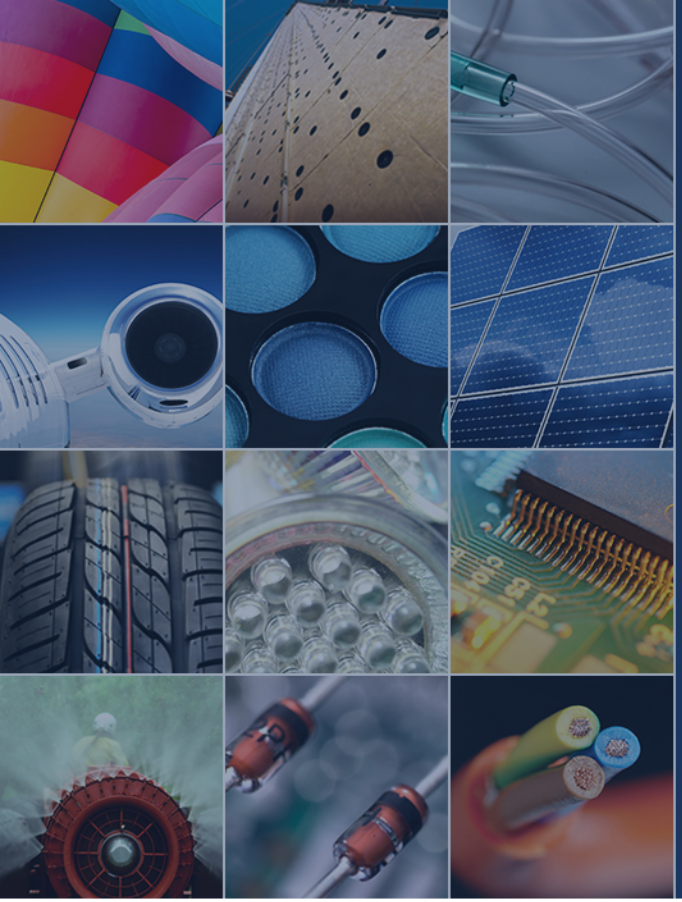

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inventing possibilities

MPM HOLDINGS INC. ("Momentive")
Fourth Quarter and Fiscal Year 2015 Earnings Conference Call
March 1, 2016

Forward Looking Statements
MPM Holdings Inc. (“Momentive “)

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 including statements related to our transformation and restructuring activities, growth and productivity initiatives, anticipated cost savings, growth, and market recovery, and competitiveness. 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 or interpretations thereof and related compliance and litigation costs, difficulties with the realization of cost savings in connection with our global restructuring, transformation and strategic initiatives, including transactions with our affiliate, Hexion Inc., pricing actions by our competitors that could affect our operating margins, our ability to obtain additional financing, and the other factors listed in the Risk Factors section of our SEC filings. 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.[1]

(1) As a result of the application of fresh start accounting, as well as the effects of implementing the Company's plan of reorganization, the Consolidated Financial Statements and results reported on or after October 24, 2014 reflected a different basis of accounting than the Consolidated Financial Statements prior to that date. References to “Successor” or “Successor Company” relate to the financial position and results of operations of the reorganized Company.

