

CHEMICAL & MINING CO OF CHILE INC  
Form 6-K  
September 22, 2011

UNITED STATES OF AMERICA  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER  
PURSUANT TO RULE 13A-16 OR 15D-16  
OF THE SECURITIES AND EXCHANGE ACT OF 1934

Includes financial statements and their related notes for the six-month period ended June 30, 2011 filed by Sociedad Química y Minera de Chile S.A. before the Superintendencia de Valores y Seguros de Chile on August 30, 2011.

SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.  
(Exact name of registrant as specified in its charter)

CHEMICAL AND MINING COMPANY OF CHILE INC.  
(Translation of registrant's name into English)

El Trovador 4285, Santiago, Chile (562) 425-2000  
(Address and phone number of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F

Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):  
82\_\_\_\_\_

On August 30, 2011, the Registrant filed with the Superintendencia de Valores y Seguros of Chile (the "SVS") a report that included information as to the Registrant's consolidated financial condition and results of operations for the six-month period ended June 30, 2011. Attached is a summary of such consolidated financial information included in the summary and in the report filed with the Superintendencia de Valores y Seguros of Chile. This financial information was prepared on the basis of International Financial Reporting Standards ("IFRS").

THIS REPORT IS AN ENGLISH TRANSLATION OF, AND AN INTERNATIONAL FINANCIAL REPORTING STANDARDS PRESENTATION OF, THE SIX-MONTH PERIOD ENDED JUNE 30, 2011 REPORT FILED WITH THE SUPERINTENDENCIA DE VALORES Y SEGUROS (SVS) IN CHILE, AND UNLESS OTHERWISE INDICATED, FIGURES ARE IN US DOLLARS.



INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the period ended

As of June 30, 2011

SOCIEDAD QUIMICA Y MINERA DE CHILE S.A. and SUBSIDIARIES

Thousands of U.S. dollars

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This document is composed of:

- Consolidated Classified Statement of Financial Position
  - Interim Consolidated Statement of Comprehensive Income by function.
  - Interim Consolidated Statement of Comprehensive Income
  - Interim Consolidated Statement of Cash Flows
  - Interim Statements of Changes in Net Shareholders' Equity
  - Explanatory Notes to the Interim Consolidated Financial Statements
-

## Sociedad Química y Minera de Chile S.A. and Subsidiaries

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## Sociedad Química y Minera de Chile S.A. and Subsidiaries

## CONSOLIDATED CLASSIFIED STATEMENTS OF FINANCIAL POSITION

|  | Note<br>N° | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|--|------------|----------------------|----------------------|
| <b>ASSETS</b>  |            |                      |                      |
| <b>Current assets</b>  |            |                      |                      |
| Cash and cash equivalents  | 5.1        | 474,911              | 524,652              |
| Other current financial assets   | 8.1        | 127,002              | 76,178               |
| Other non-financial current assets   | 25         | 36,460               | 44,442               |
| Trade and other accounts receivable, current                                 | 8.2        | 425,798              | 375,945              |
| Trade and other accounts receivable due from related parties, current        | 7.6        | 51,950               | 36,172               |
| Inventory  | 6.0        | 637,085              | 605,101              |
| Current tax assets   | 28.1       | 19,422               | 32,773               |
| <b>Total current assets</b>  |            | <b>1,772,628</b>     | <b>1,695,263</b>     |
| <b>Non-current assets</b>  |            |                      |                      |
| Other non-current financial assets   | 8.1        | 94,671               | 92,674               |
| Other non-financial assets, non-current                                      | 25         | 22,276               | 24,157               |
| Non-current rights receivable  | 8.2        | 1,001                | 1,102                |
| Trade and other accounts receivable due from related parties,<br>non-current |            | -                    | -                    |
| Investments accounted for using the equity method                            | 10.0       | 67,800               | 62,271               |
| Intangible assets other than goodwill  | 12.1       | 4,069                | 3,270                |
| Goodwill   | 12.1       | 38,388               | 38,388               |
| Property, plant and equipment  | 13.1       | 1,592,009            | 1,453,973            |
| Investment property  | 13.4       | 1,357                | 1,373                |
| Deferred tax assets  | 28.4       | 287                  | 365                  |
| <b>Total non-current assets</b>  |            | <b>1,821,858</b>     | <b>1,677,573</b>     |
| <b>Total assets</b>  |            | <b>3,594,486</b>     | <b>3,372,836</b>     |

The accompanying notes form an integral part of these consolidated financial statements.

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## Sociedad Química y Minera de Chile S.A. and Subsidiaries

## CONSOLIDATED CLASSIFIED STATEMENTS OF FINANCIAL POSITION (continued)

|  | Note<br>N° | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|--|------------|----------------------|----------------------|
| <b>LIABILITIES AND EQUITY</b>                          |            |                      |                      |
| <b>Liabilities</b>                                     |            |                      |                      |
| <b>Current Liabilities</b>                             |            |                      |                      |
| Other current financial liabilities                    | 8.4        | 209,363              | 187,555              |
| Trade and other accounts payable                       | 8.5        | 173,592              | 152,147              |
| Trade accounts payable due to related parties, current | 7.7        | 2,278                | 3,538                |
| Other current provisions                               | 18.1       | 12,855               | 15,014               |
| Current tax liabilities                                | 28.2       | 29,261               | 7,113                |
| Current accrual for employee benefits                  | 15.1       | 17,041               | 44,011               |
| Other non-financial liabilities, current               | 18.3       | 76,098               | 67,459               |
| <b>Total current liabilities</b>                       |            | <b>520,488</b>       | <b>476,837</b>       |
| <b>Non-current liabilities</b>                         |            |                      |                      |
| Other non-current financial liabilities                | 8.4        | 1,094,689            | 1,090,188            |
| Other non-current accounts payable                     | 8.5        | -                    | -                    |
| Other long-term accrued expenses                       | 18.2       | 6,500                | 5,500                |
| Deferred tax liabilities                               | 28.4       | 106,394              | 100,781              |
| Non-current accruals for employee benefits             | 15.1       | 30,411               | 28,710               |
| <b>Total non-current liabilities</b>                   |            | <b>1,237,994</b>     | <b>1,225,179</b>     |
| <b>Total liabilities</b>                               |            | <b>1,758,482</b>     | <b>1,702,016</b>     |
| <b>Equity</b>  |            |                      |                      |
|  | 17         |                      |                      |
| Issued capital   |            | 477,386              | 477,386              |
| Retained earnings                                      |            | 1,322,322            | 1,155,131            |
| Other reserves   |            | (12,947 )            | (9,713 )             |
| <b>Equity attributable to owners of the parent</b>     |            | <b>1,786,761</b>     | <b>1,622,804</b>     |
| Non-controlling interest                               |            | 49,243               | 48,016               |
| <b>Total equity</b>                                    |            | <b>1,836,004</b>     | <b>1,670,820</b>     |
| <b>Total liabilities and equity</b>                    |            | <b>3,594,486</b>     | <b>3,372,836</b>     |

The accompanying notes form an integral part of these consolidated financial statements.

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## Sociedad Química y Minera de Chile S.A. and Subsidiaries

## CONSOLIDATED STATEMENTS OF INCOME BY FUNCTION

|   | Note | January to June |                | April to June  |                |
|---|------|-----------------|----------------|----------------|----------------|
|   | N°   | 2011<br>ThUS\$  | 2010<br>ThUS\$ | 2011<br>ThUS\$ | 2010<br>ThUS\$ |
| Sales   | 20   | 1,031,700       | 865,267        | 551,665        | 476,745        |
| Cost of sales   |      | (634,520 )      | (562,066 )     | (342,090 )     | (305,042 )     |
| Gross profit  |      | 397,180         | 303,201        | 209,575        | 171,703        |
| Other income by function  | 27   | 5,377           | 3,660          | 2,041          | 2,035          |
| Administrative expenses   |      | (43,148 )       | (36,067 )      | (22,580 )      | (18,292 )      |
| Other expenses by function  | 27   | (26,863 )       | (9,911 )       | (11,898 )      | (4,867 )       |
| Other gains (losses)  | 27   | 4,712           | (6,569 )       | 4,821          | 576            |
| Interest income   |      | 11,492          | 2,854          | 5,835          | 559            |
| Finance expenses  | 22   | (22,618 )       | (17,907 )      | (11,991 )      | (10,096 )      |
| Equity in income of associates and joint ventures accounted for using the equity method |      | 10,039          | 4,999          | 6,382          | 1,940          |
| Foreign currency transactions   | 23   | (7,141 )        | (5,352 )       | (4,242 )       | (2,217 )       |
| Income before income tax  |      | 329,030         | 238,908        | 177,943        | 141,341        |
| Income tax expense  | 28.4 | (83,393 )       | (56,028 )      | (44,437 )      | (35,332 )      |
| Net income  |      | 245,637         | 182,880        | 133,506        | 106,009        |
| Net income (loss) attributable to:  |      |                 |                |                |                |
| Equity holders of the parent  |      | 243,616         | 181,522        | 132,221        | 105,029        |
| Non-controlling interests   |      | 2,021           | 1,358          | 1,285          | 980            |
| Net income for the year   |      | 245,637         | 182,880        | 133,506        | 106,009        |
| Earnings per share Common shares  |      |                 |                |                |                |
| Basic earnings per share (US\$ per share)   | 21   | 0.9256          | 0.6897         | 0.5024         | 0.3991         |

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## Sociedad Química y Minera de Chile S.A. and Subsidiaries

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| Statement of comprehensive income  | January to June |                | April to June  |                |
|--|-----------------|----------------|----------------|----------------|
|  | 2011<br>ThUS\$  | 2010<br>ThUS\$ | 2011<br>ThUS\$ | 2011<br>ThUS\$ |
| Net income for the year  | 245,637         | 182,880        | 133,506        | 106,009        |
| Other comprehensive income components before foreign currency translation difference |                 |                |                |                |
| Gains (losses) from foreign currency translation differences, before tax             | 10              | (583 )         | 110            | (353 )         |
| Other comprehensive income before tax and foreign currency translation differences   | 10              | (583 )         | 110            | (353 )         |
| Cash flow hedges   |                 |                |                |                |
| Gains (losses) from cash flow hedges, before tax                                     | (3,962 )        | 4,558          | (1,062 )       | (6,241 )       |
| Other comprehensive income before tax and cash flow hedges                           | (3,962 )        | 4,558          | (1,062 )       | (6,241 )       |
| Defined benefit plan reserves SQM North America, before tax                          | (75 )           | -              | (75 )          |                |
| Other comprehensive income components, net of tax                                    | (4,027 )        | 3,975          | (1,027 )       | (6,594 )       |
| Income tax related to components of other comprehensive income                       |                 |                |                |                |
| Income tax related to other comprehensive income cash flow hedges                    | 793             | (775 )         | 213            | 1,061          |
| Addition of income tax related to other comprehensive income components              | 793             | (775 )         | 213            | 1,061          |
| Other comprehensive income   | (3,234 )        | 3,200          | (814 )         | (5,533 )       |
| Total comprehensive income   | 242,403         | 186,080        | 132,692        | 100,476        |
| Comprehensive income attributable to   |                 |                |                |                |
| Comprehensive income attributable to owners of the parent                            | 240,382         | 184,949        | 131,384        | 99,672         |
| Comprehensive income attributable to non-controlling interests                       | 2,021           | 1,131          | 1,308          | 804            |
| Total comprehensive income   | 242,403         | 186,080        | 132,692        | 100,476        |

The accompanying notes form an integral part of these consolidated financial statements.

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## Sociedad Química y Minera de Chile S.A. and Subsidiaries

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| Statement of cash flows   | Note<br>N° | 06.30.2011<br>ThUS\$ | 06.30.2010<br>ThUS\$ |
|---|------------|----------------------|----------------------|
| <b>Cash flows provided by operating activities</b>                    |            |                      |                      |
| Net income for the year   |            | 245,637              | 182,880              |
| <b>Adjustment due to reconciliation of profit to cash flows</b>       |            |                      |                      |
| Depreciation and amortization   |            | 88,890               | 67,678               |
| Amortization of mining rights   |            | 5,343                | 4,754                |
| Increase in Royalty Corfo accrual                                     |            | 5,549                | 4,278                |
| Increase in marketing expense accrual                                 |            | 2,785                | 2,785                |
| Increase in legal accrual   |            | 4,241                | 3,627                |
| Increase in bonus accrual   |            | 18,140               | 16,424               |
| Increase in vacation liabilities                                      |            | 5,356                | 4,294                |
| Increase in accrued expenses  |            | 11,560               | 2,075                |
| Unrealized effects of foreign currency transactions                   |            | (7,141 )             | 5,352                |
| Non-distributed gains from associates                                 |            | (10,039 )            | (4,999 )             |
| Income tax expense  |            | 83,393               | 56,028               |
| Adjustments for entries other than cash                               |            | 11,106               | 8,526                |
| <b>Adjustments for which the effects on cash are cash flows from</b>  |            |                      |                      |
| Investing or financing activities                                     |            | (112 )               | (3 )                 |
| Decrease (increase) in trade accounts receivable                      |            | (34,706 )            | (35,360 )            |
| Increases in other accounts receivable                                |            | (26,793 )            | (12,170 )            |
| Decrease (increase) in inventory                                      |            | (36,352 )            | 16,353               |
| Increase in trade accounts payable                                    |            | (49,538 )            | (40,191 )            |
| Increases in other accounts payable                                   |            | 12,822               | 20,469               |
| Reconciling adjustments   |            | 98,786               | 119,920              |
| Interest received   |            | 2,269                | -                    |
| Interest paid   |            | (230 )               | (9,442 )             |
| Income tax paid   |            | (39,328 )            | (36,057 )            |
| Net cash flows provided by operating activities                       |            | 307,134              | 257,301              |
| <b>Cash flows used in investing activities</b>                        |            |                      |                      |
| Payments to acquire interest in joint ventures                        |            | (2,500 )             | (3,500 )             |
| Proceeds from the disposal of property, plant and equipment           |            | 1,255                | 915                  |
| Acquisition of property, plant and equipment                          |            | (238,324 )           | (142,734 )           |
| Third parties payment of loans  |            | 410                  | 706                  |
| Receipts from time deposits with maturities greater than 90 days      |            | (111,638 )           | (122,739 )           |
| Disbursements from time deposits with maturities greater than 90 days |            | (69,818 )            | 15,043               |

|   |            |            |
|---|------------|------------|
| Net cash flows used in investing activities | (280,979 ) | (252,309 ) |
|---|------------|------------|

The accompanying notes form an integral part of these consolidated financial statements.

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## Sociedad Química y Minera de Chile S.A. and Subsidiaries

## CONSOLIDATED STATEMENTS OF CASH FLOWS, continued

|  | Note<br>N° | 06.30.2011<br>ThUS\$ | 06.30.2010<br>ThUS\$ |
|--|------------|----------------------|----------------------|
| Cash flows provided by (used in) financing activities  |            |                      |                      |
| Amounts from the issuance of other equity instruments  |            | -                    | 250,000              |
| Amounts received from long-term loans  |            | 200,000              | 79,500               |
| Payments of loans  |            | (170,000 )           | (403,540 )           |
| Dividends paid   |            | (83,050 )            | (65,190 )            |
| Other cash outflows  |            | (3,520 )             | (6,696 )             |
| Net cash flows provided by (used in) financing activities  |            | (56,570 )            | (145,926 )           |
| Net increase in cash and cash equivalents before the effect of changes in foreign exchange rates |            | (30,415 )            | (140,934 )           |
| Effects of variation in foreign exchange rate on cash and cash equivalents                       |            | (19,326 )            | (2,527 )             |
| Net increase in cash and cash equivalents  |            | (49,741 )            | (143,461 )           |
| Cash and cash equivalents at beginning of year   |            | 524,652              | 530,394              |
| Cash and cash equivalents at end of year   | 5          | 474,911              | 386,933              |

The accompanying notes form an integral part of these consolidated financial statements.

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Sociedad Química y Minera de Chile S.A. and Subsidiaries

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.2)

## STATEMENTS OF CHANGES IN EQUITY

For the periods ended at June 30, 2011 and 2010:

|  | Issued<br>capital<br>ThUS\$ | Foreign<br>currency<br>translation<br>reserve<br>ThUS\$ | Cash<br>flow<br>hedge<br>reserve<br>ThUS\$ | Defined<br>benefit<br>plan<br>reserves<br>ThUS\$ | Subtotal<br>Other<br>reserves<br>ThUS\$ | Retained<br>earnings<br>ThUS\$ | Equity<br>attributable<br>to owners<br>of the<br>parent<br>ThUS\$ | Non-controlling<br>interests<br>ThUS\$ | Total equity<br>ThUS\$ |
|--|-----------------------------|---|--|--|---|--------------------------------|---|--|------------------------|
| Beginning<br>balance, current<br>period: January<br>1, 2011      | 477,386                     | 1,530   | (9,207 )                                   | (2,036)  | (9,713 )                                | 1,155,131                      | 1,622,804   | 48,016                                 | 1,670,820              |
| Net income for<br>the year                                       | -                           | -   | -  | -  | -                                       | 243,616                        | 243,616   | 2,021                                  | 245,637                |
| Other<br>comprehensive<br>income<br>(expenses)                   | -                           | 10  | (3,169 )                                   | (75 )  | (3,234 )                                | -                              | (3,234 )  | -                                      | (3,234 )               |
| Comprehensive<br>income  | -                           | 10  | (3,169 )                                   | (75 )  | (3,234 )                                | 243,616                        | 240,382   | 2,021                                  | 242,403                |
| Dividends<br>declared  | -                           | -   | -  | -  | -                                       | (76,425 )                      | (76,425 )   | -                                      | (76,425 )              |
| Increase<br>(decrease)<br>from transfers<br>and other<br>changes | -                           | -   | -  | -  | -                                       | -                              | -   | (794 )                                 | (794 )                 |
| Changes<br>in equity   | -                           | 10  | (3,169 )                                   | (75 )  | (3,234 )                                | 167,191                        | 163,957   | 1,227                                  | 165,184                |
| Ending balance,<br>current year:<br>June 30, 2011                | 477,386                     | 1,540   | (12,376)                                   | (2,111)  | (12,947)                                | 1,322,322                      | 1,786,761   | 49,243                                 | 1,836,004              |

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Sociedad Química y Minera de Chile S.A. and Subsidiaries

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.2)

## STATEMENTS OF CHANGES IN EQUITY, continued

|   | Issued<br>capital<br>ThUS\$ | Foreign<br>currency<br>translation<br>reserve<br>ThUS\$ | Cash<br>flow<br>hedge<br>reserve<br>ThUS\$ | Defined<br>benefit<br>plan<br>reserves<br>ThUS\$ | Subtotal<br>Other<br>reserves<br>ThUS\$ | Retained<br>earnings<br>ThUS\$ | Equity<br>attributable<br>to owners<br>of the<br>parent<br>ThUS\$ | Non-controlling<br>interests<br>ThUS\$ | Total equity<br>ThUS\$ |
|---|-----------------------------|---|--|--|---|--------------------------------|---|--|------------------------|
| Beginning<br>balance, current<br>period: January<br>1, 2010   | 477,386                     | 1,234   | (7,984)                                    | (3,056)  | (9,806)                                 | 951,173                        | 1,418,753   | 45,697                                 | 1,464,450              |
| Net income for<br>the year                                    | -                           | -   | -  | -  | -                                       | 181,522                        | 181,522   | 1,358                                  | 182,880                |
| Other<br>comprehensive<br>income                              | -                           | (356 )  | 3,783                                      | -  | 3,427                                   | -                              | 3,427   | (227 )                                 | 3,200                  |
| Comprehensive<br>income                                       | -                           | (356 )  | 3,783                                      | -  | 3,427                                   | 181,522                        | 184,949   | 1,131                                  | 186,080                |
| Dividends   | -                           | -   | -  | -  | -                                       | (63,528 )                      | (63,528 )   | -                                      | (63,528 )              |
| Increase<br>(decrease) from<br>transfers and<br>other changes | -                           | -   | -  | -  | -                                       | -                              | -   | (1,623 )                               | (1,623 )               |
| Changes<br>in equity  | -                           | (356 )  | 3,783                                      | -  | 3,427                                   | 117,994                        | 121,421   | (492 )                                 | 120,929                |
| Ending balance,<br>prior year: June<br>30, 2010               | 477,386                     | 878   | (4,201)                                    | (3,056)  | (6,379)                                 | 1,069,167                      | 1,540,174   | 45,205                                 | 1,585,379              |

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Sociedad Química y Minera de Chile S.A. and Subsidiaries

Note 1 - Corporate Information for Sociedad Química y Minera de Chile S.A. and Subsidiaries

Historical Background

Sociedad Química y Minera de Chile S.A. and subsidiaries (collectively the “Company”) is a public corporation organized in accordance with the laws of the Republic of Chile, ID N° 93.007.000-9. The Company was constituted by public deed issued on June 17, 1968 by the Notary Public of Santiago Mr. Sergio Rodríguez Garcés. Its existence was approved by Decree No. 1,164 of the Ministry of Finance on June 22, 1968, and it was registered on June 29, 1968 in the Business Registry of Santiago, on page 4,537 N° 1,992. The parent company is located at El Trovador 4285, 6th Floor, Las Condes, Santiago, Chile. Its phone No. is (56-2) 425-2000.

The Company is registered with the Securities Registry of the Chilean Superintendence of Securities and Insurance (SVS) under No. 0184 dated March 18, 1983 and is subject to inspection by the SVS.

The Company’s operating segments are divided into five main categories, as follows:

**Specialty plant nutrients:** In this business line, the Company provides advice in practices for fertilization according to each type of crop, soil and climate. In this business category, potassium derivative products and especially potassium nitrate have played a leading role, given the contribution they make to developing crops, ensuring an improvement in post-crop life in addition to improving quality, flavor and fruit color. Potassium nitrate, which is sold in multiple formats and as a part of other specialty mixtures, is complemented by sodium nitrate, potassium sodium nitrate, and other mixtures.

**Iodine:** The Company is an important producer of iodine worldwide. Iodine is a product that is widely used in the pharmaceutical industry, in technology and in nutrition. Additionally, Iodine is also used in x-ray contrast media and polarizing film for LCD displays.

**Lithium:** The Company’s Lithium is mainly used in rechargeable batteries for cell phones, cameras and laptops. Through the preparation of lithium-based products, the Company provides significant raw materials to face great challenges such as the efficient use of energy and raw material. Lithium is not only used for rechargeable batteries and in new technologies for electric vehicles, but is also used in industrial applications to lower melting temperatures and to help save costs and energy.

**Industrial Chemicals:** Industrial chemicals are products used as supplies for a number of production processes. The Company participates in this line of business, producing sodium nitrate, potassium nitrate, boric acid and potassium chloride. Industrial nitrates are also used as a means for the storage of thermal energy at solar energy plants, which are widely used in countries such as Spain and the United States in their search for decreasing CO2 emissions.

