

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11
	:	
MPM Silicones, LLC, <u>et al.</u> ,	:	Case No. 14-22503 (RDD)
	:	
Debtors.	:	(Jointly Administered)
-----X	:	

**Monthly Operating Report for the Period  
From September 1, 2014 to September 30, 2014**

Debtors' Address: 260 Hudson River Road  
Waterford, NY 12188

Debtors' Attorneys: Willkie Farr & Gallagher LLP  
787 Seventh Avenue  
New York, New York 10019  
Telephone: (212) 728-8000

This Monthly Operating Report ("MOR") has been prepared solely for the purposes of complying with the monthly reporting requirements applicable in these Chapter 11 cases and is in a format that the Debtors believe is acceptable to the United States Trustee. The financial information contained herein is limited in scope and covers a limited time period. Moreover, such information is preliminary and unaudited, and is not prepared in accordance with accounting principles generally accepted in the United States.

I declare under penalty of perjury that this report and the attached documents are true and correct to the best of my knowledge and belief.

/s/ Brian Berger  
Brian Berger  
Interim Chief Financial Officer of  
Momentive Performance Materials Inc. and  
Momentive Performance Materials Holdings Inc.

October 31, 2014



UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

In re MPM Silicones, LLC, et al.,

Case No. (Jointly Administered) 14-22503  
Reporting Period: 9/1/14 - 9/30/14

Federal Tax I.D.# 22-3775481

**CORPORATE MONTHLY OPERATING REPORT**

<b>REQUIRED DOCUMENTS</b>	<b>Form No.</b>	<b>Document Attached</b>	<b>Explanation Attached</b>
Schedule of Cash Receipts	MOR-1a	x	
Schedule of Cash Disbursements	MOR-1b	x	
Bank Account Information	MOR-1c	x	
Copies of bank statements (See Notes to MOR-1c)			x
Cash disbursements journals (See Notes to MOR-1c)			x
Statement of Operations	MOR-2	x	
Balance Sheet	MOR-3	x	
Status of Post-petition Taxes (See Notes to MOR-4a)	MOR-4a	x	x
Copies of IRS Form 6123 or payment receipt (See Notes to MOR-4a)			x
Copies of tax returns filed during reporting period (See Notes to MOR-4a)			x
Summary of Unpaid Post-petition Debts (See Notes to MOR-4b)			x
Listing of Aged Accounts Payable	MOR-4b	x	
Accounts Receivable Aging	MOR-5	x	
Taxes Reconciliation and Aging (See Notes to MOR-4a)			x
Payments to Insiders and Professionals (See Notes to MOR-6)	MOR-6	x	x
Post Petition Status of Secured Notes, Leases Payable (See Notes to MOR-6)			x
Debtor Questionnaire	MOR-7	x	

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Notes to the Monthly Operating Report
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GENERAL:

The report includes activity from the following Debtors and related Case Numbers

Entity Name	Case Number
MPM Silicones, LLC	14-22503-RDD
Juniper Bond Holdings I LLC	14-22504-RDD
Juniper Bond Holdings II LLC	14-22505-RDD
Juniper Bond Holdings III LLC	14-22506-RDD
Juniper Bond Holdings IV LLC	14-22507-RDD
Momentive Performance Materials Holdings Inc.	14-22508-RDD
Momentive Performance Materials Inc.	14-22509-RDD
Momentive Performance Materials Quartz, Inc.	14-22510-RDD
Momentive Performance Materials USA Inc.	14-22511-RDD
Momentive Performance Materials Worldwide Inc.	14-22512-RDD
Momentive Performance Materials South America Inc.	14-22513-RDD
Momentive Performance Materials China SPV Inc.	14-22514-RDD

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Case No. (Jointly Administered) 14-22503  
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Notes to the Monthly Operating Report

**Notes to the MOR:**

On April 13, 2014 (the "Petition Date"), Momentive Performance Materials Holdings Inc. ("Momentive") and eleven of its direct and indirect subsidiaries (collectively, the "Debtors") filed voluntary petitions for relief (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). The Debtors' Chapter 11 Cases are being jointly administered under the caption "In re: MPM Silicones, LLC., et al. (Case No. 14-22503-RDD)." Momentive's other subsidiaries and affiliates (the "Non-Debtors") were not included in the bankruptcy filing.