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OVERVIEW OF FOURTH QUARTER AND FISCAL YEAR 2015 RESULTS

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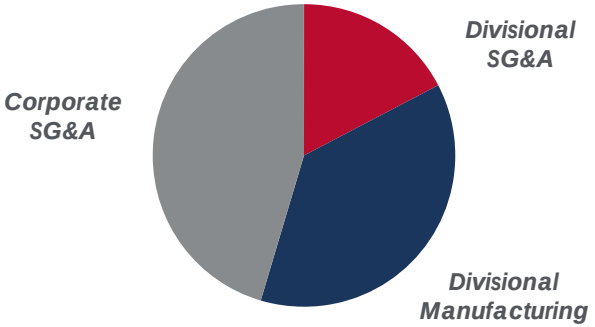
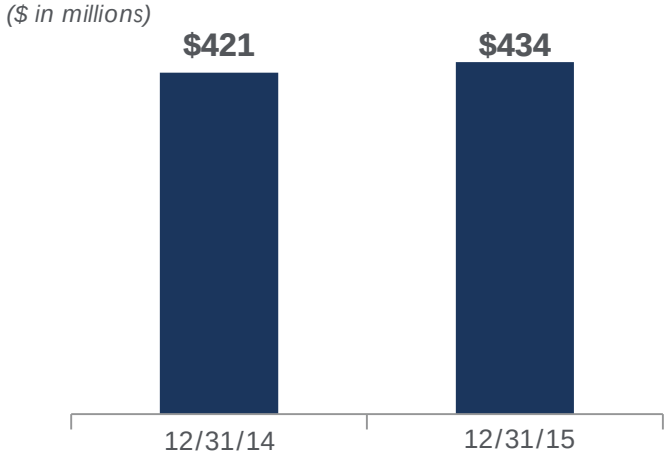
Momentive Transformation Successfully Begun in 2015

- Momentive continues to execute on its plan to invest in higher value added specialty products while improving profitability throughout its product portfolio with a focus on cost reduction
- Strategically investing in long-term growth of our specialty product portfolio
  - Momentive will invest ~ $30 million in its flagship NXT* Silane expansion, anticipated to come online in late 2017
- Began transformation of manufacturing footprint, enabling Momentive to reduce its siloxane production capacity and structurally improve profitability
  - The Company will source a portion of its siloxane requirements through long-term external supply agreements
  - Transforming operations in Europe to focus on specialty chemical production, which will result in savings of ~ $10 million per year in 2017 (fully incremental to global restructuring program)
- Initiated a $30 million global restructuring program to improve cost position and organizational efficiency (up from $25 million)
- Momentive drove positive free cash flow[1] in FY'15 through global cost control initiatives and aggressive management of net working capital
- Maintained strong balance sheet flexibility with significant liquidity of $434 million as of Dec. 31, 2015

Productivity Targets



Liquidity Remains Strong



(1) Free cash flow defined as operating cash flow less cash for investing activities.

** NXT is a trademark of Momentive Performance Materials Inc.*

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FY 2015 Results Reflect Soft Demand and Strong U.S. Dollar

- Momentive results were impacted by currency and an unfavorable mix shift resulting from softness in certain key higher end markets
- Significant currency impact:
  - Net sales decreased 8%; on a constant currency basis, sales would have decreased by 1%
  - Segment EBITDA[1] decreased 18%; on a constant currency basis, Segment EBITDA would have decreased by 8%
- Product portfolio mix negatively impacted by:
  - Soft demand in China and related global destocking depressing sales in high end automotive business in 2H'15
  - Sales into higher end markets, such as energy, electronics and agriculture were particularly affected by slower demand

Summary Financials

($ in millions)	FY'14	FY'15	Δ	Ex FX
Net sales	**$2,476**	**$2,289**	**(8)%**	**(1)%**
Segment EBITDA				
Silicones	257	201	(22)%	(13)%
Quartz	23	27	17%	46%
Corporate	(42)	(34)	19%	12%
Total Segment EBITDA	**$238**	**$194**	**(18)%**	**(8)%**
Segment EBITDA margin	9.6 %	8.5 %		

Challenging Macroeconomic Environment Offsetting Strong Underlying Specialty Portfolio

(1) Segment EBITDA is a non-GAAP financial measure. Segment EBITDA should not be considered a substitute for net income (loss) or other results reported in accordance with GAAP. 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. Segment EBITDA is an important measure used by the Company's senior management and board of directors to evaluate operating results and allocate capital resources among businesses.

