July 2012 totaled approximately 6% of global workforce
- Pro forma cost savings total $22 million at end of 1Q'13

Silicones Segment EBITDA Margin

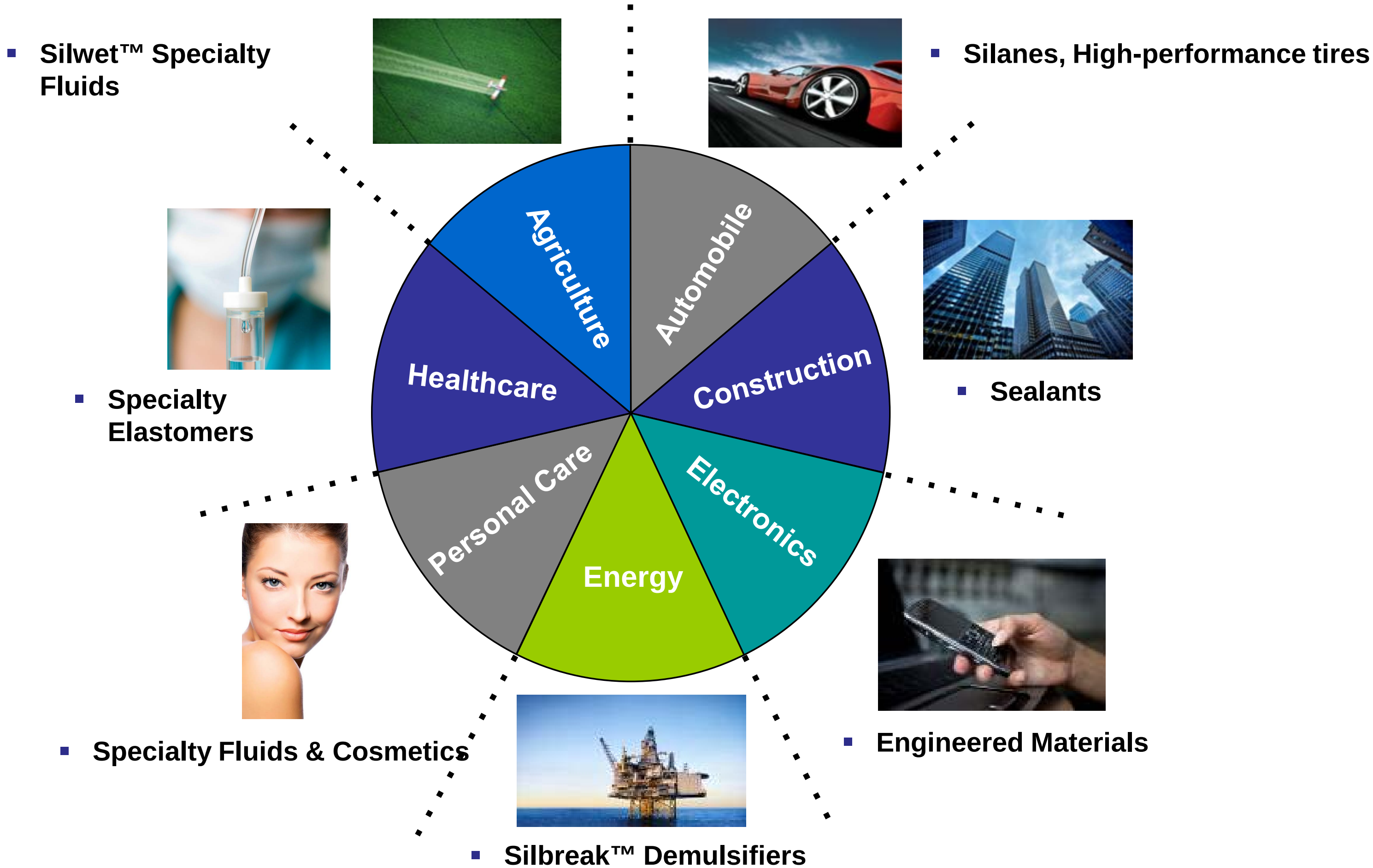


Summary

- Silicones Segment EBITDA margins improved sequentially 400 bp
- Sequential Segment EBITDA margin gains reflect cumulative impact of synergy actions and slightly improving economic conditions

IDENTIFIED COST SAVINGS INITIATIVES SUPPORT MARGIN RECOVERY

Long Term Growth Expected to be Driven By Attractive Market Segments and Applications



STRONG PRESENCE IN ATTRACTIVE END MARKETS

Momentive Performance Materials Inc.