**Potassium:** Potassium is a primary essential macro-nutrient, and even though it does not form part of a plant’s structure, it has a significant role in the development of its basic functions, validating the quality of a crop, increasing post-crop life, improving the crop flavor, its vitamin content and its physical appearance. Within this business line, the Company also produces potassium chlorate and potassium sulfate, both extracted from the salt layer located under the Atacama Salar (the Atacama Saltpeter Deposit).

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Sociedad Química y Minera de Chile S.A. and Subsidiaries

Note 2 - Basis of presentation for the consolidated financial statements and Summary of significant accounting policies

2.1 Periods covered

These consolidated financial statements cover the following periods:

- Consolidated classified statements of financial position as of June 30, 2011 and as of December 31, 2010.
- Consolidated statements of income by function for the periods ended June 30, 2011 and 2010.
- Consolidated statements of comprehensive income for the periods ended June 30, 2011 and 2010.
- Consolidated statements of cash flows for the periods ended June 30, 2011 and 2010.
- Consolidated statements of changes in equity for the periods ended June 30, 2011 and 2010.

2.2 Basis of preparation

The Company's annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") and represent the integral adoption, explicit, and without reserves of the IFRS as issued by the International Accounting Standards Board (IASB).

These interim consolidated financial statements reflect fairly the Company's, financial position, results of its operations, comprehensive income, changes in equity and cash flows for the periods ended June 30, 2011 and 2010.

IFRS establish certain alternatives for their application. Those alternative applied by the Company are detailed in this Note.

The accounting policies used in the preparation of these consolidated financial statements comply with each IFRS in force at their presentation date.

For the convenience of the reader, these consolidated financial statements and their accompanying notes have been translated from Spanish to English.

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Sociedad Química y Minera de Chile S.A. and Subsidiaries

Note 2 - Basis of presentation for consolidated financial statements and Summary of significant accounting policies (continued)

2.2 Basis of preparation (continued)

a) Accounting pronouncements

As of the date of these consolidated financial statements, the following accounting pronouncements had been issued by the IASB, but their application was not mandatory, and they were not applied by the Company.

|         | New standards                                | Mandatory application for: |
|---------|--|----------------------------|
| NIC 19  | Benefits to employees                        | January 1, 2013            |
| NIC 27  | Separate Financial Statements                | January 1, 2013            |
| NIIF 9  | Financial instruments                        | January 1, 2013            |
| NIIF 10 | Consolidated Financial Statements            | January 1, 2013            |
| NIIF 11 | Joint venture agreements                     | January 1, 2013            |
| NIIF 12 | Disclosures on ownerships in other companies | January 1, 2013            |
| NIIF 13 | Fair value measurement                       | January 1, 2013            |

IAS 19 Reviewed “Benefits to employees”

Issued on June 2011, replaces IAS 19 (1998). This revised standard modifies the recognition and measurement of expenses on defined benefits plans and termination benefits. Additionally, includes modifications to disclosures of all employee benefits.

IAS 27 “Separate Financial Statements”

Issued on May 2011, replaces IAS 27 (2008). The scope of this standard is solely restricted from this change to separate financial statements, given that aspects related to the definition of control and consolidation were removed or included in IFRS 10. Its early adoption is permitted in conjunction with IFRS 10, IFRS 11 and IFRS 12 and modification to IAS 28.

IFRS 9 “Financial Instruments”

Issued on December 2009, modifies the classification and measurement of financial assets.

Subsequently, this standard was modified on November 2010 in order to include the treatment and classification of financial liabilities. Its early adoption is permitted.

IFRS 10 “Consolidated Financial Statements”

Issued on May 2011, replaces SIC 12 “Consolidation- special purposes entities and parts of IAS 27 “Consolidated Financial Statements”. Establishes clarifications and new parameters for the definition of control, as well as the principles for the preparation of consolidated financial statements. Its early adoption is permitted in conjunction with IFRS 11, IFRS 12 and modifications to IAS 27 and 28.

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IFRS 11 “Joint Venture Agreements”

Issued on May 2011, replaces IAS 31 “Ownerships in Joint Ventures” and SIC 13 “Jointly Controlled Entities”. Within its modifications, the elimination of the concept related to jointly controlled assets is also included as well as the possibility of applying proportionate consolidation for jointly controlled entities. Its early adoption is permitted in conjunction with IFRS 10, IFRS 12 and modifications to IAS 27 and 28.

Note 2 - Basis of presentation for consolidated financial statements and Summary of significant accounting policies (continued)

2.2 Basis of preparation (continued)

IFRS 12 “Disclosures on ownerships in other entities”

Issued on May 2011, applies for those entities that have investments in subsidiaries, joint ventures and associates. Its early adoption is permitted in conjunction with IFRS 10, IFRS 11 and modifications to IAS 27 and 28.

IFRS 13 “Fair value measurement”

Issued on May 2011, meets in a single standard how to measure the fair value of assets, liabilities and required disclosures on these incorporating new concepts and clarifications for its measurement.

|        | Improvements and Modifications               | Mandatory application for: |
|--------|--|----------------------------|
| IAS 1  | Presentation of Financial Statements         | July 1, 2012               |
| IAS12  | Income tax                                   | January 1, 2012            |
| IFRS 7 | Financial Instruments: Disclosures           | July 1, 2011               |
| IAS 28 | Investments in associates and joint ventures | January 1, 2013            |

IAS 1 “Presentation of Financial Statements”

Issued on June 2011. The main modification of this amendment requires that items of Other Comprehensive Income should be classified and grouped evaluating whether they will be potentially reclassified to income in subsequent periods. Its early adoption is permitted.

IAS 12 “Income Tax”

This amendment, issued on December 2010, provides and exemption to the general principles of IAS 12 regarding to property held for investment that is measured using the fair value model included in IAS 40 “Investment Property”, the exemption also applies to the investment property acquired in a business combination if after the business combination, the acquirer applies the fair value model included in IAS 40. The modification incorporates the assumption that investment properties valued at fair value are realized through its sale, and consequently, requires the related tax rate for sale operations to apply to temporary differences generated by these,. Its early adoption is permitted.

IFRS 7 “Financial Instruments: Disclosures”

Issued on October 2010, increases the disclosure requirements for transactions that imply financial assets transfers.

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Sociedad Química y Minera de Chile S.A. and Subsidiaries

IAS 28 “Investments in associates and joint ventures”

Issued on May 2011, regulates the accounting treatment of these investments after applying the ownership method. Its early adoption is permitted in conjunction with IFRS 10, IFRS 11 and IFRS 12 and the modification to IAS 27.

Management is in the process of evaluating the impact of the adoption of the new standards, improvements and amendments on the Company’s consolidated financial statements. .

Note 2 - Basis of presentation for consolidated financial statements and Summary of significant accounting policies (continued)

2.3 Transactions in foreign currency

(a) Functional and presentation currency

The Company’s consolidated financial statements are presented in United States dollars (“U.S. dollars” or “USD”), which is the Company’s functional and presentation currency and is the currency of the main economic environment in which it operates.

Consequently, the term foreign currency is defined as any currency other than U.S. dollar.

The conversion of the financial statements of foreign companies with functional currency other than U.S. dollars is performed as follows:

- Assets and liabilities using the exchange rate prevailing on the closing date of the consolidated financial statements.
- Statement of income account items using the average exchange rate for the year.
- Equity accounts are stated at the historical exchange rate prevailing at acquisition date (or at the average exchange rate for the period in which it was generated both for the case of retained earnings and for contributions made), as applicable.

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## Sociedad Química y Minera de Chile S.A. and Subsidiaries

Note 2 - Basis of presentation for consolidated financial statements and Summary of significant accounting policies (continued)

## 2.3 Transactions in foreign currency (continued)

## (a) Functional and presentation currency (continued)

Foreign currency translation differences which arise from the conversion of financial statements are recorded in the account "Foreign currency translation differences" within other comprehensive income.

## (b) Basis of conversion

## Domestic subsidiaries

Assets and liabilities denominated in Chilean pesos and other currencies other than the functional currency (U.S. dollar) as of June 30, 2011, and December 31, 2010, have been translated to U.S. dollars at the exchange rates prevailing at those dates. The corresponding Chilean pesos were converted at Ch\$468.15 per US\$1.00 as of June 30, 2011, and Ch\$468.01 per US\$1.00 as of December 31, 2010.

The values of the UF (a Chilean peso-denominated, inflation-indexed monetary unit) used to convert the UF denominated assets and liabilities as of June 30, 2011 amounted to Ch\$21,889.89 (US\$46.76), and as of December 31, 2010 amounted to Ch\$21,455.55 (US\$45.84).

## Foreign subsidiaries

The exchange rates used to translate the monetary assets and liabilities expressed in foreign currency at the closing date of each period in respect to the U.S. dollar are detailed as follows:

|                    | 06.30.2011 | 12.31.2010 |
|--------------------|------------|------------|
|                    | US\$       | US\$       |
| Brazilian Real     | 1.56       | 1.66       |
| New Peruvian Sol   | 2.75       | 2.81       |
| Argentinean Peso   | 4.07       | 3.98       |
| Japanese Yen       | 80.73      | 81.49      |
| Euro               | 0.69       | 0.75       |
| Mexican Peso       | 11.77      | 12.38      |
| Australian Dollar  | 1.07       | 1.01       |
| Pound Sterling     | 0.62       | 0.64       |
| South African Rand | 6.73       | 6.63       |
| Ecuadorian Dollar  | 1.00       | 1.00       |
| Chilean Peso       | 468.15     | 468.01     |
| UF                 | 46.76      | 45.84      |

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Sociedad Química y Minera de Chile S.A. and Subsidiaries

Note 2 - Basis of presentation for consolidated financial statements and Summary of significant accounting policies (continued)

2.3 Transactions in foreign currency (continued)

(c) Transactions and balances

Non-monetary transaction balances denominated in a currency other than the functional currency (U.S. dollar) are translated using the exchange rate in force for the functional currency at the transaction date. Monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate of the functional currency prevailing at the closing date of the consolidated classified statement of financial position. All differences are taken to the statement of income with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These items are recognized in other comprehensive income upon the disposal of the investment, at which time they are recognized in the statement of income. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(d) Group entities

The profit or loss, assets and liabilities of all those entities with a functional currency other than the presentation currency are translated to the presentation currency as follows:

- Assets and liabilities are translated at the closing date exchange rate as of the date of the consolidated statement of financial position.
- Revenue and expenses in each profit or loss account are translated at average exchange rates for the year.
- All resulting foreign currency exchange differences are recognized as a component separate from other comprehensive income (the foreign currency translation difference reserve).

2.4 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all those entities over which the Company has control to lead the financial and operating policies, which, in general, is accompanied by an interest of greater than half the voting rights. Subsidiaries are consolidated from the date on which control is transferred to the Company and are excluded from consolidation on the date that this control ceases to exist.

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## Sociedad Química y Minera de Chile S.A. and Subsidiaries

Note 2 - Basis of presentation for consolidated financial statements and Summary of significant accounting policies (continued)

## 2.4 Basis of consolidation (continued)

## (a) Subsidiaries (continued)

In order to recognize the acquisition of a subsidiary, the Company uses the acquisition method. Under this method, the acquisition cost is the fair value of assets delivered, of equity instruments issued and of liabilities incurred or assumed at the exchange date plus costs directly attributable to the acquisition. Identifiable assets acquired and identifiable liabilities and contingencies assumed in a business combination are initially stated at their fair value as of the acquisition date. For each business combination, the acquirer measures the non-controlling interests in the acquiree at fair value.

Companies included in consolidation:

| TAX ID No. | Foreign subsidiaries                             | Country of origin | Functional currency | Ownership interest |          |            |          |
|------------|--|-------------------|---------------------|--------------------|----------|------------|----------|
|            |  |                   |                     | 06.30.2011         |          | 12.31.2010 |          |
|            |  |                   |                     | Direct             | Indirect | Total      | Total    |
| Foreign    | Nitratos Naturais Do Chile Ltda.                 | Brazil            | US\$                | 0.0000             | 100.0000 | 100.0000   | 100.0000 |
| Foreign    | Nitrate Corporation Of Chile Ltd.                | United Kingdom    | US\$                | 0.0000             | 100.0000 | 100.0000   | 100.0000 |
| Foreign    | SQM North America Corp.                          | USA               | US\$                | 40.0000            | 60.0000  | 100.0000   | 100.0000 |
| Foreign    | SQM Europe N.V.                                  | Belgium           | US\$                | 0.8600             | 99.1400  | 100.0000   | 100.0000 |
| Foreign    | Soquimich S.R.L. Argentina                       | Argentina         | US\$                | 0.0000             | 100.0000 | 100.0000   | 100.0000 |
| Foreign    | Soquimich European Holding B.V.                  | The Netherlands   | US\$                | 0.0000             | 100.0000 | 100.0000   | 100.0000 |
| Foreign    | SQM Corporation N.V.                             | Dutch Antilles    | US\$                | 0.0002             | 99.9998  | 100.0000   | 100.0000 |
| Foreign    | SQI Corporation N.V.                             | Dutch Antilles    | US\$                | 0.0159             | 99.9841  | 100.0000   | 100.0000 |
| Foreign    | SQM Comercial De Mexico S.A. De C.V.             | Mexico            | US\$                | 1.0000             | 99.0000  | 100.0000   | 100.0000 |
| Foreign    | North American Trading Company                   | USA               | US\$                | 0.0000             | 100.0000 | 100.0000   | 100.0000 |
| Foreign    | Administración Y Servicios Santiago S.A. De C.V. | Mexico            | US\$                | 0.0000             | 100.0000 | 100.0000   | 100.0000 |
| Foreign    | SQM Peru S.A.                                    | Peru              | US\$                | 0.9800             | 99.0200  | 100.0000   | 100.0000 |
| Foreign    | SQM Ecuador S.A.                                 | Ecuador           | US\$                | 0.0040             | 99.9960  | 100.0000   | 100.0000 |
| Foreign    | SQM Nitratos Mexico S.A. De C.V.                 | Mexico            | US\$                | 0.0000             | 51.0000  | 51.0000    | 51.0000  |
| Foreign    | SQMC Holding Corporation L.L.P.                  | USA.              | US\$                | 0.1000             | 99.9000  | 100.0000   | 100.0000 |
| Foreign    | SQM Investment Corporation N.V.                  | Dutch Antilles    | US\$                | 1.0000             | 99.0000  | 100.0000   | 100.0000 |
| Foreign    | SQM Brasil Limitada                              | Brazil            | US\$                | 2.7900             | 97.2100  | 100.0000   | 100.0000 |

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|         |                                       |                 |      |         |          |          |          |
|---------|---------------------------------------|-----------------|------|---------|----------|----------|----------|
| Foreign | SQM France S.A.                       | France          | US\$ | 0.0000  | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SQM Japan Co. Ltd.                    | Japan           | US\$ | 1.0000  | 99.0000  | 100.0000 | 100.0000 |
| Foreign | Royal Seed Trading Corporation A.V.V. | Aruba           | US\$ | 1.6700  | 98.3300  | 100.0000 | 100.0000 |
| Foreign | SQM Oceania Pty Limited               | Australia       | US\$ | 0.0000  | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Rs Agro-Chemical Trading A.V.V.       | Aruba           | US\$ | 98.3300 | 1.6667   | 100.0000 | 100.0000 |
| Foreign | SQM Indonesia                         | Indonesia       | US\$ | 0.0000  | 80.0000  | 80.0000  | 80.0000  |
| Foreign | SQM Virginia L.L.C.                   | USA             | US\$ | 0.0000  | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SQM Venezuela S.A.                    | Venezuela       | US\$ | 0.0000  | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SQM Italia SRL                        | Italy           | US\$ | 0.0000  | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Comercial Caiman Internacional S.A.   | Cayman Islands  | US\$ | 0.0000  | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SQM Africa Pty.                       | South Africa    | US\$ | 0.0000  | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SQM Lithium Specialties LLC           | USA             | US\$ | 0.0000  | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Fertilizantes Naturales S.A.          | Spain           | US\$ | 0.0000  | 66.6750  | 66.6750  | 66.6750  |
| Foreign | Iodine Minera B.V.                    | The Netherlands | US\$ | 0.0000  | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SQM Agro India Pvt. Ltd.              | India           | US\$ | 0.0000  | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SQM Beijin Comercial Ltd.             | China           | US\$ | 0.0000  | 100.0000 | 100.0000 | 100.0000 |

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## Sociedad Química y Minera de Chile S.A. and Subsidiaries

Note 2 - Basis of presentation for consolidated financial statements and Summary of significant accounting policies (continued)

## 2.4 Basis of consolidation (continued)

## (a) Subsidiaries (continued)

## Companies included in consolidation

| TAX ID No.   | Domestic subsidiaries   | Country of origin | Functional currency | Ownership interest |                     |          |                  |
|--------------|---|-------------------|---------------------|--------------------|---------------------|----------|------------------|
|              |   |                   |                     | Direct             | 06.30.2010 Indirect | Total    | 12.31.2010 Total |
|              |   |                   | Chilean             |                    |                     |          |                  |
| 96.801.610-5 | Comercial Hydro S.A.  | Chile             | peso                | 0.0000             | 60.6383             | 60.6383  | 60.6383          |
| 96.651.060-9 | SQM Potasio S.A.  | Chile             | US\$                | 99.9974            | 0.0000              | 99.9974  | 99.9974          |
| 96.592.190-7 | SQM Nitratos S.A.   | Chile             | US\$                | 99.9999            | 0.0001              | 100.0000 | 100.0000         |
| 96.592180-K  | Ajay SQM Chile S.A.   | Chile             | US\$                | 51.0000            | 0.0000              | 51.0000  | 51.0000          |
|              |   |                   | Chilean             |                    |                     |          |                  |
| 86.630.200-6 | SQMC Internacional Ltda.                                      | Chile             | peso                | 0.0000             | 60.6383             | 60.6383  | 60.6383          |
| 79.947.100-0 | SQM Industrial S.A.   | Chile             | US\$                | 99.0470            | 0.9530              | 100.0000 | 100.0000         |
|              |   |                   | Chilean             |                    |                     |          |                  |
| 79.906.120-1 | Isapre Norte Grande Ltda.                                     | Chile             | peso                | 1.0000             | 99.0000             | 100.0000 | 100.0000         |
|              |   |                   | Chilean             |                    |                     |          |                  |
| 79.876.080-7 | Almacenes y Depósitos Ltda.                                   | Chile             | peso                | 1.0000             | 99.0000             | 100.0000 | 100.0000         |
|              | Servicios Integrales de Tránsitos y Transferencias S.A.       | Chile             | US\$                | 0.0003             | 99.9997             | 100.0000 | 100.0000         |
| 79.770.780-5 |   | Chile             | US\$                | 0.0000             | 60.6383             | 60.6383  | 60.6383          |
| 79.768.170-9 | Soquimich Comercial S.A.                                      | Chile             | US\$                | 18.1800            | 81.8200             | 100.0000 | 100.0000         |
| 79.626.800-K | SQM Salar S.A.  | Chile             | US\$                | 99.0000            | 1.0000              | 100.0000 | 100.0000         |
| 78.602.530-3 | Minera Nueva Victoria S.A.                                    | Chile             | US\$                |                    |                     |          |                  |
|              |   |                   | Chilean             |                    |                     |          |                  |
| 78.053.910-0 | Proinsa Ltda.   | Chile             | peso                | 0.0000             | 60.5800             | 60.5800  | 60.5800          |
|              | Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A. | Chile             | Chilean peso        | 0.0000             | 100.0000            | 100.0000 | 100.0000         |
| 76.534.490-5 |   | Chile             | Chilean peso        | 0.0000             | 100.0000            | 100.0000 | 100.0000         |
| 76.425.380-9 | Exploraciones Mineras S.A.                                    | Chile             | US\$                | 0.2691             | 99.7309             | 100.0000 | 100.0000         |
|              |   |                   | Chilean             |                    |                     |          |                  |
| 76.064.419-6 | Agrorama Callegari Ltda. (*)                                  | Chile             | peso                | 0.0000             | 42.4468             | 42.4468  | 42.4468          |
|              |   |                   | Chilean             |                    |                     |          |                  |
| 76.145.229-0 | Agrorama S.A.   | Chile             | peso                | 0.0000             | 60,6377             | 60,6377  | 0.0000           |

(\*) Agrorama Callegari Ltda. was consolidated given that the Company has control through subsidiary Soquimich Comercial S.A.

Subsidiaries are consolidated by including in the consolidated financial statements all of their assets, liabilities, revenues, expenses and cash flows upon making the respective adjustments and eliminations of intragroup operations.

The results from subsidiary companies acquired or disposed of during the year are included in consolidated statement of income accounts from the effective date of acquisition or up to the effective date of disposal, as applicable.

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Note 2 - Basis of presentation for consolidated financial statements and Summary of significant accounting policies (continued)

2.4 Basis of consolidation (continued)

(a) Subsidiaries (continued)

Non-controlling interests represent the portion of subsidiary net assets and operating results not owned by the parent company.

2.5 Significant accounting judgments, estimates and assumptions

The information contained in these consolidated financial statements is the responsibility of the Company's management, who expressly indicate that they have applied all the principles and criteria included in IFRS, issued by the IASB.

In the accompanying consolidated financial statements, judgments and estimates have been made by management to quantify certain assets, liabilities, revenues, expenses and commitments recorded and or disclosed therein. Basically, these estimates include, but are not limited to, the following:

- The useful lives of tangible and intangible assets and their residual values.
  - Impairment evaluations and resulting losses, if any.
  - Assumptions used for the actuarial calculation of employee benefits.
  - Provisions and contingent liabilities.
  - Inventory provisions based on technical studies which cover the different variables affecting products in stock (density, humidity, among others) and allowances on slow-moving spare parts in inventory.
  - Future costs for the closure of mining facilities.
  - The determination of the fair value of certain financial and non-financial assets and derivative instruments.
- The determination and allocation of fair values in business combinations.

Although these estimates have been made considering information available as of the date of preparation of these consolidated financial statements, it is possible that events that may occur in the future could make their modification necessary in future years. Changes would be recorded prospectively, recognizing the effects of the change in estimates in the respective future consolidated financial statements.

2.6 Financial information by operating segment

IFRS 8 requires that companies adopt a "management approach" to disclose information on the operations generated by its operating segments. In general, this is the information that management uses internally for the evaluation of segment performance and making the decision on how to allocate resources for this purpose.

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Note 2 - Basis of presentation for consolidated financial statements and Summary of significant accounting policies (continued)

2.6 Financial information by operating segment (continued)

An operating segment is a group of assets and operations responsible for providing products or services subject to risks and performance different from those of other business segments. A geographical segment is responsible for providing products or services in a given economic environment subject to risks and performance different from those of other segments that operate in other economic environments.