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Fourth Quarter 2015 Results Reflect Economic Volatility and Negative Currency Impact YoY; Sequentially Stable Results

- Significant currency impact:
  - Net sales decreased YoY 9%; on a constant currency basis, sales would have decreased by 5%
  - Segment EBITDA decreased YoY 33%; on a constant currency basis, Segment EBITDA would have decreased by 26%
- Despite slight sales decline due to normal seasonality, posted sequentially stable Segment EBITDA results
  - Segment EBITDA margins improved 20 bps sequentially

Summary Financials

($ in millions)	Q4'14	Q3'15	Q4'15	YoY Δ	YoY Δ Ex Fx	QoQ Δ
Net sales	**$603**	**$559**	**$549**	**(9)%**	**(5)%**	**(2)%**
Segment EBITDA						
Silicones	62	42	47	(24)%	(16)%	12%
Quartz	6	6	1	(83)%	(83)%	(83)%
Corporate	(7)	(7)	(7)	--%	--%	--%
Total Segment EBITDA	**$61**	**$41**	**$41**	**(33)%**	**(26)%**	**--%**
Segment EBITDA margin	10.1%	7.3%	7.5 %			

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Q4'15 Silicones Results Reflect Currency Impact and Unfavorable Mix Shift

- Sales affected by softening demand in China and currency headwinds driven by the strong dollar
- Silicones EBITDA decline reflects:
  - Currency impact
  - China slowdown
  - Planned Q4'15 manufacturing adjustments to right size inventory
  - Softer demand for products serving the energy, electronics and agriculture markets

	Quarter Ended					
($ in millions)	**Q4'14**	**Q3'15**	**Q4'15**	**YoY Δ**	**YoY Δ Ex Fx**	**QoQ Δ**
Net Sales	$ 561	$ 514	$ 507	(10)%	(5)%	(1)%
Silicones EBITDA	62	42	47	(24)%	(16)%	12%
Silicones EBITDA Margin	11.1%	8.2%	9.2%			

Q4'15 Net Sales Comparison Year on Year			
Volume	Price/Mix	Foreign Exchange	Total
(1)%	(4)%	(5)%	(10)%

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Q4'15 Quartz Results Reflect Planned Shutdown and Negative Price/Mix

- Despite lower raw material costs, Quartz EBITDA declined due to manufacturing inefficiencies from Q3 production disruption and the planned Q4'15 shutdown to right size inventory
- Expect sequential improvement in 2016 and are well position to capitalize on end market recovery

	Quarter Ended					
($ in millions)	**Q4'14**	**Q3'15**	**Q4'15**	**YoY Δ**	**YoY Δ Ex Fx**	**QoQ Δ**
Net Sales	$ 42	$ 45	$ 42	--%	--%	(7)%
Quartz EBITDA	6	6	1	(83)%	(83)%	(83)%
Quartz EBITDA Margin	14.3%	13.3%	2.4%			

Q4'15 Net Sales Comparison Year on Year

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

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Executing On Manufacturing Footprint Transformation and Accelerating Cost Reduction Program

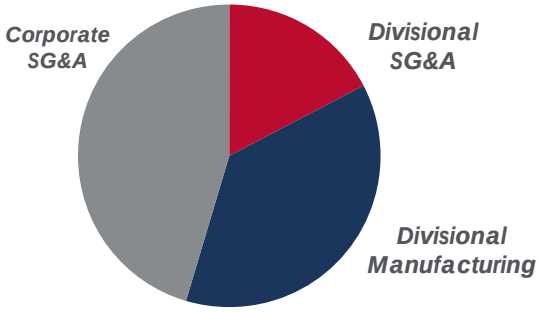
Transforming and Repositioning Leverkusen, Germany Site

- Rationalizing Siloxane production:
  - The Company will source a portion of its siloxane requirements through long-term external supply agreements
  - Actions will result in savings of ~ $10 million per year in 2017
  - The Company expects to incur severance and related cash costs of ~ $10 million related to this initiative
- Strategically investing to reposition the site as a high end specialty chemical facility
- First step in broader evaluation of global footprint

