Momentive Performance Materials Inc.

Third Quarter 2013
Earnings Conference Call

November 13, 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 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, 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, 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, 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.

Momentive Performance Materials Inc. (MPM)

Overview of Third Quarter 2013 Results

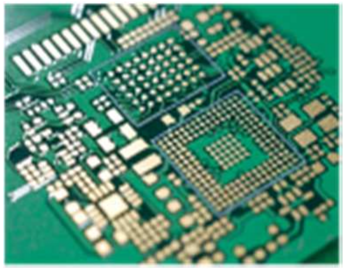
Craig O. Morrison
Chairman, President & Chief Executive Officer

Third Quarter 2013 Results

- Revenues of $604 million versus $571 million in prior year quarter, a 6 percent increase

- Segment EBITDA(1) of $55 million compared to $51 million in the prior year, an increase of 8 percent, despite ongoing global economic volatility
  - Operating income of $7 million in 3Q'13 compared to operating loss of $(7) million in 3Q'12 reflecting lower selling, general and administrative expenses

- Continue to pursue aggressive restructuring initiatives in an effort to offset continued weak operating environment
  - Segment EBITDA YTD 9/30/13 improved by 13% demonstrating operating leverage from our past restructuring initiatives
  - As of September 30, 2013, realized $63 million in cumulative savings from the shared services agreement since inception
  - Continuing to pursue $10 million in total pro forma cost savings over the next 12 to 15 months



- Cash and available borrowings of $245 million as of September 30, 2013

(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.

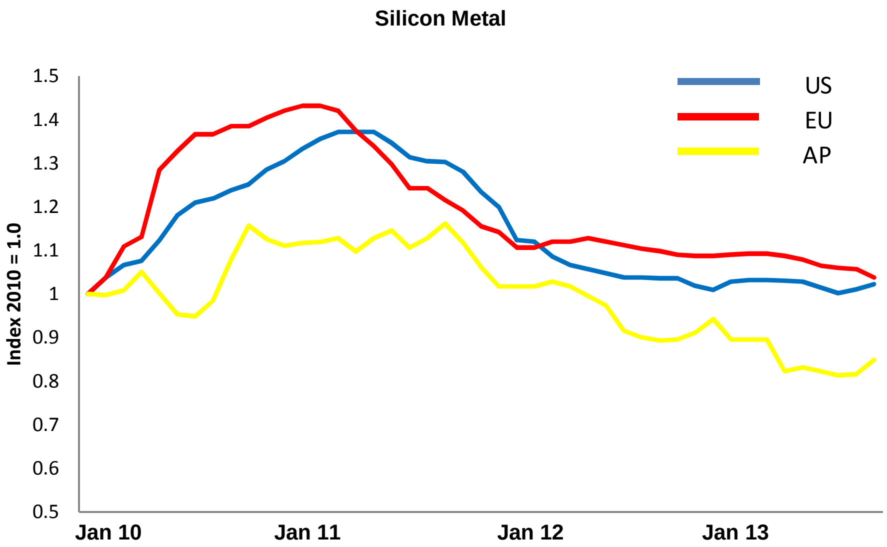
Third Quarter 2013 Segment Results

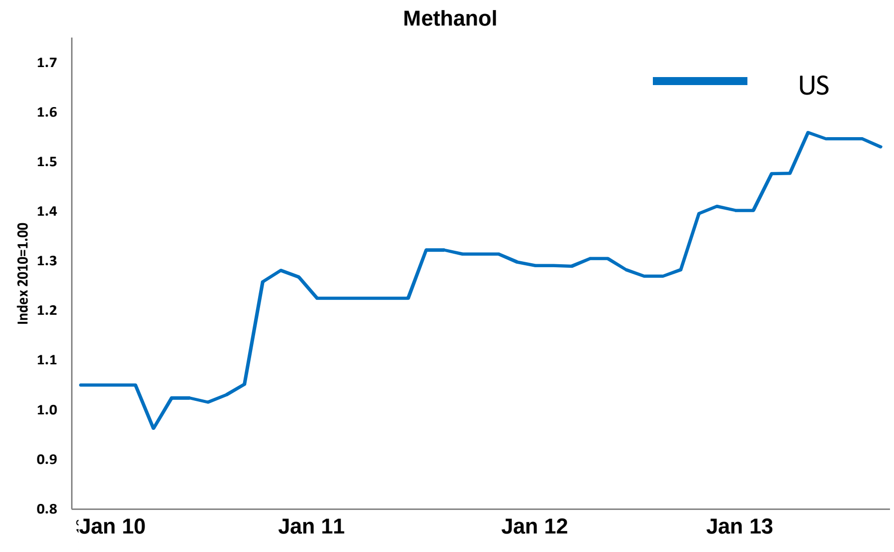
	Net Revenue ($ in millions)			Segment EBITDA ($ in millions)		
	3Q'12	3Q'13	Δ	3Q'12	3Q'13	Δ
Silicones	512	549	7%	44	55	25%
Quartz	59	55	(7)%	16	11	(31)%