On September 11, 2014, the Bankruptcy Court entered an order (the "Confirmation Order") [Docket No. 1001] confirming the Debtors' Joint Plan of Reorganization for Momentive Performance Materials Inc. and Its Affiliated Debtors (as the same may be amended, modified and/or supplemented, the "Plan"). On October 24, 2014 (the "Effective Date") the Debtors consummated their reorganization under the Bankruptcy Code and the Plan became effective. The distributions of securities under the Plan of the Debtors were made on the Effective Date.

Additional information about the Chapter 11 Cases, court filings and claims information is available on the internet at [www.momentive.com/MPMRestructuring/](http://www.momentive.com/MPMRestructuring/).

**General Notes to MOR-1a and 1b:**

Cash is received and disbursed by the Debtors as described in the Debtors' motion to approve continued use of their cash management system (which motion was granted on an interim and final basis pursuant to orders entered by the Bankruptcy Court on April 15, 2014 and May 16, 2014, respectively) and is consistent with the Debtors' historical cash management practices. Copies of bank statements and cash disbursement journals will be provided upon reasonable request in writing to counsel for the Debtors.

**Notes to MOR-1a:**

Cash receipts related to intercompany transfers among the Debtors are deducted from Total Cash Receipts. Intercompany Transfers on MOR-1a and MOR-1b offset and net to zero.

**Notes to MOR-1b:**

Cash disbursements related to intercompany transfers among the Debtors are deducted from Total Cash Disbursements. Intercompany Transfers on MOR-1a and MOR-1b offset and net to zero.

**Notes to MOR-1c:**

All amounts listed are the Bank Balances as of the end of the month.

Copies of the bank statements and cash disbursement journals were not included with the MOR due to the voluminous nature of these reports and can be provided upon reasonable request in writing to counsel for the Debtors.

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**Notes to MOR-2 and MOR-3:**

This MOR has been prepared on a consolidated basis for the Debtors. The financial information contained herein is unaudited, limited in scope, covers a limited time period, and has been prepared solely for the purpose of complying with the monthly reporting requirements for Chapter 11 debtors as required by the Bankruptcy Court and is in a format acceptable to the United States Trustee for the Southern District of New York (the "U.S. Trustee").

As discussed below, this MOR is not prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and does not include all of the information and footnotes required by U.S. GAAP. Therefore, there can be no assurance that the consolidated financial information presented herein is complete, and readers are strongly cautioned not to place undue reliance on the MOR.

The unaudited financial statements have been derived from the books and records of the Debtors. The information furnished in this report includes primarily normal recurring adjustments, but does not include all the adjustments that would typically be made for the quarterly and annual consolidated financial statements to be in accordance with U.S. GAAP. Certain adjusting entries which are made on a quarterly basis (including, but not limited to, income taxes) were not yet prepared at the time of filing this MOR; therefore, such adjustments included herein are based on information as of June 30, 2014. No entry for the equity interest in earnings of unconsolidated entities is included in these financial statements. Furthermore, the monthly financial information contained herein has not been subjected to the same level of accounting review and testing that the Debtors apply in the preparation of their quarterly and annual consolidated financial information in accordance with U.S. GAAP. Accordingly, upon the application of such procedures, the Debtors believe that the financial information may be subject to change, and these changes could be material. Any changes to prior period balances are reflected in the current month's MOR.

The results of operations contained herein are not necessarily indicative of results that may be expected from any other period or for the full year and may not necessarily reflect the consolidated results of operations, financial position and cash flows of the Debtors in the future.

Intercompany transactions between Debtors have been eliminated in the financial statements contained herein. Intercompany transactions with the Debtors' Non-Debtor subsidiaries and affiliates have not been eliminated in the financial statements and are reflected in affiliate receivables, loans, interest and payables. Net sales include \$23 million of sales to Non-Debtor subsidiaries.

As a result of the Chapter 11 Cases, the payment of prepetition indebtedness is subject to compromise or other treatment under a plan of reorganization. Generally, actions to enforce or otherwise effect payment of pre-Chapter 11 liabilities are stayed. Although prepetition claims are generally stayed, at hearings held on April 14, 2014 and May 15, 2014, the Bankruptcy Court granted interim and/or final approval of the Debtors' "first day" motions generally designed to stabilize the Debtors' operations. The Debtors received Bankruptcy Court approval to pay or otherwise honor certain prepetition obligations such as certain employee wages and benefits, certain taxes and fees, customer obligations, obligations to logistics providers and prepetition amounts owed to certain critical vendors.