Financial Review

William H. Carter
Executive Vice President & Chief Financial Officer

Silicones
First Quarter 2013 Segment Results

($ in millions)	1Q Quarter Ended 2013	2012	Δ
Revenue	$ 528	$ 536	(1)%
Segment EBITDA	75	50	50%

1Q'13 Sales Comparison YoY

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

Summary

- Sales decline primarily due to unfavorable exchange rate fluctuations and a decrease in price and mix shift, partially offset by a slight increase in volume
- Significant YoY increase in Segment EBITDA despite only slightly higher volumes
- Segment EBITDA gains driven primarily by cost reduction programs despite relatively soft demand in electronics and industrial sectors when compared to historical levels

Quartz
First Quarter 2013 Segment Results

($ in millions)	1Q Quarter Ended 2013	2012	Δ
Revenue	$ 42	$ 57	(26)%
Segment EBITDA	5	9	(67)%

1Q’13 Sales Comparison YoY

Volume	Price	Foreign Exchange	Total
(26)%	1%	(1)%	(26)%

Summary

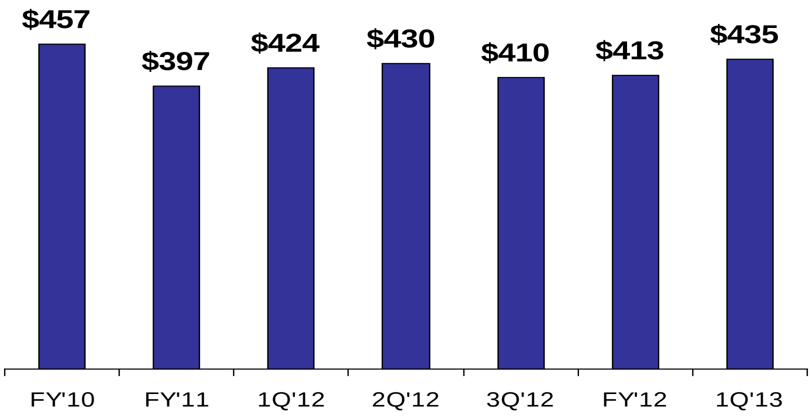
- Slowdown in semiconductor-related demand continued to negatively impact softer 1Q’13 results
- Exact timing of semiconductor cycle turn remains elusive, but anticipate demand improvement in 2H’13

Balance Sheet Update & Financial Summary

- Continuing to aggressively optimize working capital and position inventories in 2013
  - Inventories increased by $27 million in 1Q'13 vs. year-end 2012 due to seasonal inventory build
  - Believe structural improvement opportunities remain to further reduce inventories by year-end 2013
- 1Q'13 capital expenditures of $12 million [1]
  - Continue to anticipate FY'13 capital expenditures of $90 million - $100 million
  - Low maintenance capital expenditures; cash flow supported by low working capital intensity
- Liquidity: cash plus borrowing availability of $301 million at 3/31/13
- In April 2013, the Company entered into two new secured revolving credit facilities: a $270 million asset-based revolving loan facility, which is subject to a borrowing base (the "ABL Facility"), and a $75 million revolving credit facility (the "Cash Flow Facility")
  - The Cash Flow Facility supplements the ABL Facility and is subject to a certain utilization test
  - The ABL Facility and Cash Flow Facility replaced the Company's existing revolver due 2014

Net Working Capital [2]

($ in millions)



(1) Capital expenditures are presented on an accrual basis.
(2) Net working capital defined as accounts receivable and inventories less trades payable.