The following operating segments have been identified by the Company:

- Specialty plant nutrients
- Industrial chemicals
- Iodine and derivatives
- Lithium and derivatives
- Potassium
- Other products and services

The Company has not been able to allocate all assets and liabilities to each operating segment because the same productive plants and process are often related to more than one operating segment. Such assets and liabilities are classified as non-allocated in Note 27.

2.7 Property, plant and equipment

Tangible property, plant and equipment assets are stated at acquisition cost, net of the related accumulated depreciation, amortization and impairment losses that they might have experienced.

In addition to the price paid for the acquisition of tangible property, plant and equipment, the Company has considered the following concepts as part of the acquisition cost, as applicable:

1. Accrued interest expenses during the construction period which are directly attributable to the acquisition, construction or production of qualifying assets, which are those that require a substantial period prior to being ready for use. The interest rate used is that related to the project's specific financing or, should this not exist, the average financing rate of the investor company.

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## Sociedad Química y Minera de Chile S.A. and Subsidiaries

Note 2 - Basis of presentation of consolidated financial statements and Summary of significant accounting principles (continued)

2.7 Property, plant and equipment (continued)

2. The present value of future costs that the Company will have to experience related to the closure of its facilities are included in the asset's cost.

Construction-in-progress is transferred to property, plant and equipment in operation once the assets are available for use and the related depreciation and amortization begins on that date.

Extension, modernization or improvement costs that represent an increase in productivity, ability or efficiency or an extension of the useful lives of property, plant and equipment are capitalized as a higher cost of the related assets. All the remaining maintenance, preservation and repair expenses are charged to expense as incurred.

Property, plant and equipment, net in the case of their residual value are depreciated using the straight-line method over its estimated useful lives. When portions of a property, plant and equipment item have different useful lives, these portions are recorded as separate items. The useful life is reviewed annually, and revised if necessary.

The useful lives used for the depreciation and amortization of assets included in property, plant and equipment are presented below.

| Types of property, plant and equipment | Life | Life |
|--|------|------|
| Buildings                              | 3    | 60   |
| Plant and equipment                    | 3    | 35   |
| Information technology equipment       | 3    | 10   |
| Fixed installations and accessories    | 3    | 35   |
| Motor vehicles                         | 5    | 10   |
| Other property, plant and equipment    | 2    | 30   |

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Note 2 - Basis of presentation of consolidated financial statements and Summary of significant accounting principles (continued)

2.7 Property, plant and equipment (continued)

Gains or losses which are generated from the sale or disposal of property, plant and equipment are recognized as income (or loss) in the period and calculated as the difference between the asset's sales value and its net carrying value.

The Company obtains property rights and mining concessions from the Chilean State Government. Property rights are usually obtained without any initial cost (other than the payment of mining licenses and minor registration expenses) and when rights are obtained on these concessions, the Company retains them while it pays the related annual license fees. Such license fees, which are paid annually, are recorded as prepaid expenses and amortized over the following twelve month period. Amounts attributable to mining concessions acquired from other Governments or third parties, which are not from the Chilean State, are recorded at their acquisition cost in property, plant and equipment, and depreciated over their contractual lives.

2.8 Investment properties

The Company recognizes as investment properties the net values of land, buildings and other properties held which it intends to commercialize under lease agreements, or to obtain proceeds from their sale as a result of those increases generated in the future in the respective market prices. These assets are not used in the activities and are not destined for the Company's own use.

Investment properties are initially stated at acquisition cost, which includes the acquisition price or production cost plus directly assignable expenses. Subsequently, investment properties are stated at their acquisition cost less accumulated depreciation, and the possible accrued provisions for value impairment.

2.9 Inventory

The Company states inventory at the lower of cost or net realizable value. Cost includes direct costs of materials and; as applicable, labor costs, indirect costs incurred to transform raw materials into finished products, and general expenses incurred in carrying inventory to their current location and conditions. The method used to determine the cost of inventory is weighted average cost method.

The net realizable value of inventory represents the estimate of the sales price less estimated finishing costs and costs that will be incurred in commercialization, sales and distribution processes.

Commercial discounts, rebates obtained and other similar entries are deducted in the determination of the acquisition price.

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Note 2 - Basis of presentation of consolidated financial statements and Summary of significant accounting principles (continued)

2.9 Inventory (continued)

The valuation of obsolete, impaired or slow-moving products relates to their estimated net realizable value. The Company conducts an evaluation of the net realizable value of inventory at the end of each year, recording an estimate with a charge to expense when inventories are overstated. When the circumstances that previously gave rise to the write-down cease to exist, or when there is clear evidence of an increase in the net realizable value due to a change in the economic circumstances (or prices of primary raw materials), the estimate made previously is modified.

Provisions on the Company's inventory have been made based on a technical study which covers the different variables affecting products in stock (density, humidity, among others.)

2.10 Trade and other accounts receivable

Trade and other accounts receivable relate to non-derivative financial assets with fixed payments that can be determined and are not quoted in any active market. These arise from sales operations involving the products and/or services that the Company commercializes directly to its customers.

These assets are initially recognized at their fair value (which is equivalent to their face value, discounting implicit interest for installment sales) and subsequently at amortized cost according to the effective interest rate method less an accrual for impairment loss. When the face value of the account receivable does not significantly differ from its fair value, it is recognized at face value. An allowance for impairment loss is established for trade accounts receivable when there is objective evidence that the Company will not be able to collect all the amounts owed to it according to the original terms of accounts receivable.

Implicit interest in installment sales is recognized as interest income when interest is accrued over the term of the operation.

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Note 2 - Basis of presentation of consolidated financial statements and Summary of significant accounting principles (continued)

2.11 Revenue recognition

Revenue includes the fair value of considerations received or receivable for the sale of goods and services during performance of the Company's activities. Revenue is presented net of value added tax, estimated returns, rebates and discounts and after the elimination of sales among subsidiaries.

Revenue is recognized when its amount can be stated reliably, it is possible that the future economic rewards will flow to the entity and the specific conditions for each type of activity -related revenue are complied with, as follows:

(a) Sale of goods

Sales of goods are recognized when the Company has delivered products to the customer, the customer has total discretion on the distribution channel and the price at which products are sold and there is no obligation pending compliance that could affect the acceptance of products by the customer. The delivery does not occur until products have been shipped to the customer or confirmed as received by customers when the related risks of obsolescence and loss have been transferred to the customer and the customer has accepted products in accordance with the conditions established in the sale, the acceptance period has ended or there is objective evidence that those criteria required for acceptance have been met.

Sales are recognized in consideration of the price set in the sales agreement, net of volume discounts and estimated returns at the date of the sale. Volume discounts are evaluated in consideration of annual foreseen purchases and in accordance with the criteria defined in agreements.

(b) Sales of services

Revenue associated with the rendering of services is recognized considering the degree of completion of the service as of the date of presentation of the consolidated classified statement of financial position, provided that the result from the transaction can be estimated reliably.

(c) Interest income

Interest income is recognized when interest is accrued in consideration of the principal pending payment using the effective interest rate method.

(d) Income from royalties

Income from royalties is recognized based on the accrual in accordance with the economic substance of the related agreements.

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Note 2 - Basis of presentation of consolidated financial statements and Summary of significant accounting principles (continued)

2.11 Revenue recognition (continued)

(e) Income from dividends

Income from dividends is recognized when the right to receive the payment is established.

2.12 Investments recognized using the equity method

Interests in companies in which control is exercised together with another company (joint ventures) or in which the Company has significant influence (associated companies) are recorded using the equity method. Significant influence is assumed to exist when the Company has interest exceeding 20% of the investee's equity.

Under this method, the investment is recognized in the consolidated classified statement of financial position at cost plus changes subsequent to the acquisition in an amount proportional to the net associated company's equity using the ownership interest in the associate. The associated goodwill is included at the carrying value of the investee, and it is not subject to amortization. The debit or credit to profit or loss reflects the proportional amount in the associated companies' results for the reporting period.

Unrealized profit on transactions with associates and subsidiaries are eliminated in consolidation of the ownership percentage that the Company has on these entities.

Unrealized losses are also eliminated unless the transaction provided evidence of loss from impairment of the assets transferred.

Changes in equity of the associates are recognized proportionally with a debit or credit to "Other reserves" and classified according to their origin.

The associated companies and the Company's reporting dates and policies are similar for equivalent transactions and events under similar circumstances.

In the event that significant influence is lost or the investment is sold or is available-for-sale, the equity value method is discontinued, suspending the recognition of proportional income.

If the resulting amount according to the equity method is negative, the Company's equity interest is reduced to zero in the consolidated classified statement of financial position unless the Company has a contractual commitment to resolve the equity position. In this case, the respective provision for risks and expenses is recorded.

Dividends received in these companies are recorded by reducing the equity value and proportional profit or loss recognized in conformity with their interest, and are included in the consolidated statement of income under the caption "Equity in income (losses) of associates and joint ventures accounted for using the equity method".

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2.13

Income Tax

Corporate income tax for the year is determined as the sum of current taxes from the different consolidated companies. Current taxes are based on the application of the various types of taxes attributable to taxable income for the year.

Differences between the book value of assets and liabilities and their tax basis generate the balance of deferred tax assets or liabilities, which are calculated using the tax rates expected to be applicable when the assets and liabilities are realized.

In conformity with current Chilean tax regulations, the provision for corporate income tax and taxes on mining activity is recognized on an accrual basis, presenting the net balances of accumulated monthly tax provisional payments for the fiscal period and associated credits. The balances of these accounts are presented in current income taxes recoverable or current taxes payable, as applicable.

Tax on companies and variations in deferred tax assets or liabilities that are not the result of business combinations are recorded in statement of income accounts or equity accounts in the consolidated classified statement of financial position, considering the origin of the gains or losses which have generated them.

As of the date of these consolidated financial statements, the carrying value of deferred tax assets has been reviewed and reduced to the extent their will not be sufficient taxable income to allow the recovery of all or a portion of the deferred tax assets. Likewise, as of the date of the consolidated financial statements, deferred tax assets that are not recognized are were evaluated and not recognized as it was not more likely than not that future taxable income will allow for recovery of the deferred tax asset.

With respect to deductible temporary differences associated with investments in subsidiaries, associated companies and interest in joint ventures, deferred tax assets are recognized solely provided that it is more likely than not that the temporary differences will be reversed in the near future and that there will be taxable income with which they may be used.

The deferred income tax related to entries directly recognized in equity is recognized with an effect on equity and not with an effect on profit or loss.

Deferred tax assets and liabilities are offset if there is a legally receivable right of offsetting tax assets against tax liabilities and the deferred tax is related to the same tax entity and authority.

2.14

Earnings per share

The basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary owners of the parent by the weighted average number of ordinary shares outstanding during the year.

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The Company has not conducted any type of operation of potential dilutive effect that assumes diluted earnings per share other than the basic earnings per share.

2.15 Non-financial asset value impairment

Assets subject to depreciation and amortization are subject to impairment testing, provided that an event or change in the circumstances indicates that the amounts in the accounting records may not be recoverable. An impairment loss is recognized for the excess of the book value of the asset over its recoverable amount.

The recoverable amount of an asset is the higher between the fair value of an asset or cash generating unit (“CGU”) less costs of sales and its value in use, and is determined for an individual asset unless the asset does not generate any cash inflows that are clearly independent from other assets or groups of assets.

When the carrying value of an asset exceeds its recoverable amount, the asset is considered an impaired asset and is reduced to its net recoverable amount.

In evaluating value in use, estimated future cash flows are discounted using a discount rate before taxes which reflects current market evaluation on the time value of money and specific asset risks.

An appropriate valuation model is used to determine the fair value less selling costs. These calculations are confirmed by valuation multiples, quoted share prices for subsidiaries quoted publicly or other available fair value indicators.

Impairment losses are recognized as expense, except for properties reevaluated previously where the revaluation was taken to equity. In this case impairment is also recognized with a debit to equity up to the amount of any previous revaluation.

For assets other than acquired goodwill, an annual evaluation is conducted of whether there is impairment loss indicators recognized previously that might have already ceased to exist or decreased. The recoverable amount is estimated if such indicators exist. An impairment loss previously recognized is reversed only if there have been changes in estimates used to determine the asset’s recoverable amount from the last time in which an impairment loss was recognized. If this is the case, the carrying value of the asset is increased to its recoverable amount. This increased amount cannot exceed the carrying value that would have been determined net of depreciation if an asset impairment loss would have not been recognized in prior years. This reversal is recognized with a credit to profit or loss unless an asset is recorded at the revalued amount. Should this be the case, the reversal is treated as an increase in revaluation.

As of June 30, 2011, and December 31, 2010, the Company is not aware of any indicators of impairment with respect to its depreciated assets.

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Note 2 - Basis of presentation of consolidated financial statements and Summary of significant accounting principles (continued)

2.16 Financial assets

The Company classifies its financial assets under the following categories: at fair value through profit or loss, loans and accounts receivable, financial assets held-to-maturity and financial assets available-for-sale. The classification depends on the purpose for which financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of assets is deemed to be impaired if and only if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred “loss event”) and that loss event has an impact on the estimated future cash flow of the financial asset or the group of financial assets that can be reliably estimated.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired mainly for the purpose of being sold in the short-term. Derivatives are also classified as acquired for trading unless they are designated as hedge accounts. Assets under this category are classified as current assets and variations generated in fair value are directly recognized in profit or loss.

(b) Loans and accounts receivable

Loans and accounts receivable are non-derivative financial assets with fixed payments or payments that can be determined and are not quoted in any active market. These are included in current assets, except for those with expiration dates exceeding 12 months from the closing date, which are classified as non-current assets. Loans and accounts receivable are included under the caption “Trade and other accounts receivable” in the consolidated classified statement of financial position and are stated at amortized cost. The subsequent measurement at amortized cost is calculated using the effective interest rate method less impairment.

(c) Financial assets held-to-maturity

Financial assets held-to-maturity are non-derivative financial assets with fixed payments or payments that can be determined and fixed expiration dates which management has the positive intention and ability of holding to maturity. If a significant amount of financial assets held to maturity were to be sold, the full category would be reclassified as available for sale. Assets in this category are stated at amortized cost.

(d) Financial assets available for sale

Financial assets available for sale are non-derivative instruments that have been designated in this category or are not classified in any of the other categories. They are included in non-current assets unless the Company intends to dispose of the investment in the 12 months following the closing date. These assets are stated at fair value, recognizing in other comprehensive income those variations in fair value.

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2.17 Financial liabilities

The Company classifies its financial liabilities under the following categories: at fair value through profit or loss, trade accounts payable, interest-bearing loans or derivatives designated as hedging instruments.

The Company's management determines the classification of its financial liabilities at the time of initial recognition.

Financial debt obligations are recorded at nominal value and as non-current when maturity is over twelve months and as current when maturity is less than twelve months. Interest expenses are recorded the year in which they are accrued under a financial approach.

In accordance with IAS 32 and 39, debt-related expenses are accounted for in the accompanying consolidated classified statements of financial position, deducting the associated debt and are imputed to the results of the year within the life of the debt using the effective interest rate method.

Financial liabilities are derecognized when the obligation is repaid, settled or it expires.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities are classified at fair value when these are held for trading or designated in their initial recognition at fair value through profit or loss. This category includes derivative instruments not designated for hedge accounting.

(b) Trade accounts payable

Trade accounts payable to suppliers are subsequently stated at their amortized cost using the effective interest rate method.

(c) Interest-bearing loans

Loans are subsequently stated at amortized cost using the effective interest rate method. Amortized cost is calculated considering any premium or discount from the acquisition and includes costs of transactions which are an integral part of the effective interest rate.

2.18 The environment

In general, the Company follows the criteria of considering amounts used in environmental protection and improvement as environmental expenses. However, the cost of facilities, machinery and equipment used for the same purpose are considered property, plant and equipment.

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Note 2 - Basis of presentation of consolidated financial statements and Summary of significant accounting principles (continued)

2.19 Minimum dividend

As required by the Public Corporations Act, unless otherwise decided by the shareholders through unanimous vote of the holders of those shares issued and subscribed, a public corporation must distribute a minimum dividend of 30% of its profit for the year, except in the event that the Company has losses not absorbed in prior years.

2.20 Consolidated statement of cash flows

Cash equivalents relate to short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to low risk of change in value, and that expire in less than three months. This classification also applies to mutual funds classified as cash equivalents.

The statement of cash flows includes cash movements performed during the year, determined using the indirect method.

2.21 Obligations related to employee termination benefits and pension commitments

Obligations with the Company's employees are in accordance with that established in the collective bargaining agreements in force formalized through collective employment agreements and individual employment contracts. In the case of the United States employees, certain obligations are in accordance with the related pension plan.

These obligations are valued using actuarial calculations, which consider such hypotheses as the mortality rate, employee turnover, interest rates, retirement dates, effects related to increases in employees' salaries, as well as the effects on variations in services derived from variations in the inflation rate.

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Note 2 - Basis of presentation of consolidated financial statements and Summary of significant accounting principles (continued)

2.21 Obligations related to employee termination benefits and pension commitments (continued)

Actuarial losses and gains that may be generated by variations in previously defined obligations are directly recorded in consolidated statement of income.

Actuarial losses and gains have their origin in deviations between the estimate and the actual behavior of actuarial hypotheses or in the reformulation of established actuarial hypotheses.

The discount rate used by the Company for calculating the obligation was 6% for the periods ended June 30, 2011 and December 31, 2010.

The Company's affiliate SQM North America has established pension plans for its retired employees that are calculated by measuring the projected obligation using a net salary progressive rate net of adjustments for inflation, mortality and turnover assumptions, deducting the resulting amounts at present value using a 6.5% interest rate. The net balance of this obligation is presented in the category called non-current accruals for employee benefits.

2.22 Financial derivatives and hedge transactions

Derivatives are recognized initially at fair value as of the date in which the derivatives contract is signed and subsequently they are valued at fair value at each period end. The method for recognizing the resulting loss or gain depends on whether the derivative has been designated as an accounting hedge instrument and if so, it depends on the type of hedging, which may be as follows:

- (a) Fair value hedge of assets and liabilities recognized (fair value hedges);
- (b) Hedging of a single risk associated with an asset or liability recognized or a highly possible foreseen transaction (cash flow hedge);

At the beginning of the transaction, the Company documents the relationship existing between hedging instruments and those entries hedged, as well as their objectives for risk management purposes and the strategy to conduct different hedging operations.

The Company also documents its evaluation both at the beginning and the end of each period of whether derivatives used in hedging transactions are highly effective to offset changes in the fair value or in cash flows of hedged entries.

The fair value of derivative instruments used for hedging purposes is shown in Note 8.3. Movements in the cash flow hedge reserve (other comprehensive income) are classified as a non-current asset or liability if the remaining expiration period of the hedged item is higher than 12 months and as a current asset or liability if the remaining expiration period of the entry is lower than 12 months.

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2.22 Financial derivatives and hedge transactions(continued)

Financial derivatives are classified as a current asset or liability, and the change in their fair value is recognized directly in profit or loss.

(a) Fair value hedge

The change in the fair value of a derivative is recognized with a debit or credit to profit or loss, as applicable. The change in the fair value of the hedged entry attributable to hedged risk is recognized as part of the carrying value of the hedged entry and is also recognized with a debit or credit to profit or loss.

For fair value hedging related to items recorded at amortized cost, the adjustment of the fair value is amortized against income during the period through maturity. Any adjustment to the carrying value of a hedged financial instrument for which the effective rate is used is amortized with a debit or credit to profit or loss at its fair value attributable to the risk being covered.

If the hedged entry is derecognized, the fair value not amortized is immediately recognized with a debit or credit to profit or loss.

(b) Cash flow hedges

The effective portion of gains or losses from the hedge instrument is initially recognized with a debit or credit to other comprehensive income, whereas any ineffective portion is immediately recognized with a debit or credit to income, as applicable.

Amounts taken to equity are transferred to profit or loss when the hedged transaction affects income for the year, as when the hedged interest income or expense is recognized when a forecasted sale occurs. When the hedged entry is the cost of a non-financial asset or liability, amounts taken to equity are transferred to the initial carrying value of the non-financial asset or liability.

Should the expected firm transaction or commitment no longer be expected to occur, the amounts previously recognized in other comprehensive income are transferred to income. If a hedge instrument expires, is sold, finished, and exercised without any replacement, or if a rollover is performed or if its designation as hedging is revoked, the amounts previously recognized in equity are maintained in shareholders' equity until the expected firm transaction or commitment occurs.

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Note 2 - Basis of presentation of consolidated financial statements and Summary of significant accounting principles (continued)

2.23 Leases

(a) Leases - Finance lease

Leases are classified as finance leases when the Company holds substantially all the risks and rewards derived from the ownership. Finance leases are capitalized at the beginning of the lease at the lower of the fair value of the leased asset or the present value of minimum lease payments.

Each lease payment is distributed between the liability and the interest expenses to obtain ongoing interest on the pending balance of the debt. The respective lease obligations, net of interest expense, are included in other non-current liabilities. The interest element of finance cost is debited in the consolidated statement of income during the lease period so that a regular ongoing interest rate is obtained on the remaining balance of the liability for each year. The asset acquired through a finance lease is subject to depreciation over the lesser value of its useful life or the life of the agreement.

(b) Lease - Operating lease

Leases in which the lessor maintains a significant part of the risks and rewards derived from the ownership are classified as operating leases. Operating lease payments (net of any incentive received from the lessor) are debited to the statement of income or capitalized (as applicable) on a straight-line basis over the lease period.

2.24 Prospecting expenses

Those prospecting expenses associated with mineral reserves being exploited are included under Inventory and amortized according to the estimated mineral content reserves. Prospecting expenses associated with future mineral reserves are presented under other non-financial assets as and when minerals included in the future reserve have caliche ore-grade, which makes the mining property economically commercializable.

Those expenses incurred on mining properties in which the product has a low caliche ore-grade that is not economically commercializable, are directly charged to income.

2.25 Other provisions accrued expenses

Provisions are recognized when:

- \* The Company has a present obligation as the result of a past event.
- \* It is more likely than not that certain resources must be used, including benefits, to settle the obligation.
- \* A reliable estimate can be made of the amount of the obligation.

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2.25 Other provisions accrued expenses (continued)

In the event that the provision or a portion of it is reimbursed, the reimbursement is recognized as a separate asset solely if there is certainty of income.

In the consolidated statement of income, the expense for any provision is presented net of any reimbursement.

Should the effect of the time value of money be significant, provisions are discounted using a discount rate before taxes that reflects the liability's specific risks. When a discount rate is used, the increase in the provision over time is recognized as a finance cost.