The Debtors have been and intend to continue to pay undisputed post-petition claims in the ordinary course of business for goods and services received after the Petition Date. In addition, the Debtors may reject prepetition executory contracts and unexpired leases with respect to the Debtors' operations, with the approval of the Bankruptcy Court. Any damages resulting from rejection of executory contracts and unexpired leases are treated as general unsecured claims and will be classified as liabilities subject to compromise. The Debtors have notified all known claimants subject to the bar date

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of their need to file a proof of claim with the Bankruptcy Court. The bar date is the date by which claims against the Debtors must be filed if the claimants wish to receive any distribution in the Chapter 11 Cases. The Court has entered an order establishing July 17, 2014 as the bar date for non-governmental entities, and October 10, 2014 as the bar date for governmental entities. Differences between liability amounts estimated by the Debtors and claims filed by creditors are being investigated and, if necessary, the Bankruptcy Court will make a final determination of the allowable claim. The amounts currently classified as liabilities subject to compromise may be subject to future adjustments depending on Bankruptcy Court actions, further developments with respect to disputed claims, determinations of the secured status of certain claims, the value of any collateral securing such claims, or other events.

Liabilities subject to compromise at September 30, 2014 consisted of the following (\$000's):

Accounts payable	\$	64,846
Debt		2,607,008
Affiliated debt		61,148
Interest payable		47,104
Pension and post employment benefit obligations		163,703
Other		25,104
	\$	<u>2,968,913</u>

Other primarily includes accrued liabilities for incentive compensation, environmental and legal items.

For the reasons discussed above, the Debtors caution readers not to place undue reliance upon information contained in this MOR. For further information, refer to the consolidated financial statements and footnotes included in the Momentive Performance Materials Inc. Annual Report on Form 10-K for the year ended December 31, 2013 and the Quarterly Reports on Form 10-Q for the quarters ended March 31, 2014 and June 30, 2014, as filed with the United States Securities and Exchange Commission. Momentive Performance Materials Holdings Inc. is the sole shareholder of Momentive Performance Materials Inc., but is not included in the consolidated financial statements of Momentive Performance Materials Inc. included on Forms 10-K or 10-Q.

No assurance can be given as to the value, if any, that may be ascribed to the Debtors' various prepetition liabilities and other securities. Accordingly, the Debtors urge that caution be exercised with respect to existing and future investments in any of these securities or claims against the Debtors.

***Debtor-in-Possession Financing***

**DIP ABL Facility**

In connection with the Chapter 11 Cases, certain Debtors and Non-Debtors (collectively, the "Borrowers") entered into an amended and restated senior secured debtor-in-possession and exit asset-based revolving credit agreement (the "DIP ABL Facility"), which amends and restates the Borrowers' existing asset-based revolving loan facility (the "ABL Facility").

The DIP ABL Facility has a 12 month term unless, prior to the end of such 12 month period, a reorganization plan is confirmed pursuant to an order entered by the Bankruptcy Court and subsequently consummated, in which case, the DIP ABL Facility will terminate on the date of such consummation, unless the Borrowers exercise their option to convert the DIP ABL Facility into an exit asset-based revolving facility (the "Exit ABL Facility"), in which case, upon the effectiveness of the Exit ABL Facility, the term will be five years after such effective date. The maximum availability under the DIP ABL

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Facility is \$270 million. The DIP ABL Facility is also subject to a borrowing base that is based on a specified percentage of eligible accounts receivable and inventory and, in certain foreign jurisdictions, machinery and equipment.