Closing Remarks

First Quarter 2013 Closing Remarks

- 1Q’13 Segment EBITDA improved significantly year over year despite continued global economic volatility
- Continuing to aggressively pursue productivity initiatives in response to challenging market conditions
  - $22 million of total pro forma cost savings at March 31, 2013
- Liquidity position: cash and available borrowings of $301 million (3/31/13)
- As a result of the $1.1 billion refinancing in 4Q’12 and the ABL Facility and Cash Flow Facility, the Company has no material debt maturities before 2016
- MPM remains focused on aggressively managing liquidity, achieving structural cost savings and fully leveraging its strategic growth investments

Appendices

Reconciliation of Non-GAAP Financial Measures

	Three Months Ended March 31	
	2013	2012
Segment EBITDA:		
Silicones	$ 75	$ 50
Quartz	5	9
Other	(12)	(11)
Total	68	48
Reconciliation:		
Items not included in Segment EBITDA:		
Non-cash charges	(1)	5
Restructuring and other costs	(4)	(10)
Total adjustments	(5)	(5)
Interest expense, net	(78)	(62)
Income tax (expense) benefit	(2)	—
Depreciation and amortization	(44)	(46)
Net loss	$ (61)	$ (65)

(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

(Dollars in millions)		Last twelve months ended March 31, 2013
Net loss		$ (361)
Loss on extinguishment and exchange of debt		57
Interest expense, net		293
Income taxes		10
Depreciation and amortization		185
EBITDA		184
Restructuring and other costs	(a)	38
Non cash and purchase accounting effects	(b)	10
Management fee and other	(c)	6
Pro forma savings from Shared Services Agreement	(d)	5
Pro forma savings from other initiatives	(e)	17
Exclusion of Unrestricted Subsidiary results	(f)	(19)
Adjusted EBITDA		$ 241
Key calculations under the Credit Agreement		
Total Senior Secured Net Debt		$ 1,128
Senior Secured Leverage Ratio for the twelve-month period ended March 31, 2013	(g)	4.68

Footnotes for Reconciliation of Non-GAAP Financial Measures

(a) Relates primarily to restructuring and other costs.

(b) 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 disposals. For the twelve-month period ended March 31, 2013, non-cash items include: (i) unrealized foreign currency exchange loss of $7 million, (ii) asset disposal charges of $3 million, (iii) stock-based compensation expense of $1 million and (iv) pension curtailment gains of $1 million.

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

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

(e) 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.

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

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

Momentive Performance Materials Debt at 3/31/2013

(dollars in millions)	March 31, 2013		December 31, 2012		September 30, 2012		June 30, 2012	
	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		5.4		6.0		4.0		4.0
Long-term debt including current portion:	-		-		-		-	
Senior secured credit facilities	-		-		-		-	
Revolving credit facility due 2015	65.0	-	-	-	80.0	-	35.0	-
Term loan tranche B-1A due 2013	-	-	-	-	-	-	-	-
Term loan tranche B-1B due 2015	-	-	-	-	191.7	-	191.7	-
Term loan tranche B-2A due 2013	-	-	-	-	-	-	-	-
Term loan tranche B-2B due 2015	-	-	-	-	372.5	4.0	368.1	3.9
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	-	1,100.0	-				
9% Springing Lien Notes due 2021	1,160.7	-	1,160.7	-	1,160.7	-	1,160.7	-
9.5% Springing Lien Notes due 2021	170.2	-	175.1	-	170.7	-	168.3	-
10.0% 1.5 Senior Secured Notes due 2020	250.0	-	250.0	-	250.0	-	250.0	-
11 1/2% Senior Subordinated Notes due 2016	379.8	-	379.7	-	379.6	-	379.4	-
12.5% Second Lien Notes due 2014	-	-	-	-	184.2	-	182.5	-
ABOC Asset Loan Due 2015	14.5	8.0	14.4	8.0	22.3	8.0	22.0	7.9
ABOC Working Capital Loan Due 2013	-	16.1	-	16.1	-	15.7	-	15.7
JiangSu Bank of China Working Capital Line Due 2013	-	3.2	-	3.2				
Medium term loan	1.2	1.0	1.1	1.3	1.6	1.3	1.8	1.3
Total long-term debt	**3,141.4**	**28.3**	**3,081.1**	**28.6**	**2,978.4**	**30.8**	**2,924.4**	**30.6**
Total Opco debt	**3,141.4**	**33.7**	**3,081.1**	**34.6**	**2,978.4**	**34.8**	**2,924.4**	**34.6**

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