The Company's policy is maintaining accruals to cover risks and expenses based on a better estimate to deal with possible or certain and quantifiable responsibilities from current litigation, compensations or obligations, pending expenses for which the amount has not yet been determined, collaterals and other similar guarantees for which the Company is responsible. These are recorded at the time the responsibility or the obligation that determines the compensation or payment is generated.

The Company determines and recognizes the cost related to employee vacation on an accrual basis.

2.26 Compensation plans

Compensation plans implemented through benefits in share-based payments settled in cash, which have been provided, are recognized in the financial statements at their fair value, in accordance with International Financial Reporting Standard No. 2 "Share-based payments". Variations in the fair value of options granted are recognized with a charge to wages on a straight-line basis during the period between the date on which these options are granted and the payment date. (See Note N° 16)

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Note 2 - Basis of presentation of consolidated financial statements and Summary of significant accounting principles (continued)

2.27 Goods and service insurance expenses

Payments for the different insurance policies which the Company contracts are recognized in expenses considering the proportional amount related to the time that they cover, regardless of payment terms. Amounts paid and not consumed are recognized as prepaid expenses within current assets.

Costs of claims are recognized in profit or loss immediately after they become known, net of recoverable amounts from insurance companies. Recoverable amounts are recorded as a reimbursable asset from the insurance company under "Trade and other accounts receivable", calculated as established in the respective insurance policies.

2.28 Intangible assets

Intangible assets mainly relate to goodwill acquired, water rights, trademarks, and rights of way related to electric lines and development expenses, and computer software licenses.

(a) Goodwill acquired

Goodwill acquired represents the excess in acquisition cost on the fair value of the Company's ownership of the net identifiable assets of the subsidiary on the acquisition date. Goodwill acquired related to acquisitions of subsidiaries is included in intangible assets, which is subject to value impairment tests annually and is stated at cost plus accumulated impairment losses. Gains and losses related to the sale of an entity include the carrying value of goodwill related to the entity sold.

This intangible asset is assigned to cash generating units with the purpose of testing impairment losses. It is allocated based on cash generating units expected to obtain benefits from the business combination from which the aforementioned goodwill acquired arose.

(b) Water rights

Water rights acquired by the Company relate to water from natural sources and are recorded at acquisition cost. Given that these assets represent rights granted on a perpetual basis to the Company, these are not amortized. However, they are subject to an impairment assessment on an annual basis.

(c) Right of way for electric lines

As required for the operation of industrial plants, the Company has paid rights of way in order to install wires for the different electric lines in third party land. These rights are presented under Intangible assets. Amounts paid are capitalized at the date of the agreement and charged to income according to the life of the right of way.

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Note 2 - Basis of presentation of consolidated financial statements and Summary of significant accounting principles (continued)

2.28 Intangible assets (continued)

(d) Computer software

Licenses for IT programs acquired are capitalized based on costs that have been incurred to acquire them and prepare them to use the specific program. These costs are amortized over their estimated useful lives.

Expenses related to the development or maintenance of IT programs are recognized as an expense as and when incurred. Costs directly related to the production of unique and identifiable IT programs controlled by the Group and which probably will generate economic benefits that are higher than costs during more than a year, are recognized as intangible assets. Direct costs include expenses incurred for employees who develop IT programs and an adequate percentage of general expenses.

The costs of development for IT programs recognized as assets are amortized over their estimated useful lives.

No impairment of intangible assets exists as of June 30, 2011 and December 31, 2010.

2.29 Research and development expenses

Research and development expenses are expensed in the period in which the disbursement is made, with the exception of property, plant and equipment acquired for use in research and development, which are recognized in the accounting under the respective item within property, plant and equipment.

2.30 Classification of balances as current and non-current

In the attached statement of financial position, balances are classified in consideration of their remaining recovery (maturity) dates; i.e., those maturing on a date equal to or lower than twelve months are classified as current and those with maturity dates exceeding the aforementioned period are classified as non-current.

The exception to the foregoing relates to deferred taxes, which are classified as non-current, regardless of the anticipated recovery date.

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Note 3 - Financial Risk Management, Objectives and Policies

3.1 Risk management policy

The Risk Management Policy of the company is oriented towards safeguarding its stability and sustainability in relation to all such relevant financial uncertainty components.

The operations of the Company are subject to certain risk factors that may affect the financial position or results of operations. Among these risks, the most relevant are market risk, liquidity risk, foreign exchange rate risk, doubtful accounts risk, and interest rate risk.

There may be additional risks that might also affect the commercial operations, the business, the financial position or the operations of the Company, but at this time they are not considered significant.

The financial risk management structure includes identifying, determining, analyzing, quantifying, measuring and controlling these events. Management, in particular the Finance Management, is responsible for constantly assessing the financial risk. The Company uses derivatives to cover a significant portion of these risks.

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Note 3 - Financial Risk Management, Objectives and Policies (continued)

3.2 Risk factors

3.2.1 Market risk

Market risks are those uncertainties associated with fluctuations of market variables that affect the assets and liabilities of the Company, such as:

a) Country risk

The economic position of the countries where the Company has a presence may affect its financial position. For example, the sales carried out in emerging markets expose the Company to risks related to economic conditions and trends in those countries. On the other hand, inventory may also be affected by the economic situation of these countries and/ or the global economy, amongst other probable economic impacts.

b) Price volatility risk

The prices of the Company's products are affected by the fluctuations of the international prices of fertilizers and chemical products and changes in productive capacities or market demand, all of which might affect the Company's business, financial position and operating income.

c) Commodities price risk

The Company is exposed to changes in the prices of raw materials and energy, which may have an impact on its production costs, ThUS giving rise to instability in the results.

At present, the Company has a direct annual expense close to US\$85 million on account of fuel and close to US\$55 million on account of electricity. Variations of 10% in the prices of energy the Company requires to operate, may involve in the short term movements in costs amounting to US\$14 million.

3.2.2 Doubtful accounts risk

As occurred in the last global financial crisis, the contraction of the global economy and the potentially negative effects on the financial position of the Company's clients may extend the accounts receivable collection time, increasing the Company's exposure to doubtful accounts. While measures have been taken in order to minimize risk, the global economy may trigger losses that might have a material adverse effect on the business, financial position or the results of the Company's operations.

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As a way to mitigate these risks, the Company actively controls debt collection and uses measures such as loan insurance, letters of credit, and advance payments with regard to some accounts receivable.

### 3.2.3 Foreign exchange risk

As a result of the influence in the price determination, of its relationship with sales costs, and since a significant part of the business of the Company is carried out in that foreign currency, the functional currency of the Company is the U.S. dollar. However, the global business activities of the Company expose it to the foreign exchange fluctuations of several currencies with respect to the US dollar. Therefore, the Company has hedge contracts to insure its main mismatches (assets net of liabilities) in currencies other than the US dollar against the foreign exchange fluctuation. Those contracts are periodically up-dated depending upon the mismatch amount to be covered in these currencies.

A significant portion of the Company's costs is related to the Chilean peso. Therefore, an increase or decrease in the foreign exchange rate between the Chilean peso and the US dollar would affect its costs US\$370 million of the Company's costs, especially payroll, relate to the Chilean peso, which are hedged by derivative instruments that cover currency fluctuations.

As of December 31, 2010 the Company had derivative instruments classified as foreign exchange risk and interest rate hedged associated with the total bond obligations in both Chilean pesos and UF (units indexed by inflation), for a fair value of US\$97.5 million. As of June 30, 2011 this sum amounts to US\$ 99.9 million, both in favor of the Company.

### 3.2.4 Interest rate risk

Interest rate fluctuations, due to the uncertain future behavior of markets, may have a material impact on the financial results of the Company.

The Company has short and long term debts valued at LIBOR plus a spread. As the Company does not have derivative instruments to cover LIBOR fluctuations, the Company is subject to the fluctuations of that rate.

As of June 31, 2011 approximately 27% of the Company's financial obligations included current portion valued at LIBOR, therefore significant increases in the rate may impact its financial position. A 100 point variation on this rate may trigger variations in the financial expenses close to US\$3.2 million per year; however, this effect is significantly counterbalanced by the returns of the Company's investments that also relate to LIBOR.

In addition, the Company has over the total financial debt as of June 30, 2011 a percentage close to 15% with short term maturity, thus reducing the exposure to interest rate fluctuations.

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3.2.5 Liquidity risk

Liquidity risk is related to the fund requirements to comply with payment obligations. The object of the Company is to keep financial flexibility by comfortably balancing the fund requirements and the flows from the regular business conduct, bank loans, public bonds, short term investments, and negotiable instruments, amongst others.

The Company has a relevant capital expense program that is subject to risks and uncertainties. Mostly the exploration and exploitation of reserves, mining and processing costs, and compliance with the applicable regulations require important capital expenses, which are subject to variations in time.

On the other hand, world financial markets go through contraction and expansion periods that are not foreseeable in the long term and may affect the Company's access to financial resources. These factors may have a material adverse impact on the business, financial position, and operational results of the Company.

As a result of the foregoing, the Company constantly monitors that its obligations and investments match, taking care as part of its financial risk management strategy of the obligations and investments maturities from a conservative perspective. As of June 30, 2011 the Company had committed bank lines amounting to US\$597 million and not committed bank lines amounting to US\$40 million, in the event additional resources were needed.

The position in other cash and cash equivalents so generated by the Company is invested in highly liquid mutual funds which risk classification is AAA.

3.3 Risk measurement

The Company has methods to measure the effectiveness and efficiency of risk strategies, both prospectively and retrospectively. Those methods are consistent with the risk management profile of the Group.

Note 4 - Changes in accounting estimates and policies (Uniformity)

4.1 Changes in accounting estimates

There are no changes in accounting estimates as of the closing date of the consolidated financial statements.

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## Note 4 - Changes in accounting estimates and policies (Uniformity) (continued)

## 4.2 Changes in accounting policies

As of June 30, 2011, the Company's consolidated financial statements present no changes in accounting policies or estimates compared to the prior period or the transaction date.

The consolidated classified statements of financial position as of June 30, 2011 and as of December 31, 2010 and the statements of income, comprehensive income, equity and cash flows for the periods ended June 30, 2011 and June 30, 2010, have been prepared in accordance with IFRS, and accounting principles and criteria have been applied consistently.

## Note 5 - Cash and cash equivalents

## 5.1 Types of cash and cash equivalents

As of June 30, 2011 and December 31, 2010, cash and cash equivalents are detailed as follows:

|                                 | 06.30.2011 | 12.31.2010 |
|---------------------------------|------------|------------|
|                                 | ThUS\$     | ThUS\$     |
| Cash and cash equivalents       |            |            |
| Cash on hand                    | 84         | 83         |
| Bank balances                   | 21,892     | 24,267     |
| Short-term time deposits        | 337,098    | 375,057    |
| Other cash and cash equivalents | 115,837    | 125,245    |
| Cash and cash equivalents       | 474,911    | 524,652    |

## 5.2 Other cash and cash equivalents

As of June 30, 2011, and December 31, 2010, other cash and cash equivalents relate to mutual fund units for investments made in:

|  | 06.30.2011 | 12.31.2010 |
|--|------------|------------|
|  | ThUS\$     | ThUS\$     |
| Institution  |            |            |
| Legg Mason Western Asset Institutional Liquid Reserves | 39,654     | 52,576     |
| BlackRock Institutional cash series Plc                | 36,909     | 36,712     |
| JP Morgan US dollar Liquidity Fund Institutional       | 39,274     | 35,957     |
| Total  | 115,837    | 125,245    |

These other cash equivalents are highly liquid fund manager accounts that are basically invested in short-term fixed rate notes in the U.S. market.

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## Sociedad Química y Minera de Chile S.A. and Subsidiaries

## Note 5 - Cash and cash equivalents (continued)

## 5.3 Information on cash and cash equivalents by currency

Cash and cash equivalents are classified by currency as follows:

|                    | 06.30.2011 | 12.31.2010 |
|--------------------|------------|------------|
| Original currency  | ThUS\$     | ThUS\$     |
| Chilean Peso       | 250,902    | 331,011    |
| US Dollar          | 213,567    | 176,703    |
| Euro               | 5,400      | 6,784      |
| Mexican Peso       | 230        | 102        |
| South African Rand | 3,506      | 8,776      |
| Japanese Yen       | 1,191      | 1,192      |
| Peruvian Sol       | 58         | 13         |
| Argentinean Peso   | 3          | -          |
| Brazilian Real     | 6          | 21         |
| Chinese Yuan       | 29         | 40         |
| Indonesian rupee   | 5          | 5          |
| Pound sterling     | 14         | 5          |
| Totals             | 474,911    | 524,652    |

## 5.4 Amount of significant restricted (unavailable) cash balances

Cash on hand and in current bank accounts are available resources, and their carrying value is equal to their fair value.

As of June 30, 2011 and December 31, 2010, the Company has no significant cash balances with any type of restriction.

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Notes to the consolidated Financial Statements as of June 30, 2011  
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## Note 5 - Cash and Cash Equivalents (continued)

## 5.5 Detail of time deposits

Cash and cash equivalents in time deposits at each year-end are detailed as follows:

| Receiver of the deposit     | Type of Deposit | Original Currency | Interest rate | Placement date | Expiration date | Principal ThUS\$ | Interest accrued to date |        | Dec 31, 2011 | Dec 31, 2010 |
|-----------------------------|-----------------|-------------------|---------------|----------------|-----------------|------------------|--------------------------|--------|--------------|--------------|
|                             |                 |                   |               |                |                 |                  | ThUS\$                   | ThUS\$ |              |              |
| Banco BBVA Chile            | Fixed term      | Chilean pesos     | 0.4905        | 06/08/2011     | 04/2011         | 20,008           | 180                      | 20,188 | -            |              |
| Banco BBVA Chile            | Fixed term      | US Dollar         | 1.7006        | 24/09/2011     | 12/2011         | 20,476           | 6                        | 20,482 | -            |              |
| Banco BBVA Chile            | Fixed term      | US Dollar         | 1.7006        | 24/09/2011     | 12/2011         | 5,000            | 1                        | 5,001  | -            |              |
| Banco Crédito e Inversiones | Fixed term      | Chilean pesos     | 0.5206        | 01/08/2011     | 01/2011         | 15,090           | 76                       | 15,166 | 26,401       |              |
| Banco Crédito e Inversiones | Fixed term      | Chilean pesos     | 0.5106        | 02/08/2011     | 01/2011         | 15,328           | 73                       | 15,401 | 4,168        |              |
| Banco Crédito e Inversiones | Fixed term      | Chilean pesos     | 0.5006        | 14/09/2011     | 12/2011         | 4,340            | 12                       | 4,352  | 6,738        |              |
| Banco Crédito e Inversiones | Fixed term      | Chilean pesos     | 0.5106        | 15/09/2011     | 01/2011         | 8,733            | 22                       | 8,755  | 10,574       |              |
| Banco Crédito e Inversiones | Fixed term      | Chilean pesos     | 0.5106        | 16/09/2011     | 01/2011         | 15,029           | 36                       | 15,065 | 10,150       |              |
| Banco Crédito e Inversiones | Fixed term      | Chilean pesos     | 0.4906        | 29/08/2011     | 01/2011         | 35,859           | 5                        | 35,864 | 10,355       |              |
| Banco de Chile              | Fixed term      | Chilean pesos     | 0.5205        | 26/08/2011     | 04/2011         | 5,043            | 31                       | 5,074  | 20,781       |              |
| Banco de Chile              | Fixed term      | Chilean pesos     | 0.5006        | 22/09/2011     | 01/2011         | 20,282           | 27                       | 20,309 | 16,056       |              |
| Banco de Chile              | -               | -                 | -             | -              | -               | -                | -                        | -      | 15,832       |              |
| Banco de Chile              | -               | -                 | -             | -              | -               | -                | -                        | -      | 20,962       |              |
| Banco de Chile              | -               | -                 | -             | -              | -               | -                | -                        | -      | 7,271        |              |
| Banco de Chile              | -               | -                 | -             | -              | -               | -                | -                        | -      | 20,306       |              |
| Banco de Chile              | -               | -                 | -             | -              | -               | -                | -                        | -      | 1,667        |              |
| Banco Estado                | -               | -                 | -             | -              | -               | -                | -                        | -      | 17,001       |              |
| Banco Santander-Santiago    | Fixed term      | Chilean pesos     | 0.4604        | 26/07/2011     | 01/2011         | 15,225           | 152                      | 15,377 | 10,499       |              |
| Banco Santander-Santiago    | Fixed term      | Chilean pesos     | 0.4704        | 26/07/2011     | 05/2011         | 20,273           | 205                      | 20,478 | 15,528       |              |
| Banco Santander-Santiago    | Fixed term      | Chilean pesos     | 0.5105        | 18/08/2011     | 01/2011         | 10,211           | 74                       | 10,285 | 20,897       |              |
| Banco Santander-Santiago    | Fixed term      | US Dollar         | 0.8506        | 30/07/2011     | 05/2011         | 6,000            | -                        | 6,000  | 31,752       |              |
| Banco Santander-Santiago    | Fixed term      | US Dollar         | 1.0106        | 17/07/2011     | 09/2011         | 25,000           | 9                        | 25,009 | 6,251        |              |
| Banco Santander-Santiago    | Fixed term      | US Dollar         | 1.7006        | 28/06/2011     | 01/2011         | 10,004           | -                        | 10,004 | 3,200        |              |
| Banco Santander-Santiago    | Fixed term      | US Dollar         | 1.1306        | 14/06/2011     | 01/2011         | 5,000            | 3                        | 5,003  | 20,009       |              |
| Banco Security              | Fixed term      | Chilean pesos     | 0.5005        | 05/08/2011     | 01/2011         | 20,097           | 186                      | 20,283 | 16,014       |              |

|                     |           |           |                |             |       |   |       |     |       |
|---------------------|-----------|-----------|----------------|-------------|-------|---|-------|-----|-------|
| Banco Security      | -         | -         | -              | -           | -     | - | -     | -   | 7,017 |
| Citibank New - York | Overnight | US Dollar | 0.0106/30/2011 | 0.0101/2011 | 2,999 | - | 2,999 | 557 |       |

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Note 5 - Cash and Cash Equivalents (continued)

5.5 Detail of time deposits (continued)

Cash and cash equivalents in time deposits at each year-end are detailed as follows:

| Receiver of the deposit  | Type of Deposit | Original Currency | Interest rate | Placement date | Expiration date | Principal ThUS\$ | Interest accrued to-date ThUS\$ | 06.30.2011 ThUS\$ | 12.31.2010 ThUS\$ |
|--------------------------|-----------------|-------------------|---------------|----------------|-----------------|------------------|---------------------------------|-------------------|-------------------|
|                          |                 | US                |               |                |                 |                  |                                 |                   |                   |
| Citibank New - York      | Overnight       | Dollar            | 0.01          | 06/30/2007     | 07/01/2011      | 3,245            | -                               | 3,245             | -                 |
| Corpbanca                | Fixed term      | Chilean pesos     | 0.47          | 04/25/2007     | 07/20/2011      | 20,294           | 208                             | 20,502            | 15,556            |
| Corpbanca                | Fixed term      | Chilean pesos     | 0.51          | 05/09/2007     | 07/28/2011      | 3,019            | 26                              | 3,045             | 5,786             |
| Corpbanca                | Fixed term      | Chilean pesos     | 0.51          | 06/14/2009     | 09/12/2011      | 9,978            | 27                              | 10,005            | 4,060             |
| Corpbanca                | Fixed term      | Chilean pesos     | 0.51          | 06/23/2009     | 09/21/2011      | 10,191           | 12                              | 10,203            | 8,786             |
| IDBI Bank                | Fixed term      | Indian rupee      | -             | 06/30/2007     | 07/31/2011      | 3                | -                               | 3                 | 3                 |
| Scotiabank Sud Americano | -               | -                 | -             | -              | -               | -                | -                               | -                 | 20,880            |
| HSBC Bank Chile          | Fixed term      | US Dollar         | 0.60          | 06/30/2007     | 07/15/2011      | 9,000            | -                               | 9,000             | -                 |
| <b>Total</b>             |                 |                   |               |                |                 |                  |                                 | <b>337,098</b>    | <b>375,057</b>    |

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## Nota 6 - Inventory

The composition of inventory is detailed as follows:

| Type of inventory       | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|-------------------------|----------------------|----------------------|
| Raw materials           | 4,923                | 7,120                |
| Supplies for production | 26,766               | 21,398               |
| Products-in-progress    | 311,309              | 291,536              |
| Finished products       | 294,087              | 285,047              |
| <b>Total</b>            | <b>637,085</b>       | <b>605,101</b>       |

Inventory reserves recognized as of June 30, 2011 amount to ThUS\$67,344, as of December 31, 2010 amounted to ThUS\$63,597. Inventory reserves have been made based on a technical study that covers the different variables affecting products in stock (density, humidity, among others.) Additionally, reserves have been recognized for lower prices on the sale of products and inventory difference.

As of June 30, 2011 the sum registered as cost of sale related to inventory in the statement of income amounts to ThUS\$483,368 and as of June 30, 2010 to ThUS\$433,513.

The breakdowns of inventory reserves are detailed as follows:

| Type of Inventory                | 06.30.2010<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|----------------------------------|----------------------|----------------------|
| Raw materials reserves           | 1,093                | 1,093                |
| Supplies for production reserves | -                    | -                    |
| Products-in-progress reserves    | 50,751               | 43,115               |
| Finished products reserves       | 15,500               | 19,389               |
| <b>Total</b>                     | <b>67,344</b>        | <b>63,597</b>        |

The Company has not delivered inventory as collateral for the periods indicated above.

## Note 7 - Related Party Disclosures

## 7.1 Related party disclosures

Balances pending at each period-end are not guaranteed, accrue no interest and are settled in cash. No guarantees have been delivered or received for trade and other accounts receivable from related parties or trade and other accounts payable to related parties. For the period ended June 30, 2011, the Company has not recorded any impairment in accounts receivable related to amounts owed by related parties. This evaluation is conducted every year through an examination of the financial position of the related party in the market in which it operates.

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## 7.2 Relationships between the parent company and the entity

According to the Company's by-laws., no shareholder can own more than 32% of the Company's voting shares.

Sociedad de Inversiones Pampa Calichera S.A. and Global Mining Investments (Chile) S.A., collectively the Pampa Group, are the owners of a number of shares that are equivalent to 30.06% of the current total amount of shares issued, subscribed and paid of the Company. In addition, Kowa Company Ltd., Inversiones La Esperanza (Chile) Limitada, Kochi S.A. and La Esperanza Delaware Corporation, collectively the Kowa Group, are the owners of a number of shares equivalent to 2.08% of the total amount of shares of SQM S.A. issued, subscribed and paid.