Successfully Executing Cost Controls

- Separate from the transformational activities in Germany, we have increased the scope of our previously announced global restructuring program
- Restructuring initiatives are now expected to generate approximately $30 million in savings;
  $25 million savings expected to be realized in FY'16
  - Targeted savings are being achieved primarily through position eliminations and productivity gains
  - Program cash costs expected to be ~ $15 million, which will be incurred primarily throughout 2016
  - Actions do not impact growth-oriented or customer-facing functions

Cost Savings Initiatives



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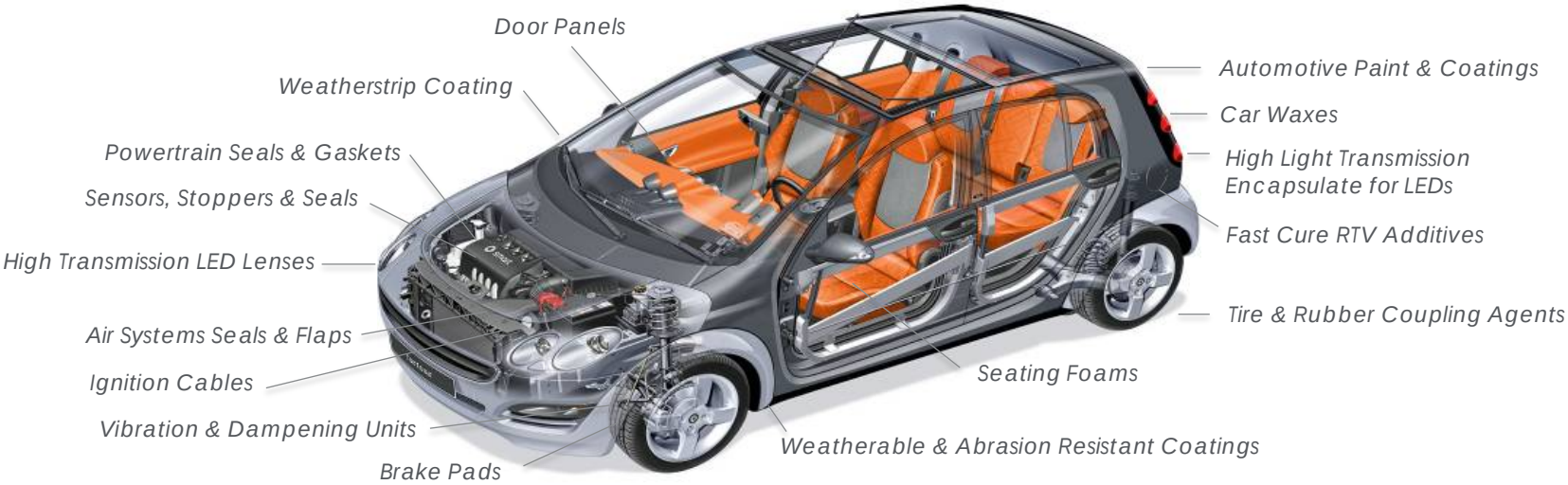
NXT* Silane: Investing in Specialty Technologies

Strategic Leverkusen Investment

- NXT* silane expansion at Leverkusen is key part of Momentive's global initiative to expand production capabilities serving the automotive markets
  - NXT* helps global tire producers improve product performance, such as improved rolling resistance without the loss of wet traction
  - Improving fuel economy standards support global demand

- Expansion is expected to be completed in late 2017 and will mitigate portions of Leverkusen's transition costs
  - Strong intellectual property position
  - Expansion doubles current NXT* availability
  - Investment spend evenly split between FY'16 and FY'17