The DIP ABL Facility bears interest based on, at the Borrowers' option, an adjusted LIBOR rate plus an applicable margin of 2.75% or an alternate base rate plus an applicable margin of 1.75%. In addition to paying interest on outstanding principal under the DIP ABL Facility, the Borrowers will be required to pay a commitment fee to the lenders in respect of the unutilized commitments at an initial rate equal to 0.375% per annum, subject to adjustment depending on the usage. The DIP ABL Facility has a minimum EBITDA covenant calculated on a cumulative basis beginning with May 1, 2014 and tested monthly commencing as of August 31, 2014 and a minimum liquidity covenant of \$50 million tested at the close of each business day. As of August 31, 2014, the Company was in compliance with this minimum liquidity covenant. The Exit ABL Facility will not have any financial maintenance covenants, other than a minimum fixed charge coverage ratio of 1.0 to 1.0 that would only apply if availability is less than the greater of (a) 12.5% of the lesser of the borrowing base and the total Exit ABL Facility commitments at such time and (b) \$27 million. The fixed charge coverage ratio under the agreement governing the Exit ABL Facility is defined as the ratio of (a) Adjusted EBITDA minus non-financed capital expenditures and cash taxes to (b) debt service plus cash interest expense plus certain restricted payments, each measured on a last twelve months basis.

The DIP ABL Facility is secured by, among other things, first-priority liens on most of the inventory and accounts receivable and related assets of the Borrowers, their domestic subsidiaries and certain of their foreign subsidiaries, and, in the case of certain foreign subsidiaries, machinery and equipment (the "DIP ABL Priority Collateral"), and second-priority liens on certain collateral that generally includes most of the Borrowers', their domestic subsidiaries' and certain of their foreign subsidiaries' assets other than DIP ABL Priority Collateral (the "DIP Term Loan Priority Collateral"), in each case subject to certain exceptions and permitted liens.

**DIP Term Loan Facility**

In connection with the Chapter 11 Cases, the Borrowers entered into a senior secured debtor-in-possession term loan agreement, as amended (the "DIP Term Loan Facility") (collectively with the DIP ABL Facility, the "DIP Facilities"). The DIP Term Loan Facility was used in part to repay in full the outstanding obligations under the Borrowers' existing ABL Facility.

The DIP Term Loan Facility has a 12 month term unless, prior to the end of such 12 month period, a reorganization plan is confirmed pursuant to an order entered by the Bankruptcy Court and subsequently consummated, in which case, the DIP Term Loan Facility will terminate on the date of such consummation. The amount committed and made available under the DIP Term Loan Facility is \$300 million. The DIP Term Loan Facility bears interest based on, at the Borrowers option, an adjusted LIBOR rate plus an applicable margin of 3.25% or an alternate base rate plus an applicable margin of 2.25%.

Similar to the DIP ABL Facility, the DIP Term Loan Facility has a minimum EBITDA covenant calculated on a cumulative basis beginning with May 1, 2014 and tested monthly commencing as of August 31, 2014 and a minimum liquidity covenant of \$50 million tested at the close of each business day.

The security arrangements for the DIP Term Loan Facility include first-priority liens on the DIP Term Loan Priority Collateral owned by the Borrowers and their domestic subsidiaries and second-priority liens on the DIP ABL Priority Collateral owned by the Borrowers and their domestic subsidiaries, which are junior to the DIP ABL Facility, in each case subject to certain exceptions and permitted liens.

The Borrowers have received authorization from the Bankruptcy Court to access the full \$570 million DIP Facilities.

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**Notes to MOR-4a:**

For status of post-petition tax payments, see disclosures as noted on MOR-4a. Due to the level of detailed records, (i) copies of IRS Form 6123 or payment receipts; (ii) copies of tax returns filed during the reporting period; and (iii) a taxes aging schedule will be made available upon reasonable request in writing to counsel for the Debtors.

**Notes to MOR-4b:**

The Debtors maintain a detailed aging of post-petition Trade Accounts Payable which includes post-petition trade payables to affiliates. The post-petition Trade Payable aging is from April 13, 2014 through September 30, 2014. The Trade Payable Aging represents invoices received and Other includes liabilities we recognize, but for which an invoice has not yet been received. The Other balances are by their nature current.

The Debtors believe that the information as disclosed in MOR-4b appropriately summarizes the ending accounts payable balances of the Debtors. Due to the volume of transactions related to vendor payments, the accounts payable reconciliation is not presented by vendor. Information by vendor will be provided upon reasonable request in writing to counsel for the Debtors.

Post-petition trade accounts payable related to professional fees and success fees which will be paid upon the Debtors' emergence from Chapter 11 and/or Court approval have been classified as current. The Debtors believe they are current on all post-petition payments other than disputes that arise in the ordinary course of business.