The Pampa Group and the Kowa Group have informed the Company, the Chilean SVS and the pertinent stock exchanges in Chile and abroad that they are not and have never been related parties.. In addition, this assertion is regardless of the fact that both Groups on December 21, 2006 subscribed to a joint venture agreement with respect to those shares. Consequently, such parties assert that the Pampa Group, by itself, does not concentrate more than 32% of the voting rights capital of the Company, and the Kowa Group does not concentrate by itself more than 32% of the voting rights capital of SQM S.A.

### Detail of effective concentration

| Taxpayer ID              | Company name                                 | Ownership percentage % |
|--------------------------|--|------------------------|
| 96.511.530-7             | Sociedad de Inversiones Pampa Calichera S.A. | 26.72                  |
| 96.863.960-9             | Global Mining Investments (Chile) S.A.       | 3.34                   |
| <b>Total Pampa Group</b> |  | <b>30.06</b>           |
| 79.798.650-k             | Inversiones la Esperanza (Chile) Ltda.       | 1.40                   |
| 59.046.730-8             | Kowa Co Ltd.                                 | 0.30                   |
| 96.518.570-4             | Kochi S.A.                                   | 0.29                   |
| 59.023.690-k             | La Esperanza Delaware Corporation            | 0.09                   |
| <b>Total Kowa Group</b>  |  | <b>2.08</b>            |

## 7.3 Intermediate parent company and companies controlled by SQM S.A. that publicly issue financial statements

The following intermediate parent companies prepare public financial statements:

Soquimich Comercial S.A.

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Notes to the consolidated Financial Statements as of June 30, 2011  
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## Note 7 - Related Party Disclosures (continued)

## 7.4 Detailed identification of the link between the parent company and the subsidiary as of June 30, 2011 and December 31, 2010

| Subsidiary  | Interest percentage in subsidiary<br>06.30.2011 and 12.31.2010 |               |            |
|---|--|---------------|------------|
|   | Direct<br>%  | Indirect<br>% | Total<br>% |
| Comercial Hydro S.A.  | 0.0000   | 60.6383       | 60.6383    |
| SQM Potasio S.A.  | 99.9974  | 0.0000        | 99.9974    |
| SQM Nitratos S.A.   | 99.9999  | 0.0001        | 100.0000   |
| Ajay SQM Chile S.A.   | 51.0000  | 0.0000        | 51.0000    |
| SQMC Internacional Ltda.                                      | 0.0000   | 60.6383       | 60.6383    |
| SQM Industrial S.A.   | 99.0470  | 0.9530        | 100.0000   |
| Isapre Norte Grande Ltda.                                     | 1.0000   | 99.0000       | 100.0000   |
| Almacenes y Depósitos Ltda.                                   | 1.0000   | 99.0000       | 100.0000   |
| Serv. Integrales de Tránsitos y Transferencias S.A.           | 0.0003   | 99.9997       | 100.0000   |
| Soquimich Comercial S.A.                                      | 0.0000   | 60.6383       | 60.6383    |
| SQM Salar S.A.  | 18.1800  | 81.8200       | 100.0000   |
| Minera Nueva Victoria S.A.                                    | 99.0000  | 1.0000        | 100.0000   |
| Proinsa Ltda.   | 0.0000   | 60.5800       | 60.5800    |
| Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A. | 0.0000   | 100.0000      | 100.0000   |
| Exploraciones Mineras S.A.                                    | 0.2691   | 99.7309       | 100.0000   |
| Agrorama Callegari Ltda.                                      | 0.0000   | 42.4468       | 42.4466    |
| Agrorama S.A. (*)   | 0.0000   | 60.6377       | 60.6377    |
| Nitratos Naturais Do Chile Ltda.                              | 0.0000   | 100.0000      | 100.0000   |
| Nitrate Corporation of Chile Ltd.                             | 0.0000   | 100.0000      | 100.0000   |
| SQM North America Corporation.                                | 40.0000  | 60.0000       | 100.0000   |
| SQM Europe N.V.   | 0.8600   | 99.1400       | 100.0000   |
| Soquimich SRL Argentina                                       | 0.0000   | 100.0000      | 100.0000   |
| Soquimich European Holding B.V.                               | 0.0000   | 100.0000      | 100.0000   |
| SQM Corporation N.V.  | 0.0002   | 99.9998       | 100.0000   |

(\*) This subsidiary was incorporated on April 7, 2011.

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Note 7 - Related Party Disclosures (continued)

7.4 Detailed identification of the link between the parent company and the subsidiary as of June 30, 2011 and December 31, 2010 (continued)

| Subsidiary                                       | Interest percentage in subsidiary<br>06.30.2011 and 12.31.2010 |               |            |
|--|--|---------------|------------|
|  | Direct<br>%  | Indirect<br>% | Total<br>% |
| SQI Corporation N.V.                             | 0.0159   | 99.9841       | 100.0000   |
| SQM Comercial de México S.A. de C.V.             | 1.0000   | 99.0000       | 100.0000   |
| North American Trading Co.                       | 0.0000   | 100.0000      | 100.0000   |
| Administración y Servicios Santiago S.A. de C.V. | 0.0000   | 100.0000      | 100.0000   |
| SQM Perú S.A.                                    | 0.9800   | 99.0200       | 100.0000   |
| SQM Ecuador S.A.                                 | 0.0040   | 99.9960       | 100.0000   |
| SQM Nitratos México S.A.                         | 0.0000   | 51.0000       | 51.0000    |
| SQMC Holding Corporation L.L.P.                  | 0.1000   | 99.9000       | 100.0000   |
| SQM Investment Corporation N.V.                  | 1.0000   | 99.0000       | 100.0000   |
| SQM Brasil Limitada.                             | 2.7900   | 97.2100       | 100.0000   |
| SQM France S.A.                                  | 0.0000   | 100.0000      | 100.0000   |
| SQM Japan Co Ltd.                                | 1.0000   | 99.0000       | 100.0000   |
| Royal Seed Trading A.V.V.                        | 1.6700   | 98.3300       | 100.0000   |
| SQM Oceania Pty Limited.                         | 0.0000   | 100.0000      | 100.0000   |
| Rs Agro Chemical Trading A.V.V.                  | 98.3333  | 1.6667        | 100.0000   |
| SQM Indonesia S.A.                               | 0.0000   | 80.0000       | 80.0000    |
| SQM Virginia L.L.C.                              | 0.0000   | 100.0000      | 100.0000   |
| SQM Venezuela S.A.                               | 0.0000   | 100.0000      | 100.0000   |
| SQM Italia SRL                                   | 0.0000   | 100.0000      | 100.0000   |
| Comercial Caiman Internacional S.A.              | 0.0000   | 100.0000      | 100.0000   |
| SQM Africa Pty.Ltd.                              | 0.0000   | 100.0000      | 100.0000   |
| SQM Lithium Specialties LLP.                     | 0.0000   | 100.0000      | 100.0000   |
| Fertilizantes Naturales S.A.                     | 0.0000   | 66.6750       | 66.6750    |
| Iodine Minera B.V.                               | 0.0000   | 100.0000      | 100.0000   |
| SQM Agro India Pvt. Ltd.                         | 0.0000   | 100.0000      | 100.0000   |
| SQM Beijin Comercial Co. Ltd.                    | 0.0000   | 100.0000      | 100.0000   |

7.5 Detail of related parties and transactions with related parties

Transactions between the parent company and its subsidiaries are part of the Company's common transactions. In addition, these have been eliminated in consolidation and are not detailed in this note.

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## Note 7 - Related Party Disclosures (continued)

## 7.5 Detail of related parties and transactions with related parties (continued)

| Taxpayer ID | Company                             | Relationship              | Original country     | Transaction    | 06.30.2011<br>ThUS\$ | 06.30.2010<br>ThUS\$ |
|-------------|-------------------------------------|---------------------------|----------------------|----------------|----------------------|----------------------|
| Foreign     | Doktor Tarsa Tarim Sanayi As        | Associate                 | Turkey               | Product Sales  | 15,417               | 8,958                |
| Foreign     | Ajay Europe S.A.R.L.                | Associate                 | France               | Product Sales  | 12,101               | 12,078               |
| Foreign     | Ajay North America LLC.             | Associate                 | United States        | Product Sales  | 19,447               | 17,629               |
| Foreign     | Ajay North America LLC.             | Associate                 | United States        | Dividends      | 268                  | 37                   |
| Foreign     | Abu Dhabi Fertilizer Industries WWL | Associate                 | United Arab Emirates | Product Sales  | 3,630                | 6,940                |
| Foreign     | Kowa Company Ltd.                   | Jointly-controlled entity | Japan                | Product Sales  | 54,478               | 43,361               |
| Foreign     | NU3 B.V.                            | Associate                 | The Netherlands      | Product Sales  | 9,502                | 7,705                |
| Foreign     | NU3 B.V.                            | Associate                 | The Netherlands      | Services Sales | 53                   | 53                   |
| Foreign     | NU3 N.V.                            | Associate                 | Belgium              | Product Sales  | 7,086                | 7,750                |
| Foreign     | SQM Vitas Brasil                    | Joint venture             | Brazil               | Product Sales  | 17,988               | -                    |

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## Note 7 - Related Party Disclosures (continued)

## 7.6 Trade and other accounts receivable from related parties, current

| Taxpayer ID  | Company                             | Relationship              | Country              | Currency                           | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|--------------|-------------------------------------|---------------------------|----------------------|------------------------------------|----------------------|----------------------|
| 77.557.430-5 | Sales de Magnesio Ltda.             | Associate                 | Chile                | Chilean peso                       | 54                   | 106                  |
| 96.511.530-7 | Soc.de Inversiones Pampa Calichera  | Jointly-controlled entity | Chile                | US Dollar                          | 8                    | 8                    |
| 79.049.778-9 | Callegari Agrícola S.A.             | Other related party       | Chile                | Chilean peso                       | 30                   | 6                    |
| Foreign      | Doktor Tarsa Tarim Sanayi AS        | Associate                 | Turkey               | US Dollar                          | -                    | -                    |
| Foreign      | Nutrisi Holding N.V.                | Associate                 | Belgium              | Euro                               | 1,752                | 1,618                |
| Foreign      | Ajay Europe S.A.R. L.               | Associate                 | France               | US Dollar                          | 3,016                | 2,043                |
| Foreign      | Ajay North America LLC.             | Associate                 | United states        | US Dollar                          | 4,696                | 2,666                |
| Foreign      | Abu Dhabi Fertilizer Industries WWL | Associate                 | United Arab Emirates | US Dollar                          | 3,138                | 4,517                |
| Foreign      | NU3 B.V.                            | Associate                 | The Netherlands      | Euro                               | 2,744                | 1,083                |
| Foreign      | Misr Speciality Fertilizers         | Associate                 | Egypt                | US Dollar                          | 186                  | 335                  |
| Foreign      | Kowa Company Ltd.                   | Jointly-controlled entity | Japan                | US Dollar                          | 20,919               | 23,134               |
| Foreign      | SQM Thailand Co. Ltd.               | Associate                 | Thailand             | US Dollar                          | 800                  | 656                  |
| Foreign      | Qingdao SQM-Star Corp               | Joint venture             | China                | US Dollar                          | 419                  | -                    |
| Foreign      | SQM Vitas Brasil Agroindustria      | Joint venture             | Brazil               | US Dollar                          | 13,707               | -                    |
| Foreign      | SQM Vitas Perú S.A.C.               | Joint venture             | Peru                 | US Dollar                          | 189                  | -                    |
| Foreign      | SQM Vitas Fzco.                     | Joint venture             | United Arab Emirates | Dirham of the United Arab Emirates | 292                  | -                    |
| <b>Total</b> |                                     |                           |                      |                                    | <b>51,950</b>        | <b>36,172</b>        |

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## Note 7 - Related Party Disclosures (continued)

## 7.7 Trade and other accounts payable to related parties, current

| Taxpayer ID | Company                         | Relationship  | Country                 | Currency                                 | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|-------------|---------------------------------|---------------|-------------------------|--|----------------------|----------------------|
| Foreign     | Doktor Tarsa Tarim<br>Sanayi AS | Associate     | Turkey                  | US Dollar                                | 254                  | 73                   |
| Foreign     | NU3 N.V.                        | Associate     | Belgium                 | US Dollar                                | 1,394                | 270                  |
| Foreign     | SQM Vitas<br>Coromandel         | Joint venture | United Arab<br>Emirates | Dirham of the<br>United Arab<br>Emirates | -                    | 2,614                |
| Foreign     | Fertilizers Limited             | Joint venture | India                   | Rupee                                    | 630                  | 581                  |
| Total       |                                 |               |                         |  | 2,278                | 3,538                |

As of June 30, 2011, and June 30, 2010 there are no allowances for doubtful accounts relating to outstanding balances from transactions with related parties.

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Note 7 - Related Party Disclosures (continued)

7.8 Board of directors and senior management

1) Board of directors

The Company is managed by a Board of Directors which is composed of eight regular directors who are elected for a three-year period. The present Board of Directors was elected by the shareholders at the Ordinary Shareholders' Meeting of April 28, 2011.

As of June 30, 2011, the Company has an Audit Committee made up of three members of the Board of Directors. This Committee performs those duties provided in Article 50 bis of Law No. 18,046.

During the periods covered by these consolidated financial statements, there are no pending balances receivable and payable between the Company, its directors or members of Senior Management other than those related to remuneration, fee allowances and profit participation. In addition, there were no transactions conducted between the Company, its directors or members of Senior Management.

2) Directors' Compensation

2.1 Compensation for 2011

2.1.1 Board of Directors

Directors' compensation is detailed as follows:

- a) A payment of a monthly fixed gross amount of UF 300 in favor of the Chairman of the Company's Board of Directors and UF 50 in favor of the seven remaining board members regardless of their attendance at Board meetings or the number of meetings attended.
- b) A payment in domestic currency in favor of the Chairman of the Company's Board of Directors consisting of a variable and gross amount equivalent to 0.35% of total net for the period effectively earned by the Company during fiscal year 2011.
- c) A payment in domestic currency in favor of each Company's directors excluding the Chairman of the Board, consisting of a variable and gross amount equivalent to 0.04% of total net income for the year effectively earned by the Company during fiscal year 2011.
- d) The fixed and variable amounts indicated above will not be subject to any charge between them, and those expressed as a percentage will be paid immediately after the shareholders at the respective Annual General Shareholders' Meeting of the Company approve the statement of financial position (balance sheet), the financial statements, the annual report, the report by the account inspectors and the report of external auditors for the fiscal year ending December 31, 2011.
- e) Therefore, the remunerations and profit sharing paid to members of the Board of Directors and Audit Committee during 2011 amount to ThUS\$ 167.



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Note 7 - Related Party Disclosures (continued)

2) Directors' Compensation

2.1.2 Audit Committee

The remuneration of the Audit Committee is detailed as follows:

- a) A payment of a monthly, fixed and gross amount of UF 17 in favor of each of the three Directors who are a part of the Company's Audit Committee regardless of the number of meetings conducted during the respective month.
- b) A payment in domestic currency and in favor of each of the three Directors of a variable and gross amount equivalent to 0.013% of the Company's total net income for the year effectively earned by the Company during fiscal year 2011.

2.2 Compensation for 2010

2.2.1 Directors' Compensation and Committee

The remuneration of Directors is composed of:

- f) A payment of a monthly fixed gross amount of UF 300 in favor of the Chairman of the Company's Board of Directors and UF 50 in favor of the seven remaining board members regardless of their attendance at Board meetings or the number of meetings attended during the related month.
- g) A payment in domestic currency in favor of the Chairman of the Company's Board of Directors consisting of a variable and gross amount equivalent to 0.35% of total net income for the period effectively earned by the Company during fiscal year 2010.
- h) A payment in domestic currency in favor of each Company's directors excluding the Chairman of the Board, consisting of a variable and gross amount equivalent to 0.04% of total net income for the year effectively earned by the Company during fiscal year 2010.
- i) The fixed and variable amounts indicated above will not be subject to any charge between them, and those expressed as a percentage will be paid immediately after the shareholders at the respective Annual General Shareholders' Meeting of the Company approve the statement of financial position (balance sheet), the financial statements, the annual report, the report by the account inspectors and the report of external auditors for the fiscal year ending December 31, 2010.
- j) Therefore, the remunerations and profit sharing paid to members of the Board of Directors and Audit Committee during 2010 amount to ThUS\$ 2,869.

2.2.2 Directors Committee

The remuneration of Directors Committee is composed of:

- c) A payment of a monthly, fixed and gross amount of UF 17 in favor of each of the three Directors who are a part of the Company's Audit Committee regardless of the number of meetings conducted during the respective month.

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2.2.2 Directors Committee (continued)

d) A payment in domestic currency and in favor of each of the three Directors of a variable and gross amount equivalent to 0.013% of the Company's total net income for the year effectively earned by the Company during fiscal year 2010.

3) No guarantees have been constituted in favor of the Directors.

4) Senior Management remuneration

As of June 30, 2011, the global remuneration paid to the 108 main executives amounts to ThUS\$ 14,366 (ThUS\$ 21,809 as of December 31, 2010). This includes monthly fixed salary and variable performance bonuses.

The Company has a bonuses intermediate and bi-intermediate plan for compliance target and level of individual contribution to the Company's results. These benefits are structured in a minimum and maximum of gross remunerations which are paid once a year or every two years.

5) Additionally, the Company has retention bonuses for the Company's executives. The amount of these bonuses is linked to the price of the Company's share and is payable in cash between 2011 and 2016 (See Note 16).

6) No guarantees have been constituted in favor of the Company's management.

7) The Company's Managers and Directors do not receive or have not received any benefit during the period ended as of June 30, 2011 or compensation for the concept of pensions, life insurance, paid time off, profit sharing, incentives, or benefits due to disability other than those mentioned in the preceding points.

8) One of the Company's Board of Directors is member of the Ultramar Group. During the period ended June 30, 2011, the amount of operations with this Group is approximately ThUS\$3,758 (ThUS\$ 11,532 as of December 31, 2010).

9) The Company currently maintains financial operations with BCI Bank (Banco de Crédito e Inversiones). A member of the Company's Board of Directors also belongs to the Board of Directors of BCI Bank.

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Note 8 - Financial Instruments

Financial assets are detailed as follows:

| 8.1                                      | Types of other financial assets |                      |
|--|---------------------------------|----------------------|
| Types of other financial assets          | 06.30.2011<br>ThUS\$            | 12.31.2010<br>ThUS\$ |
| Other current financial assets (1)       | 111,637                         | 69,818               |
| Derivative instruments (2)               | 5,263                           | 1,363                |
| Hedging assets, current                  | 10,102                          | 4,997                |
| Total other current financial assets     | 127,002                         | 76,178               |
| Other non-current financial assets (3)   | 119                             | 118                  |
| Hedging assets, non-current              | 94,552                          | 92,556               |
| Total other non-current financial assets | 94,671                          | 92,674               |

(1) Relates to time deposits with purchased maturities greater than 90 days.

(2) Relate to forwards and options that were not classified as hedging instruments. (See note 8.3)

(3) Relate to guarantees delivered for the lease of offices and investments in Sociedad Garantizadora de Pensiones (ownership interest of 3 %.)

Other financial assets, current

| Financial Institution          | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|--------------------------------|----------------------|----------------------|
| Banco Santander Santiago       | 20,251               | -                    |
| Banco Estado                   | 3,324                | -                    |
| Banco de Crédito e Inversiones | 29,226               | 36,251               |
| Banco de Chile                 | 27,453               | 10,333               |
| Corpbanca                      | 31,383               | 18,031               |
| Banco Itau Chile               | -                    | 5,203                |
| Total                          | 111,637              | 69,818               |

8.2 Trade and other accounts receivable

a) Trade and other accounts receivable, net:

| Description of the type of trade and other accounts receivable, net: | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|--|----------------------|----------------------|
| Trade accounts receivable  | 404,114              | 350,720              |
| Other accounts receivable  | 21,684               | 25,225               |

|  |         |         |
|--|---------|---------|
| Trade and other accounts receivable current, net     | 425,798 | 375,945 |
| Trade and other accounts receivable non-current, net | 1,001   | 1,102   |
| Other accounts receivable                            | 1,001   | 1,102   |
| Total  | 426,799 | 377,047 |

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b) Trade and other accounts receivable, gross:

| Types of trade and other accounts receivable, gross | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|---|----------------------|----------------------|
| Trade accounts receivable                           | 422,284              | 367,545              |
| Other accounts receivable                           | 23,747               | 27,282               |
| Trade and other accounts receivable current, gross  | 446,031              | 394,827              |
| Other accounts receivable                           | 1,001                | 1,102                |
| Total   | 447,032              | 395,929              |

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## Note 8 - Financial Instruments (continued)

## 8.2 Trade and other accounts receivable (continued)

## c) Detail of financial assets past due

Financial assets past due are composed of the following: Trade and other accounts receivable as of June 30, 2011 and December 31, 2010.

| Financial assets                    | Balances as of<br>06.30.2011                           |  |   |   | Total<br>ThUS\$ |
|-------------------------------------|--|--|---|---|-----------------|
|                                     | Past due for<br>less than<br>three<br>months<br>ThUS\$ | Past due for<br>between<br>three and<br>six months<br>ThUS\$ | Past due for<br>between six<br>and twelve<br>months<br>ThUS\$ | Past due for<br>more than<br>twelve<br>months<br>ThUS\$ |                 |
| Trade and other accounts receivable | 40,249   | 7,324  | 18,120  | 7,760   | 73,453          |
| Total                               | 40,249   | 7,324  | 18,120  | 7,760   | 73,453          |

| Financial assets                    | Balances as of<br>12.31.2010                           |  |   |   | Total<br>ThUS\$ |
|-------------------------------------|--|--|---|---|-----------------|
|                                     | Past due for<br>less than<br>three<br>months<br>ThUS\$ | Past due for<br>between<br>three and<br>six months<br>ThUS\$ | Past due for<br>between six<br>and twelve<br>months<br>ThUS\$ | Past due for<br>more than<br>twelve<br>months<br>ThUS\$ |                 |
| Trade and other accounts receivable | 57,804   | 606  | 6,976   | 4,245   | 69,631          |
| Total                               | 57,804   | 606  | 6,976   | 4,245   | 69,631          |

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Note 8 - Financial Instruments (continued)

8.2 Trade and other accounts receivable (continued)

d) Allowance for doubtful accounts

The Company records an allowance for doubtful accounts when in the Company's management's opinion, all collection means have been exhausted or there are certain doubts as to the recovery of trade and other accounts receivable.

| Financial assets                    | 06.30.2011 | 12.31.2010 |
|-------------------------------------|------------|------------|
|                                     | ThUS\$     | ThUS\$     |
| Trade and other accounts receivable | (20,233)   | (18,882)   |
| Balance                             | (20,233)   | (18,882)   |

Reconciliation of variations in the allowance for doubtful accounts of trade and other accounts receivable.

|                     | 06.30.2011 | 12.31.2010 |
|---------------------|------------|------------|
|                     | ThUS\$     | ThUS\$     |
| Opening balance     | 18,882     | 17,083     |
| Bad debt expense    | 1,833      | 2,028      |
| Write-offs          | (559 )     | (118 )     |
| Exchange difference | 77         | (111 )     |
| Total               | 20,233     | 18,882     |

e) Credit risk concentration

Credit risk concentrations with respect to trade receivables are reduced due to the great number of entities included in the Company's client database and their distribution throughout the world.