Summary

- 3Q'13 YoY silicone revenue increased due to volume improvements (primarily in North America), partially offset by decreased pricing and mix shift as well as unfavorable exchange rate fluctuations
- Silicone Segment EBITDA improvement YoY reflects positive impact of cumulative cost reduction initiatives and slight improvement in demand
- 3Q'13 quartz results continued to reflect ongoing weak demand for semiconductor capital goods

Raw Material Prices Continue to Remain Mixed





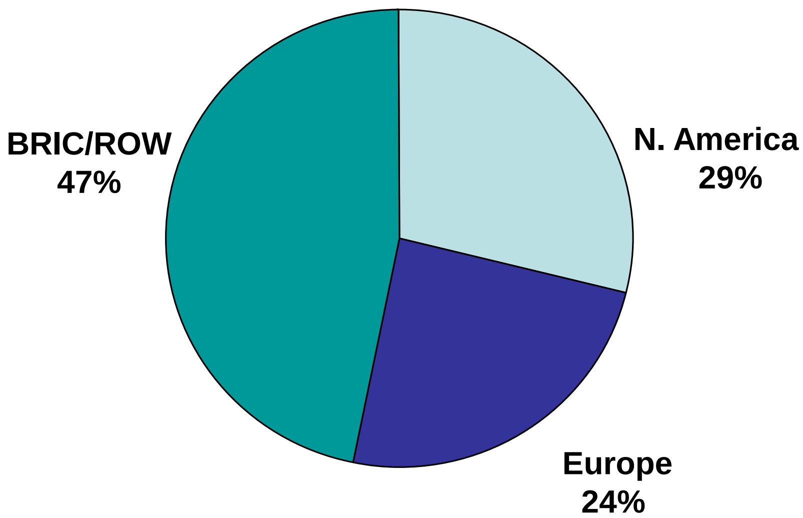
EU Fx = 1.30

Summary

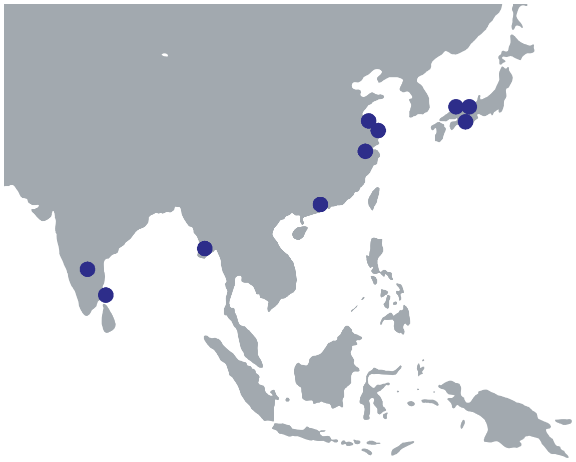
- 3Q'13 silicon metal prices moderated slightly from year-end 2012 levels
  - Near-term sentiment continues to remain mixed
- Methanol pricing remains high as a result of global demand and below average inventories
- Macro economic uncertainty creates potential raw material cost volatility

Broad Geographic Footprint

Balanced Global Presence



Strategically Positioned in Asia Pacific Region



- Recent investments position Momentive for continued growth
  - Shanghai, China: Polyurethane sales/technology center (3Q'13)
  - Seoul, Korea: R&D center (2Q'13)
  - Chennai, India: Specialty Silicones plant expansion (mid-2012)
  - Bangalore, India: regional HQ and global R&D (4Q'12)

STRONG PRESENCE IN BRIC AND REST-OF-WORLD

Momentive Performance Materials Inc.

Financial Review

William H. Carter
Executive Vice President & Chief Financial Officer

Silicones
Third Quarter 2013 Segment Results

($ in millions)	3Q Quarter Ended 2012	2013	Δ
Revenue	$ 512	$ 549	7%
Segment EBITDA	44	55	25%
Segment EBITDA Margin	8.6%	10.0%	140 bps

3Q'13 Sales Comparison YoY

Volume	Price/Mix	Foreign Exchange	Total
9%	(1)%	(1)%	7%

Summary

- Sales increase primarily due to improved volumes in North America, partially offset by negative pricing and mix shift
- Segment EBITDA gains from trough levels in the prior year reflect the impact of our cost savings initiatives and modest improvement in demand within certain end markets

Quartz
Third Quarter 2013 Segment Results

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($ in millions)	3Q Quarter Ended 2012	2013	Δ
Revenue	$ 59	$ 55	(7)%
Segment EBITDA	16	11	(31)%
Segment EBITDA Margin	27.1%	20.0%	(710) bps