**Notes to MOR-5:**

The Debtors maintain an aging of Trade Accounts Receivable which includes trade activity with affiliates. The total per the aging on MOR 5 is adjusted for an Allowance for Doubtful Accounts to determine the Net Trade Receivables balance.

The Debtors believe that the information as disclosed in MOR-5 appropriately summarizes the ending accounts receivable of the Debtors. Detail of customer activity is not being provided due to confidentiality.

**Notes to MOR-6:**

Payments to insiders exclude intercompany payments and payments to directors and officers.

Professional fees to be disclosed in this Report do not include payments to professionals or consultants in the ordinary course of business.

The Debtors have received permission from the Bankruptcy Court to access the entire amount of the \$570 million DIP Facilities. The Debtors had drawn \$300 million and issued letters of credit totaling \$74 million under the DIP Facilities as of September 30, 2014.



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Schedule of Cash Receipts
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**TIME PERIOD: 9/01/2014 through 9/30/2014**

Debtor	Case Number	Total Cash Receipts	Transfers*	Net Cash Receipts
MPM Silicones, LLC	14-22503-RDD	\$ —	\$ —	\$ —
Juniper Bond Holdings I LLC	14-22504-RDD	\$ 1,000	\$ (1,000)	\$ —
Juniper Bond Holdings II LLC	14-22505-RDD	\$ —	\$ —	\$ —
Juniper Bond Holdings III LLC	14-22506-RDD	\$ —	\$ —	\$ —
Juniper Bond Holdings IV LLC	14-22507-RDD	\$ —	\$ —	\$ —
Momentive Performance Materials Holdings Inc.	14-22508-RDD	\$ —	\$ —	\$ —
Momentive Performance Materials Inc.	14-22509-RDD	\$ 118,036,090	\$ (118,036,090)	\$ —
Momentive Performance Materials Quartz, Inc.	14-22510-RDD	\$ 26,961,550	\$ (13,231,051)	\$ 13,730,499
Momentive Performance Materials USA Inc.	14-22511-RDD	\$ 270,604,663	\$ (161,759,754)	\$ 108,844,909
Momentive Performance Materials Worldwide Inc.	14-22512-RDD	\$ —	\$ —	\$ —
Momentive Performance Materials South America Inc.	14-22513-RDD	\$ 19,360	\$ (19,360)	\$ —
Momentive Performance Materials China SPV Inc.	14-22514-RDD	\$ —	\$ —	\$ —
<b>Total</b>		<b>\$ 415,622,663</b>	<b>\$ (293,047,255)</b>	<b>\$ 122,575,408</b>

\* Funds transferred between US debtors have been deducted from the receipts schedule

In re MPM Silicones, LLC, et al.,

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Schedule of Cash Disbursements

**TIME PERIOD: 9/01/2014 through 9/30/2014**

Debtor	Case Number	Total Cash Disbursements	Transfers*	Net Cash Disbursements
MPM Silicones, LLC	14-22503-RDD	\$ —	\$ —	\$ —
Juniper Bond Holdings I LLC	14-22504-RDD	\$ 538	\$ —	\$ 538
Juniper Bond Holdings II LLC	14-22505-RDD	\$ —	\$ —	\$ —
Juniper Bond Holdings III LLC	14-22506-RDD	\$ 270	\$ —	\$ 270
Juniper Bond Holdings IV LLC	14-22507-RDD	\$ 269	\$ —	\$ 269
Momentive Performance Materials Holdings Inc.	14-22508-RDD	\$ —	\$ —	\$ —
Momentive Performance Materials Inc.	14-22509-RDD	\$ 115,152,426	\$ (114,182,740)	\$ 969,686
Momentive Performance Materials Quartz, Inc.	14-22510-RDD	\$ 27,764,228	\$ (13,207,584)	\$ 14,556,644
Momentive Performance Materials USA Inc.	14-22511-RDD	\$ 271,135,309	\$ (165,656,931)	\$ 105,478,378
Momentive Performance Materials Worldwide Inc.	14-22512-RDD	\$ —	\$ —	\$ —
Momentive Performance Materials South America Inc.	14-22513-RDD	\$ 23,816	\$ —	\$ 23,816
Momentive Performance Materials China SPV Inc.	14-22514-RDD	\$ —	\$ —	\$ —
	<b>Total</b>	<b>\$ 414,076,856</b>	<b>\$ (293,047,255)</b>	<b>\$ 121,029,601</b>