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(Translation of consolidated financial statements originally issued in Spanish – see Note 2.2)

## Note 8 - Financial Instruments (continued)

## 8.2 Trade and other accounts receivable (continued)

The policy of the Company is to request a collateral (such as letters of credit and guarantee clauses or other), and/ or to have insurance for certain accounts as the management deems suitable. Renegotiated debts are not significant and are limited to accounts receivable in Chile.

| Trade receivables  | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|--|----------------------|----------------------|
| Gross trade receivable   | 477,032              | 395,929              |
| Overdue which are not considered to be impaired                      | (73,453 )            | (69,631 )            |
| Allowance for doubtful accounts                                      | (20,233 )            | (18,882 )            |
| Receivables that are neither overdue or considered impaired in value | 353,346              | 307,416              |

## 8.3 Current hedge assets

The balance represents derivative instruments measured at fair value which have been classified as hedges from exchange and interest rate risks related to the total obligations relating to bonds of the Company in Chilean pesos and UF. As of June 30, 2011 the nominal value of flows in Cross Currency Swap contracts agreed upon in US dollars amounted to ThUS\$ 408,052 as of December 31, 2010 such contracts amounted to ThUS\$ 410,618.

| Hedging assets    | Derivative instruments (CCS)<br>ThUS\$ | Effect on profit or loss for the period, |                                  | Hedging reserve in other comprehensive income (equity)<br>ThUS\$ | Deferred income tax reserve in equity<br>ThUS\$ | Hedging reserve in other comprehensive income (equity)<br>ThUS\$ |
|-------------------|--|--|----------------------------------|--|---|--|
|                   |  | derivative Instruments<br>ThUS\$         | Derivative Instruments<br>ThUS\$ |  |   |  |
| June 30, 2011     | 104,654                                | 6,146                                    | (15,054 )                        | 2,678  | (12,376 )                                       |  |
| December 31, 2010 | 97,553                                 | 46,936                                   | (11,093 )                        | 1,886  | (9,207 )  |  |

Balances in the column “Effects on profit or loss”, consider the annual effects of contracts that were in force as of June 30, 2011 and December 31, 2010.

As of June 30, 2011, the Company has hedging assets associated to the Investments Plan amounting to ThUS\$ 4,748.

Derivative contract maturities are detailed as follows:

| Series | Contract Amount ThUS\$ | Currency     | Expiration Date |
|--------|------------------------|--------------|-----------------|
| C      | 79,539                 | UF           | 12.01.2026      |
| G      | 33,673                 | Chilean peso | 01.05.2014      |

|   |         |              |            |
|---|---------|--------------|------------|
| H | 146,360 | UF           | 01.05.2013 |
| I | 56,041  | UF           | 04.01.2014 |
| J | 92,440  | Chilean peso | 04.01.2014 |

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Note 8 - Financial Instruments (continued)

8.3 Current hedge assets (continued)

The Company uses cross currency swap derivative instruments to hedge the possible financial risk associated with the volatility of the exchange rate associated with Chilean pesos and UF. The objective is to hedge the exchange rate financial risks associated with bonds payable. Hedges are documented and tested to measure their effectiveness.

Based on a comparison of critical terms, hedging is highly effective, given that the hedged amount is consistent with obligations maintained for bonds denominated in Chilean pesos and UF. Likewise, hedging contracts are denominated in the same currencies and have the same expiration dates of bond principal payments.

Hedge Accounting

The Company classifies derivative instruments as hedging that may include derivative or implicit derivatives either as fair value hedge derivative instruments, cash flow hedge derivative instruments, or hedge derivative instruments for net investment in a business abroad.

(a) Fair value hedges

Changes in fair values of derivative instruments classified as fair value hedge derivative instruments are accounted for in gains and losses immediately along with any change in the fair value of the covered item that is attributable to the risk that is covered.

The Company documents the relationship between hedge instruments and the covered entry along with the objectives of its risk management and strategy to carry out different hedge transactions. In addition, upon commencement of the period covered and then on a quarterly basis the Company documents whether hedge instruments have been efficient and met the objective to cover market fluctuations for which purpose we use the effectiveness test. A hedge instrument is deemed effective if the effectiveness test result is between 80 to 120%.

The hedge instruments are classified as effective or not effective on the basis of the effectiveness test results. To date, the effectiveness tests have defined them as effective.

(b) Cash flow hedges

Cash flow hedges cover exposure to the cash flow variations attributable to a risk associated with a specific transaction that is very likely to be executed, that may have material effects on the results of the Company.

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## Note 8 - Financial instruments (continued)

## 8.4 Financial liabilities

As of June 30, 2011, and December 31, 2010, financial liabilities are detailed as follows:

| Types of interest-bearing loans           | 06.30.2010<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|---|----------------------|----------------------|
| <b>Current interest-bearing loans</b>     |                      |                      |
| Bank loans (a)                            | 180,706              | 150,958              |
| Derivative instruments (9.6)              | 10,334               | 18,353               |
| Current hedging liabilities               | -                    | -                    |
| Unsecured obligations (b)                 | 18,323               | 18,244               |
| <b>Total</b>                              | <b>209,363</b>       | <b>187,555</b>       |
| <b>Non-current interest-bearing loans</b> |                      |                      |
| Bank loans (c)                            | 140,000              | 140,000              |
| Non-current hedging liabilities           | -                    | -                    |
| Unsecured obligations (d)                 | 954,689              | 950,188              |
| <b>Total</b>                              | <b>1,094,689</b>     | <b>1,090,188</b>     |

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Note 8 - Financial instruments (continued)

8.4 Financial liabilities (continued)

a) Current bank loans:

As of June 30, 2011 and December 31, 2010, current bank loans are detailed as follows:

| Debtor          |                                       |         | Creditor     |                          |               |          | Type of repayment | Effective rate | Nominal rate | U |
|-----------------|---------------------------------------|---------|--------------|--------------------------|---------------|----------|-------------------|----------------|--------------|---|
| Taxpayer ID     | Subsidiary                            | Country | Taxpayer ID  | Financial institution    | Country       | Currency | date              |                | T            |   |
| 93.007.000-9    | SQM S.A.                              | Chile   | 97.004.000-5 | Banco de Chile           | Chile         | USD      | Maturity date     | 0.63%          | 0.63%        | - |
| 93.007.000-9    | SQM S.A.                              | Chile   | Foreign      | Banco Estado NY Branch   | United States | USD      | Maturity date     | 2.53%          | 2.53%        | - |
| 79.626.800-K    | SQM Salar S.A.                        | Chile   | 97.004.000-5 | Banco de Chile           | Chile         | USD      | Maturity date     | 0.52%          | 0.52%        | 2 |
| 79.626.800-K    | SQM Salar S.A.                        | Chile   | 97.018.000-1 | Scotiabank Sud Americano | Chile         | USD      | Maturity date     | 0.74%          | 0.74%        | 2 |
| 79.947.100-0    | SQM Industrial S.A.                   | Chile   | 97.004.000-5 | Banco de Chile           | Chile         | USD      | Maturity date     | 0.52%          | 0.52%        | 2 |
| 79.947.100-0    | SQM Industrial S.A.                   | Chile   | 97.018.000-1 | Scotiabank Sud Americano | Chile         | USD      | Maturity date     | 0.64%          | 0.64%        | 2 |
| Foreign         | Royal Seed Trading Corporation A.V.V. | Aruba   | Foreign      | ING Capital LLC          | United States | USD      | Maturity date     | 0.81%          | 0.74%        | - |
| Total           |                                       |         |              |                          |               |          |                   |                |              | 8 |
| Borrowing costs |                                       |         |              |                          |               |          |                   |                |              | - |
| Total           |                                       |         |              |                          |               |          |                   |                |              | 8 |

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Note 8 - Financial instruments (continued)

8.4 Financial liabilities (continued)

| Debtor                 |                                       |         | Creditor     |                                      |               | Type of  | Effective     | Non    |    |
|------------------------|---------------------------------------|---------|--------------|--------------------------------------|---------------|----------|---------------|--------|----|
| Taxpayer ID            | Subsidiary                            | Country | Taxpayer ID  | Financial institution                | Country       | Currency | repayment     | rate   | ra |
| 93.007.000-9           | SQM S.A.                              | Chile   | Foreign      | Banco Estado NY Branch               | United States | USD      | Maturity date | 3.93 % | 3. |
| 93.007.000-9           | SQM S.A.                              | Chile   | Foreign      | Banco Estado NY Branch               | United States | USD      | Maturity date | 3.93 % | 3. |
| 93.007.000-9           | SQM S.A.                              | Chile   | Foreign      | Banco Estado NY Branch               | United States | USD      | Maturity date | 2.55 % | 2. |
| 93.007.000-9           | SQM S.A.                              | Chile   | 97.032.000-8 | BBVA Banco Bilbao Vizcaya Argentaria | Chile         | USD      | Maturity date | 0.64 % | 0. |
| 93.007.000-9           | SQM S.A.                              | Chile   | 97.032.000-8 | BBVA Banco Bilbao Vizcaya Argentaria | Chile         | USD      | Maturity date | 0.26 % | 0. |
| Foreign                | Royal Seed Trading Corporation A.V.V. | Aruba   | Foreign      | ING Capital LLC                      | United States | USD      | Maturity date | 1.22 % | 0. |
| <b>Total</b>           |                                       |         |              |                                      |               |          |               |        |    |
| <b>Borrowing costs</b> |                                       |         |              |                                      |               |          |               |        |    |
| <b>Total</b>           |                                       |         |              |                                      |               |          |               |        |    |

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## Note 8 - Financial instruments (continued)

## 8.4 Financial liabilities (continued)

## b) Unsecured obligations, current:

## Bonds

| Tax ID       | Debtor     |         | Placement in Chile or abroad | Number of registration or ID of the instrument | Series | Placed nominal current value | Currency or indexed unit | Effective rate | Nominal rate | Interest payment | Periodicity |
|--------------|------------|---------|------------------------------|--|--------|------------------------------|--------------------------|----------------|--------------|------------------|-------------|
|              | Subsidiary | Country |                              |  |        |                              |                          |                |              |                  |             |
| 93.007.000-9 | SQM S.A    | Chile   | Foreign                      |  | Single | -                            | US\$                     | 6.71 %         | 6.13 %       | Bi-annually      | At          |
| 93.007.000-9 | SQM S.A    | Chile   | Foreign                      |  | Single | -                            | US\$                     | 5.93 %         | 5.50 %       | Bi-annually      | At          |
| 93.007.000-9 | SQM S.A    | Chile   | Chile                        | 446  | C      | 150,000                      | UF                       | 6.55 %         | 4.00 %       | Bi-annually      | Bi-         |
| 93.007.000-9 | SQM S.A    | Chile   | Chile                        | 563  | G      | -                            | Ch\$                     | 7.04 %         | 7.00 %       | Bi-annually      | Bi          |
| 93.007.000-9 | SQM S.A    | Chile   | Chile                        | 564  | H      | -                            | UF                       | 6.29 %         | 4.90 %       | Bi-annually      | Bi-         |
| 93.007.000-9 | SQM S.A    | Chile   | Chile                        | 563  | I      | -                            | UF                       | 5.42 %         | 3.00 %       | Bi-annually      | At          |
| 93.007.000-9 | SQM S.A    | Chile   | Chile                        | 563  | J      | -                            | Ch\$                     | 5.72 %         | 5.50 %       | Bi-annually      | At          |
|              |            |         |                              | Total  |        |                              |                          |                |              |                  |             |
|              |            |         |                              | Bond issue cost                                |        |                              |                          |                |              |                  |             |
|              |            |         |                              | Total  |        |                              |                          |                |              |                  |             |

Effective rates of bonds in Chilean pesos and UF are expressed and calculated in U.S. dollars based on the flows expected in Cross Currency Swap Agreements.

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Note 8 - Financial instruments (continued)

8.4 Financial liabilities (continued)

| Tax ID       | Debtor<br>Subsidiary | Country | Placement in<br>Chile or abroad | Number of<br>registration<br>or ID of the<br>instrument | Series | Placed<br>nominal<br>current<br>value | Currency<br>or Indexed<br>unit | Effective<br>rate | Nominal<br>rate | Interest<br>payme |
|--------------|----------------------|---------|---------------------------------|---|--------|---------------------------------------|--------------------------------|-------------------|-----------------|-------------------|
| 93.007.000-9 | SQM S.A              | Chile   | Foreign                         |   | Single | -                                     | US\$                           | 6.69              | % 6.13          | % Bi-annua        |
| 93.007.000-9 | SQM S.A              | Chile   | Foreign                         |   | Single | -                                     | US\$                           | 5.93              | % 5.50          | % Bi-annua        |
| 93.007.000-9 | SQM S.A              | Chile   | Chile                           | 446   | C      | 150,000                               | UF                             | 6.56              | % 4.00          | % Bi-annua        |
| 93.007.000-9 | SQM S.A              | Chile   | Chile                           | 564   | H      | -                                     | UF                             | 6.29              | % 4.90          | % Bi-annua        |
| 93.007.000-9 | SQM S.A              | Chile   | Chile                           | 563   | G      | -                                     | Ch\$                           | 7.53              | % 7.00          | % Bi-annua        |
| 93.007.000-9 | SQM S.A              | Chile   | Chile                           | 563   | I      | -                                     | UF                             | 5.36              | % 3.00          | % Bi-annua        |
| 93.007.000-9 | SQM S.A              | Chile   | Chile                           | 563   | J      | -                                     | Ch\$                           | 6.64              | % 5.50          | % Bi-annua        |
|              |                      |         |                                 | Total   |        |                                       |                                |                   |                 |                   |
|              |                      |         |                                 | Bond issue cost   |        |                                       |                                |                   |                 |                   |
|              |                      |         |                                 | Total   |        |                                       |                                |                   |                 |                   |

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Note 8 - Financial instruments (continued)

8.4 Financial liabilities (continued)

c) Types of non-current interest-bearing loans

Non-current interest-bearing loans as of June 30, 2011 and December 31, 2010 are detailed as follows:

Non-current interest-bearing bank loans

| Debtor          |            | Creditor |             | 06.30.2011             |               | 06.30.2010 |                     |                |              |              |              |
|-----------------|------------|----------|-------------|------------------------|---------------|------------|---------------------|----------------|--------------|--------------|--------------|
| Taxpayer ID     | Subsidiary | Country  | Taxpayer ID | Financial institution  | Country       | Currency   | Amortization period | Effective rate | Nominal rate | 1 to 3 years | 3 to 5 years |
|                 |            |          |             |                        |               |            |                     |                |              | ThUS\$       | ThUS\$       |
| 93.007.000-9    | SQM S.A.   | Chile    | Foreign     | Banco Estado NY Branch | United States | USD        | At maturity         | 2.5318%        | 2.5318%      | -            | 140,000      |
| Total           |            |          |             |                        |               |            |                     |                |              | -            | 140,000      |
| Borrowing costs |            |          |             |                        |               |            |                     |                |              | -            | -            |
| Total           |            |          |             |                        |               |            |                     |                |              | -            | 140,000      |

| Debtor          |            | Creditor |             | 12.31.2010             |               | 12.31.2010 |                     |                |              |              |              |                   |
|-----------------|------------|----------|-------------|------------------------|---------------|------------|---------------------|----------------|--------------|--------------|--------------|-------------------|
| Taxpayer ID     | Subsidiary | Country  | Taxpayer ID | Financial institution  | Country       | Currency   | Amortization period | Effective rate | Nominal rate | 1 to 3 years | 3 to 5 years | More than 5 years |
|                 |            |          |             |                        |               |            |                     |                |              | ThUS\$       | ThUS\$       | ThUS\$            |
| 93.007.000-9    | SQM S.A.   | Chile    | Foreign     | Banco Estado NY Branch | United States | USD        | At maturity         | 2.55%          | 2.55%        | -            | 140,000      | -                 |
| Total           |            |          |             |                        |               |            |                     |                |              | -            | 140,000      | -                 |
| Borrowing costs |            |          |             |                        |               |            |                     |                |              | -            | -            | -                 |
| Total           |            |          |             |                        |               |            |                     |                |              | -            | 140,000      | -                 |

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Note 8 - Financial instruments (continued)

8.4 Financial liabilities (continued)

d) Non-current unsecured interest-bearing bonds

The breakdown of non-current unsecured interest-bearing bonds as of June 30, 2011 and December 31, 2010 is detailed as follows:

| Debtor       |            |         | Placement<br>in Chile or<br>abroad | Number of<br>registration<br>or ID of the<br>instrument | Series | Placed nominal<br>current amount | Currency or<br>indexed<br>unit | Effective<br>rate | Nominal<br>rate | Inter-<br>pay |  |
|--------------|------------|---------|------------------------------------|---|--------|----------------------------------|--------------------------------|-------------------|-----------------|---------------|--|
| Tax ID       | Subsidiary | Country |                                    |   |        |                                  |                                |                   |                 |               |  |
| 93.007.000-9 | SQM S.A    | Chile   | Foreign                            |   | single | 200,000,000                      | US\$                           | 6.71              | % 6.13          | % Bi-an       |  |
| 93.007.000-9 | SQM S.A.   | Chile   | Foreign                            |   | single | 250,000,000                      | US\$                           | 5.93              | % 5.50          | % Bi-an       |  |
| 93.007.000-9 | SQM S.A    | Chile   | Chile                              | 446   | C      | 2,175,000                        | UF                             | 6.55              | % 4.00          | % Bi-an       |  |
| 93.007.000-9 | SQM S.A    | Chile   | Chile                              | 564   | H      | 4,000,000                        | UF                             | 6.29              | % 4.90          | % Bi-an       |  |
| 93.007.000-9 | SQM S.A    | Chile   | Chile                              | 563   | G      | 21,000,000,000                   | Ch\$                           | 7.04              | % 7.00          | % Bi-an       |  |
| 93.007.000-9 | SQM S.A    | Chile   | Chile                              | 563   | I      | 1,500,000                        | UF                             | 5.42              | % 3.00          | % Bi-an       |  |
| 93.007.000-9 | SQM S.A    | Chile   | Chile                              | 563   | J      | 52,000,000,000                   | Ch\$                           | 5.72              | % 5.50          | % Bi-an       |  |
|              |            |         |                                    | Total   |        |                                  |                                |                   |                 |               |  |
|              |            |         |                                    | Bond issue costs  |        |                                  |                                |                   |                 |               |  |
|              |            |         |                                    | Total   |        |                                  |                                |                   |                 |               |  |

| Debtor       |            |         | Placement<br>in Chile or<br>abroad | Number of<br>registration<br>or ID of the<br>instrument | Series | Placed nominal<br>current amount | Currency or<br>indexed<br>unit | Effective<br>rate | Nominal<br>rate | In-<br>pa |  |
|--------------|------------|---------|------------------------------------|---|--------|----------------------------------|--------------------------------|-------------------|-----------------|-----------|--|
| Tax ID       | Subsidiary | Country |                                    |   |        |                                  |                                |                   |                 |           |  |
| 93.007.000-9 | SQM S.A    | Chile   | Foreign                            |   | single | 200,000,000                      | US\$                           | 6.69              | % 6.13          | % Bi-a    |  |
| 93.007.000-9 | SQM S.A.   | Chile   | Foreign                            |   | single | 250,000,000                      | US\$                           | 5.93              | % 5.50          | % Bi-a    |  |
| 93.007.000-9 | SQM S.A    | Chile   | Chile                              | 446   | C      | 2,325,000                        | UF                             | 6.56              | % 4.00          | % Bi-a    |  |
| 93.007.000-9 | SQM S.A    | Chile   | Chile                              | 564   | H      | 4,000,000                        | UF                             | 6.29              | % 4.90          | % Bi-a    |  |
| 93.007.000-9 | SQM S.A    | Chile   | Chile                              | 563   | G      | 21,000,000,000                   | Ch\$                           | 7.53              | % 7.00          | % Bi-a    |  |
| 93.007.000-9 | SQM S.A    | Chile   | Chile                              | 563   | I      | 1,500,000                        | UF                             | 5.36              | % 3.00          | % Bi-a    |  |
| 93.007.000-9 | SQM S.A    | Chile   | Chile                              | 563   | J      | 52,000,000,000                   | Ch\$                           | 6.64              | % 5.50          | % Bi-a    |  |
|              |            |         |                                    | Total   |        |                                  |                                |                   |                 |           |  |
|              |            |         |                                    | Bond issue costs  |        |                                  |                                |                   |                 |           |  |
|              |            |         |                                    | Total   |        |                                  |                                |                   |                 |           |  |

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Note 8 - Financial instruments (continued)

8.4 Financial liabilities (continued)

e) Additional Information

- Bonds

As of June 30, 2011 and December 31, 2010, ThUS\$18,323, ThUS\$18,244, respectively are presented at short-term related to principal, current portion plus interest accrued at that date, not including borrowing costs and bonds issuance costs. In the long-term, non-current, the Company presented ThUS\$954,689 as of June 30, 2011, ThUS\$950,188 as of December 31, 2010 related to principal installments of Series C bonds, unique Series bonds, Series G bonds, Series H bonds, Series J bonds, Series I bonds and single series second issuance bonds.

As of June 30, 2011 and December 31, 2010 the details of each issuance are as follows:

Series “C” bonds

On January 25, 2006, the Company placed Series C bonds for UF 3,000,000 (ThUS\$101,918) at an annual rate of 4.00%

As of June 30, 2011 and December 31, 2010, the Company has made the following payments of principal and interest to comply with its obligations in relation to the Series C bonds.

| Payments made | 06.30.2011 | 12.31.2010 |
|---------------|------------|------------|
|               | ThUS\$     | ThUS\$     |
| Principal     | 3,501      | 6,298      |
| Interest      | 2,219      | 4,175      |

Single Series bonds

On April 5, 2006, the Company placed Single Series bonds for ThUS\$200,000 at an annual rate of 6.125% under "Rule 144 and regulation S of the U.S. Securities Act of 1933."

As of June 30, 2011 and December 31, 2010, the Company has made the following payments of principal and interest to comply with its obligations in relation to the Single Series bonds.

|                   | 06.30.2011 | 12.31.02010 |
|-------------------|------------|-------------|
|                   | ThUS\$     | ThUS\$      |
| Interest payments | 6,125      | 12,250      |

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Note 8 - Financial instruments (continued)

8.4 Financial liabilities (continued)

Series “G” and “H” bonds

On January 13, 2009, the Company placed two bond series in the domestic market. Series H for UF 4,000,000 (ThUS\$139,216) at an annual interest rate of 4.9% at a term of 21 years with payment of principal beginning in 2019 and Series G for ThCh\$ 21,000,000 (ThUS\$34,146), which was placed at a term of 5 years with a single payment at the maturity of the term and an annual interest rate of 7%.