Key Specialty Materials Applications for Automotive Industry



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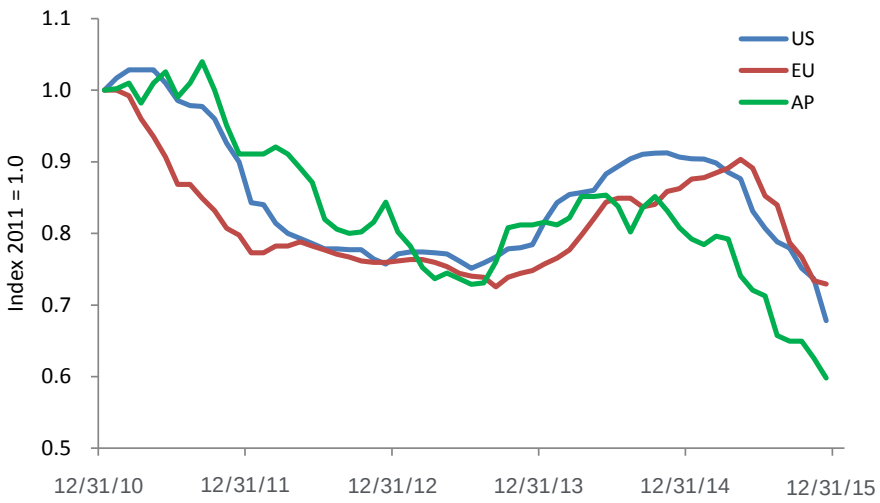
Update on Raw Materials Environment

Silicon Metal



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U.S. Methanol

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- Global silicon metal prices declined ~ 9% sequentially in Q4'15
- Global methanol pricing decreased 14% sequentially in Q4'15
- Momentive expects to benefit in 2016 from improved raw material pricing achieved in annual purchase contracts

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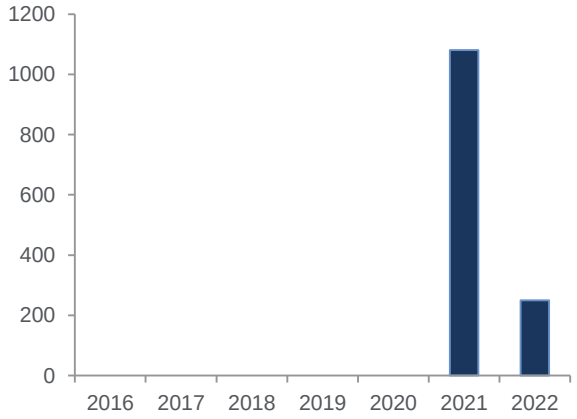
Strong Balance Sheet and Significant Liquidity

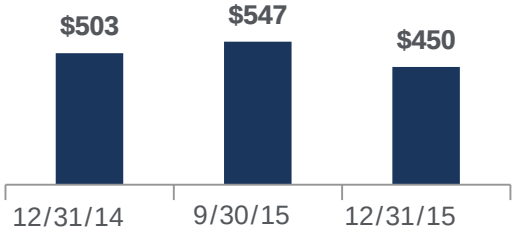
- Generated net cash from operations of $128 million in 2015
  - Supported by planned net working capital reductions of ~ $80 million in Q4
- Growth and capital investment program: invested $114 million in capital expenditures in FY'15 and $88 million in FY'14
  - FY'16 capital expenditure budget of ~$135 million, which includes $55 million related to growth and productivity
  - Strategically investing in growth projects targeting minimum Internal Rates of Return of ~20%
- Liquidity: Cash plus borrowing availability of $434 million at 12/31/15 (an increase of $13 million compared to $421 million as of 12/31/14)
  - No significant debt maturities until 2021 with no financial maintenance covenants
- Company remains focused on optimizing working capital in FY'16
- In Q4'15, opportunistically purchased $19 million in aggregate principal amount of 4.69% Second-Priority Senior Secured Notes due 2022 on open market for ~ $10 million

Long Term Debt Maturity Schedule



Net Working Capital

($ in millions)



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Focused on Leveraging Specialty Portfolio While Achieving Growth and Cost Reduction Initiatives