\* Funds transferred between US debtors have been deducted from the disbursements schedule

In re MPM Silicones, LLC, et al.,

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Reporting Period: 9/1/14 - 9/30/14

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Bank Account Information
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**TIME PERIOD: As of 9/30/2014**

Legal Entity	Bank	Bank Acct#	Bank Balance (1)
Juniper Bond Holdings I LLC	Bank of America	XXXXXX-9021	\$ 947
Juniper Bond Holdings II LLC	Bank of America	XXXXXX-9034	\$ 3,090
Juniper Bond Holdings III LLC	Bank of America	XXXXXX-9050	\$ 413
Juniper Bond Holdings IV LLC	Bank of America	XXXXXX-9063	\$ 479
Momentive Performance Materials Holdings Inc.	Bank of America	XXXXXX-6249	\$ 8,937,751
Momentive Performance Materials Holdings Inc.	Bank of America	XXXXXX-926	\$ —
Momentive Performance Materials Inc.	Bank of America	XXXXXX-3028	\$ 7,070,772
Momentive Performance Materials Inc.	Bank of America	XXXXXX-3013	\$ 15,721
Momentive Performance Materials Inc.	Bank of America	XXXXXX-611	\$ —
Momentive Performance Materials Quartz, Inc.	Bank of America	XXXXXX-2217	\$ 407,787
Momentive Performance Materials Quartz, Inc.	Bank of America	XXXXXX-3329	\$ 477,906
Momentive Performance Materials Quartz, Inc.	Bank of America	XXXXXX-7680	\$ —
Momentive Performance Materials Quartz, Inc.	Bank of America	XXXXXX-5139	\$ 88,360
Momentive Performance Materials Quartz, Inc.	Bank of America	XXXXXX-9527	\$ —
Momentive Performance Materials USA Inc.	Fifth Third Bank	XXXXXX-8762	\$ 470,249
Momentive Performance Materials USA Inc.	Bank of America	XXXXXX-3717	\$ 828,499
Momentive Performance Materials USA Inc.	Bank of America	XXXXXX-6151	\$ 18,404
Momentive Performance Materials USA Inc.	Bank of America	XXXXXX-7168	\$ —
Momentive Performance Materials USA Inc.	Bank of America	XXXXXX-7419	\$ 437,129
Momentive Performance Materials USA Inc.	Bank of America	XXXXXX-1012	\$ 102,616
Momentive Performance Materials USA Inc.	Bank of America	XXXXXX-5071	\$ 45,043
Momentive Performance Materials USA Inc.	Bank of America	XXXXXX-5089	\$ 1,688
Momentive Performance Materials USA Inc.	Bank of America	XXXXXX-7344	\$ 6,722
Momentive Performance Materials USA Inc.	PNC	XXXXXX-8926	\$ 1,572,321
Momentive Performance Materials USA Inc.	Bank of America	XXXXXX-7205	\$ 2,077,261
Momentive Performance Materials Worldwide Inc.	Bank of America	XXXXXX-3031	\$ 255,352
Momentive Performance Materials South America Inc.	Banco Intesa	XXXXXX-6940	\$ 12,521
Momentive Performance Materials South America Inc.	Banco ITAU	XXXXXX-1005	\$ 12,070
Momentive Performance Materials South America Inc.	BICE	XXXXXX-11-6	\$ 551

(1) Bank Balance may differ from Book Balance due to items in-transit and other timing items

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Statement of Operations - Month Ended September 30, 2014 (\$000's)

	<b>Consolidated Debtors [1]</b>
Net sales	\$ 97,674
Costs and expenses:	
Cost of sales, excluding depreciation	(65,030)
Selling, general and administrative expense	(61,822)
Depreciation and amortization expense	(5,623)
Operating loss	<u>(34,801)</u>
Other expense:	
Interest expense, net	(2,073)
Reorganization items, net	(29,762)
Loss before income taxes	<u>(66,636)</u>
Income tax benefit	108
Net loss from Debtor entities	<u><u>\$ (66,528)</u></u>

[1] The last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) Juniper Bond Holdings I LLC (9631); (ii) Juniper Bond Holdings II LLC (9692); (iii) Juniper Bond Holdings III LLC (9765); (iv) Juniper Bond Holdings IV LLC (9836); (v) Momentive Performance Materials China SPV Inc. (8469); (vi) Momentive Performance Materials Holdings Inc. (8426); (vii) Momentive Performance Materials Inc. (8297); (viii) Momentive Performance Materials Quartz, Inc. (9929); (ix) Momentive Performance Materials South America Inc. (4895); (x) Momentive Performance Materials USA Inc. (8388); (xi) Momentive Performance Materials Worldwide Inc. (8357); and (xii) MPM Silicones, LLC (5481). The Debtors' executive headquarters are located at 260 Hudson River Road, Waterford, NY 12188.