As of June 30, 2011 and December 31, 2010, the Company has made the following payments of principal and interest to comply with its obligations in relation to the Series G and H bonds line:

|                   | 06.30.2011 | 12.31.2010 |
|-------------------|------------|------------|
|                   | ThUS\$     | ThUS\$     |
| Interest G series | 1,551      | 2,750      |
| Interest H series | 4,459      | 7,763      |

Series “J” and “I” Bonds

On May 8, 2009, the Company placed two bond series in the domestic market. Series J for ThCh\$52,000,000 (ThUS\$92,456) which was placed at a term of 5 years with single payment at the expiration date of the term and annual interest rate of 5.5% and Series I for UF 1,500,000 (ThUS\$56,051) which was placed at a term of 5 years with single payment at the maturity of the term and annual interest rate of 3.00%.

As of June 30, 2011 and December 31, 2010, the Company has made the following payments of principal and interest to comply with its obligations in relation to the Series J and I bonds:

|                   | 06.30.2011 | 12.31.2010 |
|-------------------|------------|------------|
|                   | ThUS\$     | ThUS\$     |
| Interest J series | 2,926      | 5,588      |
| Interest I series | 1,000      | 1,873      |

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Note 8 - Financial instruments (continued)

8.4 Financial liabilities (continued)

Single Series bonds (second issuance)

On April 21, 2010, the Company informed the Chilean Superintendence of Securities and Insurance of its placement in international markets of an unsecured bond of ThUS\$250,000 maturing in ten years beginning on the aforementioned date with an annual interest rate of 5.5%.

As of June 30, 2011 and December 31, 2010, the Company has made the following payments of principal and interest to comply with its obligations in relation to the second-issuance single series bonds.

|                   | 06.30.2011 | 12.31.2010 |
|-------------------|------------|------------|
|                   | ThUS\$     | ThUS\$     |
| Interest payments | 6,875      | 6,875      |

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8.5 Trade and other accounts payable

| Payments made         | 06.30.2011 |        | 12.31.2010 |        |
|-----------------------|------------|--------|------------|--------|
|                       | ThCh\$     | ThUS\$ | ThCh\$     | ThUS\$ |
| Principal, Series 1-B | -          | -      | 15,000,000 | 29,040 |

| Type of trade and other accounts payable | 06.30.2011 | 12.31.2010 |
|--|------------|------------|
|  | ThUS\$     | ThUS\$     |

Current trade and other accounts payable

|                        |         |         |
|------------------------|---------|---------|
| Trade accounts payable | 172,806 | 151,516 |
| Rentals                | 31      | 207     |
| Other accounts payable | 755     | 424     |
| Total                  | 173,592 | 152,147 |

The purchase commitments held by the Company are recognized as a liability when the services and goods are received by the Company. The Company has purchase order as of June 30, 2011 which amounts ThUS\$ 98,645 (December 31, 2010 ThUS\$ 51,347)

| Types of creditors and other accounts payable, non-current | 06.30.2011 | 12.31.2010 |
|--|------------|------------|
|  | ThUS\$     | ThUS\$     |

|                   |   |   |
|-------------------|---|---|
| Lease liabilities | - | - |
| Total             | - | - |

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8.6 Financial liabilities at fair value through profit or loss

This balance relates to derivative instruments, measured at fair value, the detail by type of instrument is as follows:

| Financial liabilities at fair value<br>through profit or loss | Effect on<br>profit or loss<br>as of |                      | Effect on<br>profit or loss<br>as of |                      |
|---|--------------------------------------|----------------------|--------------------------------------|----------------------|
|   | 06.30.2010<br>ThUS\$                 | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$                 | 12.31.2010<br>ThUS\$ |
| <b>Current</b>  |                                      |                      |                                      |                      |
| Derivative instruments (forwards)                             | 6,953                                | (6,953 )             | 15,818                               | (15,818 )            |
| Derivative instruments (options)                              | 3,381                                | (3,381 )             | 2,535                                | (2,535 )             |
|   | 10,334                               | (10,334 )            | 18,353                               | (18,353 )            |

Balances in the column “effect on profit or loss” consider the annual effects of agreements that were in force as of June 30, 2011.

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## Note 8 - Financial instruments (continued)

| 8.7   | Financial asset and liability categories |                      |
|---|--|----------------------|
| Description of financial assets   | 06.30.2011<br>ThUS\$                     | 12.31.2010<br>ThUS\$ |
| Financial assets at fair value with changes in income, necessarily measured at fair value | 10,011                                   | 1,362                |
| Financial assets at fair value in other comprehensive income                              | 99,906                                   | 97,554               |
| Financial assets at fair value with changes in income, classified as held for trading     | 111,637                                  | 69,818               |
| Investments held to maturity  | 119                                      | 118                  |
| Loans and accounts receivable   | 427,799                                  | 377,047              |
| Financial assets available for sale   | -  | -                    |
| <b>Total financial assets</b>   | <b>648,472</b>                           | <b>545,899</b>       |
| Description of financial liabilities  | 06.30.2010<br>ThUS\$                     | 12.31.2010<br>ThUS\$ |
| Financial liabilities at fair value through profit or loss                                | 10,334                                   | 18,353               |
| Financial liabilities measured at amortized cost  | 1,467,310                                | 1,411,537            |
| <b>Total financial liabilities</b>  | <b>1,477,644</b>                         | <b>1,429,890</b>     |

## 8.8 Financial assets pledged as guarantee

On November 4, 2004, Isapre Norte Grande maintained a guarantee equivalent to the total amount owed to its members and healthcare providers, which is managed and maintained by Banco de Chile.

On October 15, 2009, SQM Brazil directly provided a guarantee to governmental entities related to legal processes under development, in a note issued by BBVA Bancomer S.A.

As of June 30, 2011 and December 31, 2010, assets pledged as guarantees are detailed as follows:

| Restricted cash | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|-----------------|----------------------|----------------------|
|                 |                      |                      |

|                           |     |     |
|---------------------------|-----|-----|
| Isapre Norte Grande Ltda. | 528 | 514 |
| Total                     | 528 | 514 |

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Note 8 - Financial instruments (continued)

8.9 Estimated fair value of financial instruments and derivative financial instruments

As required by IFRS 7, the following information is presented for the disclosure of the estimated fair value of financial assets and liabilities.

Although inputs represent Management's best estimate, they are subjective and involve significant estimates related to the current economic and market conditions, as well as risk factors.

Methodologies and assumptions used depend on the risk terms and characteristics of each instrument, and include the following as a summary:

- Cash equivalents approximate fair value due to the short-term maturities of these instruments.
- Other current financial liabilities are considered at fair value equal to their carrying values.
- For interest-bearing liabilities with an original maturity of more than a year, fair values are calculated by discounting contractual cash flows at their original current market with similar terms.
- For forward and swap contracts, fair value is determined using quoted market prices of financial instruments with similar characteristics.

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Note 8 - Financial instruments (continued)

8.9 Estimated fair value of financial instruments and derivative financial instruments (continued)

The Company's instruments, listed at carrying value and estimated fair value, are detailed as follows:

|   | 06.30.2011               |                      | 12.31.2010               |                      |
|---|--------------------------|----------------------|--------------------------|----------------------|
|   | Carrying Value<br>ThUS\$ | Fair Value<br>ThUS\$ | Carrying Value<br>ThUS\$ | Fair Value<br>ThUS\$ |
| Cash and cash equivalents                     | 474,911                  | 474,911              | 524,652                  | 524,652              |
| Current trade and other accounts receivable   | 425,798                  | 425,798              | 375,945                  | 375,945              |
| Other current financial assets:               |                          |                      |                          |                      |
| - Time deposits (L2)                          | 111,637                  | 111,637              | 69,818                   | 69,818               |
| - Derivative instruments (L2)                 | 10,011                   | 10,011               | 1,363                    | 1,363                |
| - Current hedging assets (L2)                 | 5,354                    | 5,354                | 4,997                    | 4,997                |
| Total other current financial assets          | 127,002                  | 127,002              | 76,178                   | 76,178               |
| Other non-current financial assets:           | 119                      | 119                  | 118                      | 118                  |
| Non-current hedging assets (L2)               | 94,552                   | 94,552               | 92,556                   | 92,556               |
| Total other non-current financial assets      | 94,671                   | 94,671               | 92,674                   | 92,674               |
| Other current financial liabilities           |                          |                      |                          |                      |
| - Bank loans                                  | 180,706                  | 180,706              | 150,958                  | 150,958              |
| - Derivative instruments (L2)                 | 10,334                   | 10,334               | 18,353                   | 18,353               |
| - Hedging liabilities (L2)                    | -                        | -                    | -                        | -                    |
| - Unsecured obligations                       | 18,323                   | 18,323               | 18,244                   | 18,244               |
| Total other current financial Liabilities     | 209,363                  | 209,363              | 187,555                  | 187,555              |
| Trade accounts payable                        | 173,592                  | 173,592              | 152,147                  | 152,147              |
| Other non-current financial liabilities:      |                          |                      |                          |                      |
| - Bank loans                                  | 140,000                  | 142,945              | 140,000                  | 143,174              |
| - Non-current hedging liabilities (L2)        | -                        | -                    | -                        | -                    |
| - Unsecured obligations                       | 954,689                  | 1,014,655            | 950,188                  | 1,092,026            |
| Total other non-current financial liabilities | 1,094,689                | 1,157,600            | 1,090,188                | 1,235,200            |

Fair value hierarchy

Fair value hierarchies correspond to:

Level 1(L1): when only quoted (unadjusted) prices have been used in active markets.

Level(L2) :when in a phase in the valuation process variables other than prices quoted in Level 1 have been used  
2which are directly observable in markets.

Level 3(L3): when in a phase in the valuation process, variables not based on observable market data have been used.

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Note 9 - Investments and disclosures on Investments in subsidiaries

9.1 Disclosures on investments in subsidiaries

a) Operations acquired in 2011

On April 7, 2011 was formed Sociedad Agrorama S.A., with ownership of the subsidiary Soquimich Comercial S.A. by 99.999% and Sociedad Productora de Insumos Agrícolas Ltda. by 0.001%. This new company will have a paid-in capital amounting to M\$100,000 (ThUS\$211), its duration will be indefinite and its main business objective will be the commercialization and distribution of fertilizers, pesticides and agricultural products or supplies.

b) Operations acquired in 2010

On February 2, 2010, the subsidiary SQM Beijin Comercial was formed, to which SQM Industrial S.A. contributed capital of ThUS\$100, obtaining an equity interest of 100% in that entity.

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Notes to the consolidated Financial Statements as of June 30, 2011  
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## Note 9 - Investments and disclosures on Investments in subsidiaries (continued)

## 9.1 Disclosures on investments in subsidiaries (continued)

Financial information as of June 30, 2011 of the companies included in the consolidation process is detailed as follows:

| Subsidiaries   | Country | Functional<br>currency | Interest % | 06/30/2011        |                       |                 |                   |                       |                 | Revenue<br>ThUS\$ | Net<br>ThUS\$ |
|--|---------|------------------------|------------|-------------------|-----------------------|-----------------|-------------------|-----------------------|-----------------|-------------------|---------------|
|  |         |                        |            | Current<br>ThUS\$ | Non-current<br>ThUS\$ | Total<br>ThUS\$ | Current<br>ThUS\$ | Non-current<br>ThUS\$ | Total<br>ThUS\$ |                   |               |
| SQM Nitratos S.A.  | Chile   | US\$                   | 100        | 786,717           | 81,942                | 868,659         | 732,341           | 11,865                | 744,206         | 98,034            | 32            |
| Proinsa Ltda.  | Chile   | Chilean<br>Peso        | 60.58      | 227               | 1                     | 228             | -                 | -                     | -               | -                 | -             |
| SQMC Internacional Ltda.                                 | Chile   | Chilean<br>Peso        | 60.6382    | 300               | -                     | 300             | -                 | -                     | -               | -                 | (2)           |
| SQM Potasio S.A.   | Chile   | US\$                   | 99.9974    | 61,511            | 713,365               | 774,876         | 2                 | 177,439               | 177,441         | -                 | 10            |
| Serv. Integrales de Tránsito y Transf. S.A.              | Chile   | US\$                   | 100        | 176,778           | 63,256                | 240,034         | 209,159           | 5,343                 | 214,,502        | 21,469            | 3,            |
| Isapre Norte Grande Ltda.                                | Chile   | Chilean<br>Peso        | 100        | 522               | 624                   | 1,146           | 539               | 160                   | 699             | 1,876             | 21            |
| Ajay SQM Chile S.A.                                      | Chile   | US\$                   | 51         | 15,804            | 1,770                 | 17,574          | 3,562             | 897                   | 4,459           | 30,897            | 3,            |
| Almacenes y Depósitos Ltda.                              | Chile   | Chilean<br>Peso        | 100        | 411               | 53                    | 464             | 1                 | -                     | 1               | -                 | (1)           |
| SQM Salar S.A.   | Chile   | US\$                   | 100        | 486,899           | 765,828               | 1,252,727       | 355,729           | 110,863               | 466,592         | 347,592           | 13            |
| SQM Industrial S.A.                                      | Chile   | US\$                   | 100        | 1,321,351         | 621,877               | 1,943,228       | 1,092,505         | 45,026                | 1,137,531       | 384,861           | 51            |
| Minera Nueva Victoria S.A.                               | Chile   | US\$                   | 100        | 74,532            | 53,900                | 128,432         | 520               | 2,291                 | 2,811           | 672               | 1,            |
| Exploraciones Mineras S.A.                               | Chile   | US\$                   | 100        | 451               | 31,404                | 31,855          | 3,945             | -                     | 3,945           | -                 | (9)           |
| Sociedad Prestadora de Servicios de Salud Cruz del Norte | Chile   | Chilean<br>Peso        | 100        | 641               | 79                    | 720             | 219               | 387                   | 606             | 957               | (3)           |

|                           |               |              |         |         |        |         |         |       |         |         |    |
|---------------------------|---------------|--------------|---------|---------|--------|---------|---------|-------|---------|---------|----|
| S.A.                      |               |              |         |         |        |         |         |       |         |         |    |
| Soquimich Comercial S.A.  | Chile         | US dollar    | 60.6383 | 170,224 | 16,148 | 186,372 | 79,262  | 1,126 | 80,388  | 52,688  | 82 |
| Agroorama Callegari Ltda. | Chile         | Chilean Peso | 42.4468 | 6,694   | 1,512  | 8,206   | 6,795   | 117   | 6,912   | 4,237   | (1 |
| Comercial Hydro S.A.      | Chile         | Chilean Peso | 60.6382 | 7,082   | 272    | 7,354   | 40      | 53    | 93      | 54      | 15 |
| Agroorama S.A.            | Chile         | Chilean Peso |         | 214     | -      | 214     | -       | -     | -       | -       | -  |
| SQM North America Corp.   | United States | US dollar    | 100     | 132,329 | 15,372 | 147,701 | 109,296 | 2,644 | 111,940 | 166,874 | 3, |

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## Note 9 - Investments and disclosures on Investments in subsidiaries (continued)

## 9.1 Disclosures on investments in subsidiaries (continued)

06/30/2011

| Subsidiaries                               | Country           | Functional<br>currency | Interest<br>% | Assets            |                       |                 | Liabilities       |                       |                 | Revenue<br>ThUS\$ | Net<br>profit<br>(loss)<br>ThUS\$ |
|--|-------------------|------------------------|---------------|-------------------|-----------------------|-----------------|-------------------|-----------------------|-----------------|-------------------|-----------------------------------|
|  |                   |                        |               | Current<br>ThUS\$ | Non-current<br>ThUS\$ | Total<br>ThUS\$ | Current<br>ThUS\$ | Non-current<br>ThUS\$ | Total<br>ThUS\$ |                   |                                   |
| RS Agro<br>Chemical.Trading<br>A.V.V.      | Aruba             | US dollar              | 100           | 5,227             | -                     | 5,227           | -                 | -                     | -               | -                 | (1 )                              |
| Nitratos Naturais do<br>Chile Ltda.        | Brazil            | US dollar              | 100           | 8                 | 350                   | 358             | 5,239             | -                     | 5,239           | -                 | (155 )                            |
| Nitrate Corporation<br>of Chile Ltd.       | England           | US dollar              | 100           | 5,076             | -                     | 5,076           | -                 | -                     | -               | -                 | -                                 |
| SQM Corporation<br>N.V.                    | Dutch<br>Antilles | US dollar              | 100           | 669               | 72,495                | 73,164          | 3,693             | -                     | 3,693           | -                 | 19,931                            |
| SQM Perú S.A.                              | Perú              | US dollar              | 100           | 13,451            | 193                   | 13,644          | 13,710            | -                     | 13,710          | 17,137            | (680 )                            |
| SQM Ecuador S.A.                           | Ecuador           | US dollar              | 100           | 11,877            | 72                    | 11,949          | 11,153            | -                     | 11,153          | 12,359            | 166                               |
| SQM Brasil Ltda.                           | Brazil            | US dollar              | 100           | 304               | 68                    | 372             | 1,244             | -                     | 1,244           | 380               | (62 )                             |
| SQI Corporation<br>NV.                     | Dutch<br>Antilles | US dollar              | 100           | -                 | 14                    | 14              | 36                | -                     | 36              | -                 | 2                                 |
| SQMC Holding<br>Corporation L.L.P.         | United<br>States  | US dollar              | 100           | 2,631             | 11,211                | 13,842          | 565               | -                     | 565             | -                 | 3,686                             |
| SQM Japan Co.<br>Ltd.                      | Japan             | US dollar              | 100           | 1,466             | 639                   | 2,105           | 163               | 440                   | 603             | 1,100             | 131                               |
| SQM Europe N.V.                            | Belgium           | US dollar              | 100           | 403,782           | 333                   | 404,115         | 377,007           | -                     | 377,007         | 515,049           | 9,869                             |
| SQM Italia SRL                             | Italy             | US dollar              | 100           | 1,490             | -                     | 1,490           | 19                | -                     | 19              | -                 | -                                 |
| SQM Indonesia<br>S.A.                      | Indonesia         | US dollar              | 80            | 5                 | -                     | 5               | 1                 | -                     | 1               | -                 | (1 )                              |
| North American<br>Trading Company          | United<br>States  | US dollar              | 100           | 161               | 145                   | 306             | 39                | -                     | 39              | -                 | -                                 |
| SQM Virginia LLC                           | United<br>States  | US dollar              | 100           | 14,831            | 14,376                | 29,207          | 14,831            | -                     | 14,831          | -                 | (3 )                              |
| SQM Comercial de<br>México S.A. de<br>C.V. | México            | US dollar              | 100           | 61,387            | 1,288                 | 62,675          | 66,077            | 371                   | 66,448          | 84,165            | (2,982 )                          |

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## Note 9 - Investments and disclosures on Investments in subsidiaries (continued)

## 9.1 Disclosures on investments in subsidiaries (continued)

| Subsidiaries  | Country        | Functional<br>currency | Interest<br>% | Current<br>ThUS\$ | 06/30/2011                      |                 | Liabilities       |                       | Revenue<br>ThUS\$ |                 |
|---|----------------|------------------------|---------------|-------------------|---------------------------------|-----------------|-------------------|-----------------------|-------------------|-----------------|
|   |                |                        |               |                   | Assets<br>Non-current<br>ThUS\$ | Total<br>ThUS\$ | Current<br>ThUS\$ | Non-current<br>ThUS\$ |                   | Total<br>ThUS\$ |
| SQM investment Corporation N.V.                             | Dutch Antilles | US dollar              | 100           | 60,224            | 493                             | 60,717          | 44,793            | 715                   | 45,508            | 7,279           |
| Royal Seed Trading Corporation A.V.V.                       | Aruba          | US dollar              | 100           | 88,447            | -                               | 88,447          | 93,075            | -                     | 93,075            | -               |
| SQM Lithium Specialties LLP                                 | United States  | US dollar              | 100           | 15,783            | 3                               | 15,786          | 1,264             | -                     | 1,264             | -               |
| Soquimich SRL Argentina Comercial Caimán Internacional S.A. | Argentina      | US dollar              | 100           | 437               | -                               | 437             | 98                | -                     | 98                | -               |
| SQM France S.A.   | France         | US dollar              | 100           | 345               | 6                               | 351             | 114               | -                     | 114               | -               |
| Administración y Servicios Santiago S.A. de C.V.            | México         | US dollar              | 100           | 98                | -                               | 98              | 951               | 205                   | 1,156             | 1,533           |
| SQM Nitratos México S.A. de C.V.                            | México         | US dollar              | 51            | 28                | 1                               | 29              | 18                | -                     | 18                | 83              |
| Soquimich European Holding B.V.                             | Netherlands    | US dollar              | 100           | 54,825            | 91,629                          | 146,454         | 81,929            | -                     | 81,929            | -               |
| Fertilizantes Naturales S.A.                                | Spain          | US dollar              | 66.67         | 27,554            | (13)                            | 27,541          | 25,476            | -                     | 25,476            | 41,787          |
| Iodine Minera B.V.  | Netherlands    | US dollar              | 100           | 11,295            | -                               | 11,295          | 1                 | -                     | 1                 | 66              |
| SQM Africa Pty Ltd.   | South Africa   | US dollar              | 100           | 37,402            | 159                             | 37,561          | 32,111            | -                     | 32,111            | 46,016          |
| SQM Venezuela S.A.  | Venezuela      | US dollar              | 100           | 75                | -                               | 75              | 397               | -                     | 397               | -               |

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|                                |           |           |     |                  |                  |                  |                  |                |                  |                |
|--------------------------------|-----------|-----------|-----|------------------|------------------|------------------|------------------|----------------|------------------|----------------|
| SQM Oceanía Pty Ltd.           | Australia | US dollar | 100 | 2,973            | -                | 2,973            | 1,223            | -              | 1,223            | 1,842          |
| SQM Agro India Pvt. Ltd.       | India     | US dollar | 100 | 224              | 3                | 227              | 152              | -              | 152              | -              |
| SQM Beijin Commercial Co. Ltd. | China     | US dollar | 100 | 95               | 30               | 125              | 94               | -              | 94               | 930            |
| <b>Total</b>                   |           |           |     | <b>4,066,037</b> | <b>2,560,898</b> | <b>6,626,935</b> | <b>3,371,283</b> | <b>359,942</b> | <b>3,731,225</b> | <b>1,840,5</b> |

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## Note 9 - Investments and disclosures on Investments in subsidiaries (continued)