3Q'13 Sales Comparison YoY

Volume	Price	Foreign Exchange	Total
(6)%	---	(1)%	(7)%

Summary

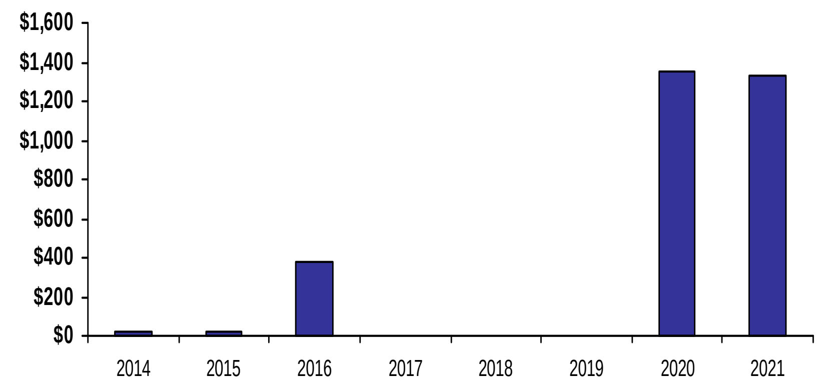
- Slowdown in semiconductor-related demand continued to negatively impact softer 3Q'13 results

Balance Sheet Update & Financial Summary

- Liquidity: cash plus borrowing availability of $245 million at 9/30/13 with no significant maturities until 2016
- YTD 2013 capital expenditures of $56 million
  - Revised anticipated FY'13 capital expenditures of ~ $90 million
- Continuing to aggressively optimize working capital and position inventories in 2013
  - Increase in net working capital of $63 million from Dec. 31, 2012 due primarily to higher inventory levels to meet customer demands and for contingency planning
  - We continue to improve inventory efficiency with the application of new supply chain planning tools

Debt Maturities

($ in millions)



Weighted Average Maturity 6.5 yrs.

Closing Remarks

Third Quarter 2013 Closing Remarks

- Revenues of $604 million versus $571 million in prior year quarter, a 6 percent increase

- Segment EBITDA of $55 million compared to $51 million in the prior year, an increase of 8 percent, however, we continue to operate in a slow-growth environment amid continued global economic volatility

- Continuing to aggressively pursue productivity initiatives in response to challenging market conditions
  - $10 million of total pro forma cost savings at September 30, 2013
- Liquidity position: cash and available borrowings of $245 million (9/30/13)

- As a result of the recent refinancing transactions, 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 September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Segment EBITDA:				
Silicones	$ 55	$ 44	$ 193	$ 153
Quartz	11	16	27	38
Other	(11)	(9)	(34)	(27)
Reconciliation:				
Items not included in Segment EBITDA:				
Non-cash charges	1	—	(4)	(12)
Restructuring and other costs	(9)	(8)	(17)	(32)
Total adjustments	(8)	(8)	(21)	(44)
Interest expense, net	(77)	(71)	(234)	(197)
Income tax benefit (expense)	5	(5)	—	(9)
Depreciation and amortization	(42)	(48)	(129)	(142)
Loss on extinguishment and exchange of debt	—	—	—	(6)
Net loss	$ (67)	$ (81)	$ (198)	$ (234)

(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. **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

	September 30, 2013 LTM Period
Net loss	$ (329)
Loss on extinguishment and exchange of debt	50
Interest expense, net	313
Income tax benefit	(1)
Depreciation and amortization	174
EBITDA	207
Restructuring and other costs [a]	28
Non cash and purchase accounting effects [b]	—
Management fee and other [c]	5
Pro forma savings from Shared Services Agreement [d]	2
Pro forma savings from other initiatives [e]	8
Exclusion of Unrestricted Subsidiary results [f]	(16)
Adjusted EBITDA	$ 234
Key calculations under the Credit Agreement governing the Cash Flow Facility	
Total Senior Secured Net Debt	$ 1,111
Senior Secured Leverage Ratio for the twelve month period ended September 30, 2013 [g]	4.75

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) impairments or disposals. For the twelve month period ended September 30, 2013, non-cash items include: (i) pension curtailment gains of $3, (ii) unrealized foreign currency exchange losses of $1 and (iii) stock-based compensation expense of $1.**

(c) **Management Fee 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. The Senior Secured Leverage Ratio maintenance covenant under the Cash Flow Facility will not begin to apply until the third quarter of 2014.**

Momentive Performance Materials Debt at 9/30/2013

	September 30, 2013	December 31, 2012
ABL Facility	$ 90	$ —
8.875% First Lien Notes due 2020	1,100	1,100
10.00% Senior Secured Notes due 2020	250	250
9.00% Springing Lien Dollar Notes due 2021	1,161	1,161
9.50% Springing Lien Euro Notes due 2021	179	175
11.5% Senior Subordinated Notes due 2016 (includes $2 of unamortized debt discount at both September 30, 2013 and December 31, 2012)	380	380
China fixed asset loan	23	23
China working capital loans	18	19
India Bank medium term loan	1	2
Total debt	3,202	3,110
Less current installments	27	29
Long-term debt, excluding current installments	$ 3,175	$ 3,081

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