The accompanying notes are an integral part of the financial statements.

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Balance Sheet - As of September 30, 2014 (\$000's)

	<b>Consolidated Debtors [1]</b>
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 21,653
Accounts receivable	104,027
Due from affiliates	78,173
Inventories	203,068
Other current assets	37,040
<b>Total current assets</b>	<u>443,961</u>
Other long-term assets	7,310
Loans receivable from affiliates	1,630,017
Property and equipment, net	420,242
Goodwill	16,790
Other intangible assets, net	74,369
<b>Total assets</b>	<u>\$ 2,592,689</u>
<b>LIABILITIES AND SHAREHOLDER'S DEFICIT</b>	
<b>Current liabilities</b>	
Accounts payable	\$ 95,674
Due to affiliates	30,980
Debt payable within one year	1,706,562
Other current liabilities	50,732
Interest payable	58,998
Accrued payroll and incentive compensation	18,883
<b>Total current liabilities</b>	<u>1,961,829</u>
<b>Long-term liabilities</b>	
Intercompany loans payable	7,000
Accumulated losses from unconsolidated subsidiaries in excess of investment	300,555
Other long-term liabilities	825
Liabilities subject to compromise	2,968,913
<b>Total liabilities</b>	<u>5,239,122</u>
<b>Total deficit</b>	<u>(2,646,433)</u>
<b>Total liabilities and shareholder's deficit</b>	<u>\$ 2,592,689</u>

[1] The last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) Juniper Bond Holdings I LLC (9631); (ii) Juniper Bond Holdings II LLC (9692); (iii) Juniper Bond Holdings III LLC (9765); (iv) Juniper Bond Holdings IV LLC (9836); (v) Momentive Performance Materials China SPV Inc. (8469); (vi) Momentive Performance Materials Holdings Inc. (8426); (vii) Momentive Performance Materials Inc. (8297); (viii) Momentive Performance Materials Quartz, Inc. (9929); (ix) Momentive Performance Materials South America Inc. (4895); (x) Momentive Performance Materials USA Inc. (8388); (xi) Momentive Performance Materials Worldwide Inc. (8357); and (xii) MPM Silicones, LLC (5481). The Debtors' executive headquarters are located at 260 Hudson River Road, Waterford, NY 12188.

The accompanying notes are an integral part of the financial statements.

In re MPM Silicones, LLC, et al.,

Case No. (Jointly Administered) 14-22503  
Reporting Period: 9/1/14 - 9/30/14

Federal Tax I.D.# 22-3775481

Status of Post-Petition Taxes

October 31, 2014

Office of the United States Trustee

Subject: September Monthly Operating Report Attestation Regarding Post-petition Taxes

The Debtor, MPM Silicones, LLC. and its affiliated Debtors, hereby submit this attestation regarding post-petition taxes.

All post-petition taxes for the debtors, which are not subject to dispute or reconciliation, are current. There are no material tax disputes or reconciliations.

/s/ Brian Berger

Brian Berger  
Interim Chief Financial Officer of  
Momentive Performance Materials Inc. and  
Momentive Performance Materials Holdings Inc.