- Strategically investing in long-term growth of our specialty product portfolio

- Expect that economic volatility will continue into the first quarter of 2016 with first quarter volumes and revenue similar to the second half of 2015. EBITDA in the first quarter will be impacted by the planned inventory reduction efforts in the fourth quarter of 2015 and we anticipate growth will resume in subsequent quarters

- ***2016 Priorities:***
  - ***Driving Cost Reductions***
    - Completed long-term strategic plan to reduce our siloxane footprint and structurally improve the profitability of our business; Siloxane transformation will create incremental savings of ~ $10 million per year in 2017 and beyond
    - Initiated $30 million global restructuring program to improve cost position and organizational efficiency
  - ***Investing in Growth while Maintaining Strong Liquidity***
    - As a portion of the overall capital expenditure spend, expect to invest ~$40 million in growth and $15 million of productivity in 2016 compared to ~ $30 million of growth and productivity in 2015
    - Primarily focused on flagship NXT* Silanes expansion, productivity capital and strategic R&D investments
    - Leveraging healthy balance sheet with significant liquidity of $434 million as of Dec. 31, 2015
  - ***Driving Free Cash Flow***
    - Positive free cash flow in FY'15 through global cost control initiatives and aggressive management of net working capital
    - Consistent with 2015, focused on funding investments in growth through operating cash flow

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APPENDICES

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Reconciliation of Non-GAAP Financial Measures

	Quarter Ended December 31,		Year Ended December 31,	
	2015	2014	2015	2014
Segment EBITDA:				
Silicones	$ 47	$ 62	$ 201	$ 257
Quartz	1	6	27	23
Corporate	(7)	(7)	(34)	(42)
Total	$ 41	$ 61	$ 194	$ 238
Reconciliation:				
Items not included in Segment EBITDA:				
Non-cash charges	$ (12)	$ (44)	$ (15)	$ (160)
Unrealized gain (loss) on pension and postretirement benefits	3	(15)	16	(15)
Restructuring and other costs	(19)	(5)	(32)	(25)
Reorganization items, net	—	2,083	(8)	1,969
Total adjustments	(28)	2,019	(39)	1,769
Interest expense, net	(20)	(24)	(79)	(177)
Income tax expense	(2)	(38)	(13)	(36)
Depreciation and amortization	(35)	(32)	(153)	(169)
Gain on extinguishment of debt	7	—	7	—
Net (loss) income	$ (37)	$ 1,986	$ (83)	$ 1,625

(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.

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Debt at December 31, 2015

	2015		2014	
	Long-Term	Due Within One Year	Long-Term	Due Within One Year
Senior Secured Credit Facilities:				
ABL Facility	$ —	$ —	$ —	$ —
Secured Notes:				
3.88% First Lien Notes due 2021 (includes $123 of unamortized debt discount at December 31, 2015)	977	—	960	—
4.69% Second Lien Notes due 2022 (includes $38 of unamortized debt discount at December 31, 2015)	192	—	203	—
8.875% First Lien Notes due 2020	—	—	—	—
10.00% Senior Secured Notes due 2020	—	—	—	—
9.00% Springing Lien Dollar Notes due 2021	—	—	—	—
9.50% Springing Lien Euro Notes due 2021	—	—	—	—
Other Borrowings:				
11.50% Senior Subordinated Notes due 2016 (includes $2 of unamortized debt discount at December 31, 2015)	—	—	—	—
China bank loans at 4.1% and 5.0% at December 31, 2015 and 2014, respectively	—	33	—	32
Other at 2.99% and 6.6% at December 31, 2015 and 2014, respectively	—	3	—	6
Total debt	$ 1,169	$ 36	$ 1,163	$ 38

(1) Momentive Performance Materials Inc. ("MPM") is the issuer of all debt obligations and the secured notes are fully and unconditionally guaranteed by certain subsidiaries of MPM.

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