October 31, 2014

In re MPM Silicones, LLC, et al.,

Case No. (Jointly Administered) 14-22503  
Reporting Period: 9/1/14 - 9/30/14

Federal Tax I.D.# 22-3775481

Post-Petition Accounts Payable Aging

**MPM Silicones, LLC, et al.,[1]**  
**Trade Payables**  
**September 30, 2014**

	<b>Total</b>	<b>Current</b>	<b>Past Due</b>			
			<b>1-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91+ Days</b>
Trade Payables Aging	\$63,808,037	\$60,297,697	\$ 1,297,970	\$ 1,426,244	\$ 786,126	\$ —
Other	31,865,884	31,865,884	—	—	—	—
<b>Total Post-Petition Trade Payables</b>	<b>\$95,673,921</b>	<b>\$92,163,581</b>	<b>\$ 1,297,970</b>	<b>\$ 1,426,244</b>	<b>\$ 786,126</b>	<b>\$ —</b>

[1] The last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) Juniper Bond Holdings I LLC (9631); (ii) Juniper Bond Holdings II LLC (9692); (iii) Juniper Bond Holdings III LLC (9765); (iv) Juniper Bond Holdings IV LLC (9836); (v) Momentive Performance Materials China SPV Inc. (8469); (vi) Momentive Performance Materials Holdings Inc. (8426); (vii) Momentive Performance Materials Inc. (8297); (viii) Momentive Performance Materials Quartz, Inc. (9929); (ix) Momentive Performance Materials South America Inc. (4895); (x) Momentive Performance Materials USA Inc. (8388); (xi) Momentive Performance Materials Worldwide Inc. (8357); and (xii) MPM Silicones, LLC (5481). The Debtors' executive headquarters are located at 260 Hudson River Road, Waterford, NY 12188.

In re MPM Silicones, LLC, et al.,

Case No. (Jointly Administered) 14-22503  
Reporting Period: 9/1/14 - 9/30/14

Federal Tax I.D.# 22-3775481

Accounts Receivables Aging

**MPM Silicones, LLC, et al.,[1]**

**Trade Receivables**

**September 30, 2014**

	<b>Total</b>	<b>Current</b>	<b>Past Due</b>			
			<b>1-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91+ Days</b>
Trade Receivables Aging	\$ 105,740,321	\$ 96,711,409	\$ 6,493,477	\$ 472,790	\$ 520,740	\$ 1,541,905
Allowance for Doubtful Accounts	(1,712,834)					
Net Trade Receivables	<u>\$ 104,027,487</u>					

[1] The last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) Juniper Bond Holdings I LLC (9631); (ii) Juniper Bond Holdings II LLC (9692); (iii) Juniper Bond Holdings III LLC (9765); (iv) Juniper Bond Holdings IV LLC (9836); (v) Momentive Performance Materials China SPV Inc. (8469); (vi) Momentive Performance Materials Holdings Inc. (8426); (vii) Momentive Performance Materials Inc. (8297); (viii) Momentive Performance Materials Quartz, Inc. (9929); (ix) Momentive Performance Materials South America Inc. (4895); (x) Momentive Performance Materials USA Inc. (8388); (xi) Momentive Performance Materials Worldwide Inc. (8357); and (xii) MPM Silicones, LLC (5481). The Debtors' executive headquarters are located at 260 Hudson River Road, Waterford, NY 12188.



In re MPM Silicones, LLC, et al.,

Case No. (Jointly Administered) 14-22503  
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Federal Tax I.D.# 22-3775481

Payments to Insiders and Professionals

Full Firm Name	September
Willkie Farr & Gallagher LLP	\$ 1,776,824
Akin Gump Strauss Hauer & Feld LLP	1,124,577
Dechert	1,087,991
Alix Partners LLP	814,039
Kurtzman Carson Consultants	753,874
Houlihan Lokey, Inc.	303,599
Klee, Tuchin, Bogdanoff & Stern LLP	282,455
FTI Consulting	191,577
Moelis & Company	133,323
Jeffries, LLC	123,554
Paul, Weiss, Rifkind, Wharton & Garrison LLP	75,067
	<u>\$ 6,666,880</u>

In re MPM Silicones, LLC, et al.,

Case No. (Jointly Administered) 14-22503  
Reporting Period: 9/1/14 - 9/30/14

Federal Tax I.D.# 22-3775481

Debtor Questionnaire

<b>Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.</b>			
	<b>Yes</b>	<b>No</b>	<b>Explanation</b>
1		X	
2		X	
3		X	
4		X	
5		X	
6	X		Payments made only per motions approved by the court.
7	X		Normal course of business.
8		X	
9		X	
10		X	
11		X	
12	X		Payments made only per motions approved by the court.
13		X	Other than ordinary course disputes.
14		X	
15	X		Debtor-in-possession financing approved by the court.
16		X	
17		X	
18		X	