## 9.1 Disclosures on investments in subsidiaries (continued)

Financial information as of December 31, 2010 of the companies included in the consolidation process is detailed as follows:

12.31.2010

| Subsidiaries  | Country | Functional<br>currency | Interest % | Assets            |                       |                 | Liabilities       |                       |                 | Reven<br>ThUS\$ |
|---|---------|------------------------|------------|-------------------|-----------------------|-----------------|-------------------|-----------------------|-----------------|-----------------|
|   |         |                        |            | Current<br>ThUS\$ | Non-current<br>ThUS\$ | Total<br>ThUS\$ | Current<br>ThUS\$ | Non-current<br>ThUS\$ | Total<br>ThUS\$ |                 |
| SQM Nitratos S.A.   | Chile   | US dollar              | 100        | 652,776           | 61,542                | 714,318         | 610,283           | 11,599                | 621,882         | 134,8           |
| Proinsa Ltda.   | Chile   | Chilean peso           | 60.58      | 227               | 1                     | 228             | -                 | -                     | -               | -               |
| SQMC Internacional Ltda.                                      | Chile   | Chilean peso           | 60.6382    | 302               | -                     | 302             | -                 | -                     | -               | -               |
| SQM Potasio S.A.  | Chile   | US dollar              | 99.9974    | 58,331            | 604,872               | 663,203         | 2                 | 172,351               | 172,353         | -               |
| Serv. Integrales de Tránsito y Transf. S.A.                   | Chile   | US dollar              | 100        | 149,255           | 60,290                | 209,545         | 182,671           | 4,437                 | 187,108         | 45,44           |
| Isapre Norte Grande Ltda.                                     | Chile   | Chilean peso           | 100        | 570               | 591                   | 1,161           | 581               | 154                   | 735             | 4,018           |
| Ajay SQM Chile S.A.   | Chile   | US dollar              | 51         | 15,299            | 2,378                 | 17,677          | 6,833             | 747                   | 7,580           | 54,94           |
| Almacenes y Depósitos Ltda.                                   | Chile   | Chilean peso           | 100        | 413               | 52                    | 465             | 1                 | -                     | 1               | -               |
| SQM Salar S.A.  | Chile   | US dollar              | 100        | 365,830           | 658,793               | 1,024,623       | 273,758           | 98,885                | 372,643         | 631,1           |
| Comercial Hydro S.A.  | Chile   | Chilean peso           | 60.6382    | 6,890             | 329                   | 7,219           | 40                | 73                    | 113             | 185             |
| SQM Industrial S.A.   | Chile   | US dollar              | 100        | 1,063,080         | 596,723               | 1,659,803       | 854,130           | 51,512                | 905,642         | 690,5           |
| Mínera Nueva Victoria S.A.                                    | Chile   | US dollar              | 100        | 73,217            | 53,754                | 126,971         | 445               | 2,495                 | 2,940           | 1,578           |
| Exploraciones Míneras S.A.                                    | Chile   | US dollar              | 100        | 438               | 31,380                | 31,818          | 3,814             | -                     | 3,814           | -               |
| Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A. | Chile   | Chilean peso           | 100        | 645               | 93                    | 738             | 224               | 367                   | 591             | 1,897           |
| Soquimich Comercial S.A.                                      | Chile   | US dollar              | 60.6383    | 140,678           | 15,875                | 156,553         | 48,195            | 1,181                 | 49,376          | 171,1           |
| Agrorama Callegari Ltda.                                      | Chile   | Chilean peso           | 42.4468    | 5,024             | 1,492                 | 6,516           | 4,998             | 117                   | 5,115           | 6,910           |

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|                                       |               |           |     |         |        |         |        |       |        |       |
|---------------------------------------|---------------|-----------|-----|---------|--------|---------|--------|-------|--------|-------|
| SQM North<br>América Corp.            | United States | US dollar | 100 | 109,944 | 15,448 | 125,392 | 90,533 | 2,644 | 93,177 | 226,2 |
| RS Agro<br>Chemical.Trading<br>A.V.V. | Aruba         | US dollar | 100 | 5,227   | -      | 5,227   | -      | -     | -      | -     |
| Nitratos Naturais<br>do Chile Ltda.   | Brazil        | US dollar | 100 | 5       | 290    | 295     | 5,022  | -     | 5,022  | -     |

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## Note 9 - Investments and disclosures on Investments in subsidiaries (continued)

## 9.1 Disclosures on investments in subsidiaries (continued)

|                                      |                | 12.31.2010             |               |                   |                       |                 |                   |                       |                 |                   |                                |  |
|--------------------------------------|----------------|------------------------|---------------|-------------------|-----------------------|-----------------|-------------------|-----------------------|-----------------|-------------------|--------------------------------|--|
| Subsidiaries                         | Country        | Functional<br>currency | Interest<br>% | Assets            |                       |                 | Liabilities       |                       |                 | Revenue<br>ThUS\$ | Net profit<br>(loss)<br>ThUS\$ |  |
|                                      |                |                        |               | Current<br>ThUS\$ | Non-current<br>ThUS\$ | Total<br>ThUS\$ | Current<br>ThUS\$ | Non-current<br>ThUS\$ | Total<br>ThUS\$ |                   |                                |  |
| Nitrate Corporation of Chile Ltd.    | England        | US dollar              | 100           | 5,076             | -                     | 5,076           | -                 | -                     | -               | -                 | -                              |  |
| SQM Corporation N.V.                 | Dutch Antilles | US dollar              | 100           | 669               | 52,607                | 53,276          | 3,712             | -                     | 3,712           | -                 | 13,472                         |  |
| SQM Perú S.A.                        | Peru           | US dollar              | 100           | 15,159            | 483                   | 15,642          | 15,027            | -                     | 15,027          | 24,536            | 1,236                          |  |
| SQM Ecuador S.A.                     | Ecuador        | US dollar              | 100           | 8,716             | 71                    | 8,787           | 8,149             | -                     | 8,149           | 16,808            | 298                            |  |
| SQM Brasil Ltda.                     | Brazil         | US dollar              | 100           | 295               | 75                    | 370             | 1,180             | -                     | 1,180           | 771               | 17                             |  |
| SQI Corporation NV.                  | Dutch Antilles | US dollar              | 100           | -                 | 10                    | 10              | 33                | -                     | 33              | -                 | -                              |  |
| SQMC Holding Corporation L.L.P.      | United States  | US dollar              | 100           | 1,501             | 8,498                 | 9,999           | 619               | -                     | 619             | -                 | 492                            |  |
| SQM Japan Co. Ltd.                   | Japan          | US dollar              | 100           | 1,440             | 633                   | 2,073           | 263               | 436                   | 699             | 1,855             | 218                            |  |
| SQM Europe N.V.                      | Belgium        | US dollar              | 100           | 358,214           | 454                   | 358,668         | 341,425           | -                     | 341,425         | 861,596           | 7,107                          |  |
| SQM Italia SRL                       | Italy          | US dollar              | 100           | 1,377             | -                     | 1,377           | 17                | -                     | 17              | -                 | -                              |  |
| SQM Indonesia S.A.                   | Indonesia      | US dollar              | 80            | 5                 | -                     | 5               | 1                 | -                     | 1               | -                 | -                              |  |
| North American Trading Company       | United States  | US dollar              | 100           | 161               | 145                   | 306             | 39                | -                     | 39              | -                 | -                              |  |
| SQM Virginia LLC                     | United States  | US dollar              | 100           | 14,834            | 14,379                | 29,213          | 14,834            | -                     | 14,834          | -                 | (1                             |  |
| SQM Comercial de México S.A. de C.V. | Mexico         | US dollar              | 100           | 58,332            | 1,410                 | 59,742          | 60,646            | -                     | 60,646          | 130,861           | (1,523                         |  |

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## Note 9 - Investments and disclosures on Investments in subsidiaries (continued)

## 9.1 Disclosures on investments in subsidiaries (continued)

12.31.2010

| Subsidiaries  | Country        | Functional<br>currency | %<br>Interest | Current<br>ThUS\$ | Assets<br>Non-current<br>ThUS\$ | Total<br>ThUS\$ | Current<br>ThUS\$ | Liabilities<br>Non-current<br>ThUS\$ | Total<br>ThUS\$ | Oper<br>Reve<br>ThUS\$ |
|---|----------------|------------------------|---------------|-------------------|---------------------------------|-----------------|-------------------|--------------------------------------|-----------------|------------------------|
| SQM<br>Investment<br>Corporation<br>N.V.                  | Dutch Antilles | US dollar              | 100           | 71,100            | 551                             | 71,651          | 49,515            | 742                                  | 50,257          | 14,2                   |
| Royal Seed<br>Trading<br>Corporation<br>A.V.V.            | Aruba          | US dollar              | 100           | 88,567            | -                               | 88,567          | 96,627            | -                                    | 96,627          | -                      |
| SQM Lithium<br>Specialties<br>LLP                         | United States  | US dollar              | 100           | 15,786            | 3                               | 15,789          | 1,264             | -                                    | 1,264           | -                      |
| Soquimich<br>SRL Argentina<br>Comercial                   | Argentina      | US dollar              | 100           | 472               | -                               | 472             | 109               | -                                    | 109             | -                      |
| Caimán<br>Internacional<br>S.A.                           | Panama         | US dollar              | 100           | 339               | -                               | 339             | 1,080             | -                                    | 1,080           | -                      |
| SQM France<br>S.A.  | France         | US dollar              | 100           | 345               | 6                               | 351             | 114               | -                                    | 114             | -                      |
| Administración<br>y Servicios<br>Santiago S.A.<br>de C.V. | Mexico         | US dollar              | 100           | 47                | -                               | 47              | 854               | 195                                  | 1,049           | 2,59                   |
| SQM Nitratos<br>México S.A.<br>de C.V.                    | Mexico         | US dollar              | 51            | 27                | 1                               | 28              | 17                | -                                    | 17              | 128                    |
| Soquimich<br>European<br>Holding B.V.                     | Netherlands    | US dollar              | 100           | 68,722            | 71,384                          | 140,106         | 94,565            | -                                    | 94,565          | -                      |
| Fertilizantes<br>Naturales S.A.                           | Spain          | US dollar              | 66.67         | 16,515            | (10 )                           | 16,505          | 15,175            | -                                    | 15,175          | 64,7                   |
| Iodine Minera<br>B.V.                                     | Netherlands    | US dollar              | 100           | 10,122            | -                               | 10,122          | 1                 | -                                    | 1               | 1,46                   |
| SQM Africa<br>Pty Ltd.                                    | South Africa   | US dollar              | 100           | 38,463            | 147                             | 38,610          | 36,736            | -                                    | 36,736          | 94,1                   |
| SQM<br>Venezuela  | Venezuela      | US dollar              | 100           | 80                | -                               | 80              | 402               | -                                    | 402             | -                      |

| S.A.                            |           |           |     |                  |                  |                  |                  |                |                  |              |
|---------------------------------|-----------|-----------|-----|------------------|------------------|------------------|------------------|----------------|------------------|--------------|
| SQM Oceanía Pty Ltd.            | Australia | US dollar | 100 | 1,466            | -                | 1,466            | 533              | -              | 533              | 2,200        |
| SQM Agro India Pvt. Ltd.        | India     | US dollar | 100 | 231              | 4                | 235              | 149              | -              | 149              | -            |
| SQM Beijing Commercial Co. Ltd. | China     | US dollar | 100 | 131              | 42               | 173              | 77               | -              | 77               | 1,466        |
| <b>Total</b>                    |           |           |     | <b>3,426,343</b> | <b>2,254,796</b> | <b>5,681,139</b> | <b>2,824,693</b> | <b>347,935</b> | <b>3,172,628</b> | <b>3,180</b> |

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Note 10 - Investments in associates accounted for using the Equity method

10.1 Investments in associates accounted for using the equity method

As of June 30, 2011 and December 31, 2010, in accordance with criteria established in Note 2.4 and Note 2.12, investments in associates accounted for using the equity method and investments in joint ventures are detailed as follows:

|                           | Note<br>N°   | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|---------------------------|--------------|----------------------|----------------------|
| Investments in associates | 10.1 to 10.3 | 45,475               | 38,262               |
| Joint ventures            | 11.0 to 11.4 | 22,325               | 24,009               |
| Total                     |              | 67,800               | 62,271               |

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## Note 10 - Investments in associates accounted for using the Equity method (continued)

## 10.2 Assets, liabilities, revenues and expenses of associates

06.30.2011

| Tax ID       | Associate                           | Country of incorporation | Functional currency                | Assets         |                    |              | Liabilities    |                    |              | Revenue |
|--------------|-------------------------------------|--------------------------|------------------------------------|----------------|--------------------|--------------|----------------|--------------------|--------------|---------|
|              |                                     |                          |                                    | Current ThUS\$ | Non-current ThUS\$ | Total ThUS\$ | Current ThUS\$ | Non-current ThUS\$ | Total ThUS\$ |         |
| 77.557.430-5 | Sales de Magnesio Ltda.             | Chile                    | Chilean peso                       | 3,312          | 3                  | 3,315        | 840            | -                  | 840          | 3,5     |
| Foreign      | Abu Dhabi Fertilizer Industries WWL | Arabia                   | Dirham of the United Arab Emirates | 20,459         | 2,171              | 22,630       | 6,641          | 47                 | 6,688        | 19,     |
| Foreign      | Doktor Tarsa Tarim Sanayi AS        | Turkey                   | Turkish Lira                       | 61,929         | 8,032              | 69,961       | 34,231         | 8,584              | 42,815       | 38,     |
| Foreign      | Nutrisi Holding N.V.                | Belgium                  | Euro                               | 144            | 14,276             | 14,420       | 25             | 3,474              | 3,499        | -       |
| Foreign      | Ajay North America                  | United States            | US dollar                          | 22,726         | 7,720              | 30,446       | 7,566          | -                  | 7,566        | 36,     |
| Foreign      | Nutrichem Benelux                   | Belgium                  | Euro                               | -              | -                  | -            | -              | -                  | -            | -       |
| Foreign      | Ajay Europe SARL                    | France                   | Euro                               | 20,579         | 2,426              | 23,005       | 9,753          | -                  | 9,753        | 30,     |
| Foreign      | Generale De Nutrition               | Belgium                  | Euro                               | -              | -                  | -            | -              | -                  | -            | -       |
| Foreign      | Misr Specialty Fertilizers          | Egypt                    | Egyptian pound                     | 2,973          | 2,988              | 5,961        | 2,901          | 220                | 3,121        | 358     |
| Foreign      | SQM Eastmed Turkey                  | Turkey                   | Euro                               | 24             | 529                | 553          | 268            | -                  | 268          | -       |
| Foreign      | SQM Thailand Co. Ltd.               | Thailand                 | Thai Bath                          | 6,865          | 622                | 7,487        | 3,456          | -                  | 3,456        | 4,0     |
|              | Total                               |                          |                                    | 139,011        | 38,767             | 177,778      | 65,681         | 12,325             | 78,006       | 132     |

12.31.2010

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| Tax ID       | Associate                           | Country of incorporation | Functional currency                | Assets         |                    |              | Liabilities    |                    |              | Revenue |
|--------------|-------------------------------------|--------------------------|------------------------------------|----------------|--------------------|--------------|----------------|--------------------|--------------|---------|
|              |                                     |                          |                                    | Current ThUS\$ | Non-current ThUS\$ | Total ThUS\$ | Current ThUS\$ | Non-current ThUS\$ | Total ThUS\$ |         |
| 77.557.430-5 | Sales de Magnesio Ltda.             | Chile                    | Chilean peso                       | 3,844          | 3                  | 3,847        | 1,143          | -                  | 1,143        | 6,494   |
| Foreign      | Abu Dhabi Fertilizer Industries WWL | Arabia                   | Dirham of the United Arab Emirates | 19,909         | 2,092              | 22,001       | 7,869          | -                  | 7,869        | 35,506  |
| Foreign      | Doktor Tarsa Tarim Sanayi AS        | Turkey                   | Turkish Lira                       | 49,013         | 7,840              | 56,853       | 33,229         | 27                 | 33,256       | 64,540  |
| Foreign      | Nutrisi Holding N.V.                | Belgium                  | Euro                               | 449            | 10,768             | 11,217       | 3,228          | -                  | 3,228        | -       |
| Foreign      | Ajay North America                  | United States            | US dollar                          | 15,585         | 6,926              | 22,511       | 5,168          | -                  | 5,168        | 52,237  |
| Foreign      | Nutrichem Benelux                   | Belgium                  | Euro                               | -              | -                  | -            | -              | -                  | -            | -       |
| Foreign      | Ajay Europe SARL                    | France                   | Euro                               | 15,428         | 2,223              | 17,651       | 6,519          | -                  | 6,519        | 41,992  |
| Foreign      | Generale De Nutrition               | Belgium                  | Euro                               | -              | -                  | -            | -              | -                  | -            | -       |
| Foreign      | Mirs Specialty Fertilizers          | Egypt                    | Egyptian pound                     | 3,013          | 3,214              | 6,227        | 2,980          | 226                | 3,206        | 4,231   |
| Foreign      | SQM Eastmed Turkey                  | Turkey                   | Euro                               | 34             | 592                | 626          | 247            | -                  | 247          | 646     |
| Foreign      | SQM Thailand Co. Ltd.               | Thailand                 | Thai Bath                          | 5,307          | 587                | 5,894        | 2,035          | -                  | 2,035        | 11,149  |
|              | Total                               |                          |                                    | 112,582        | 34,245             | 146,827      | 62,418         | 253                | 62,671       | 216,795 |

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Note 10 - Investments in associates accounted for using the Equity method (continued)

10.3 Details of investments in associates

The interest of SQM S.A., in its associates is detailed as follows:

| Associate Name                                | Main Activities of Associate  | % Interest |   | Investment<br>06.30.2010<br>ThUS\$ | Investment<br>12.31.2010<br>ThUS\$ |
|---|---|------------|---|------------------------------------|------------------------------------|
| Sales de Magnesio Ltda.                       | Magnesium salt trader.  | 50         | % | 1,237                              | 1,352                              |
| Abu Dhabi Fertilizer<br>Industries Co. W.W.L. | Distribution and trade of specialty<br>vegetal nutrients in the Middle<br>East. | 50         | % | 7,970                              | 7,066                              |
| Ajay North America L.L.C                      | Production and trade of iodine<br>by-products.                                  | 49         | % | 9,642                              | 7,251                              |
| Doktor Tarsa Tarim Sanayi AS                  | Distribution and trade of specialty<br>vegetal nutrients in Turkey.             | 50         | % | 13,573                             | 11,799                             |
| Nutrisi Holding N.V.                          | Holding   | 50         | % | 4,773                              | 3,551                              |
| Ajay Europe SARL                              | Production and distribution of<br>iodine and iodine products                    | 50         | % | 5,177                              | 4,076                              |
| NU3 B.V.                                      | Production of fertilizers in solid<br>and liquid state.                         | 100        | % | -                                  | -                                  |
| NU3 N.V.                                      | Production of fertilizers in solid<br>and liquid state.                         | 50         | % | -                                  | -                                  |
| Misir Specialty Fertilizers<br>S.A.E.         | Production and trade of liquid<br>fertilizers for Egypt                         | 47.4857    | % | 1,349                              | 1,435                              |
| SQM Eastmed Turkey                            | Production and trade of specialty<br>products                                   | 50         | % | 142                                | 189                                |
| SQM Thailand Co. Ltd.                         | Distribution and trade of specialty<br>vegetal nutrients.                       | 40         | % | 1,612                              | 1,543                              |
| Total   |   |            |   | 45,475                             | 38,262                             |

The Company does not have an interest in unrecognized losses in investments in associates.

The Company does not have any associates not accounted for using the equity method.

Note 11 - Joint Ventures

11.1 Policy for accounting for joint ventures in a Parent Company's separate financial statements

The method for the recognition of joint ventures in which equity interest is initially recorded at cost and subsequently adjusted considering changes after the acquisition in the portion of the entity's net assets which correspond to the investor. Profit for the year of the investor will receive the portion which belongs to it in profit or loss of the entity under joint control.

11.2 Disclosures on interest in joint ventures

a) Operations acquired in 2011

On January 27, 2011, the subsidiary SQM Industrial S.A. made a capital contribution of ThUS\$2.500, in Sichuan SQM Migao Chemical Fertilizer Co.

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Note 11 - Joint Ventures (continued)

11.2 Disclosures on interest in joint ventures (continued)

b) Operations acquired in 2010

On March 4, 2010, SQM Industrial entered an agreement with Qingdao Star Plant Protection Technology Co., Ltd., by means of which the companies formed a joint venture, SQM Qingdao-Star Co, Ltd. Each party made a capital contribution of ThUS\$2,000 for an interest of 50%.

On June 24, 2010, SQM Industrial S.A. made a contribution of ThUS\$2,500 in SQM Migao Sichuan.

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## Nota 11 - Policy and disclosures on interest in Joint Ventures (continued)

11.3 Detail of assets, liabilities and results of investments in joint ventures by company as of 12.31.2010 and 12.31.2009, respectively:

| Tax ID | Joint venture                                   | Country              | Functional currency                | 06.30.2011 |             |        | Liabilities |             |       | Revenues | Expenses | Net income |
|--------|---|----------------------|------------------------------------|------------|-------------|--------|-------------|-------------|-------|----------|----------|------------|
|        |   |                      |                                    | Assets     |             | Total  | Liabilities |             | Total |          |          |            |
|        |   |                      |                                    | Current    | Non-current |        | Current     | Non-current |       |          |          |            |
|        | Sichuan SQM Migao Chemical Fertilizers Co Ltda. | China                | US dollar                          | 9,984      | 11,012      | 20,996 | 7,900       | -           | 7,900 | 6,649    | (6,975)  | (3)        |
|        | Foreign Coromandel SQM                          | India                | Indian Rupee                       | 438        | 433         | 871    | 11          | -           | 11    | 27       | (37)     | (1)        |
|        | Foreign SQM Vitas SQM                           | United Arab Emirates | Dirham of the United Arab Emirates | 28,609     | 8,236       | 36,845 | 1,161       | -           | 1,161 | 15,348   | (13,840) | 1,508      |
|        | Foreign Qindao-Star Co. Ltda.                   | China                | US dollar                          | 2,071      | 358         | 2,429  | 291         | -           | 291   | 2,614    | (2,503)  | 111        |
|        | Total   |                      |                                    | 41,102     | 20,039      | 61,141 | 9,363       | -           | 9,363 | 24,638   | (23,355) | 1,111      |

| Tax ID | Joint venture   | Country              | Functional currency                | 12.31.2010 |             |        | Liabilities |             |       | Revenues | Expenses | Net income |
|--------|---|----------------------|------------------------------------|------------|-------------|--------|-------------|-------------|-------|----------|----------|------------|
|        |   |                      |                                    | Assets     |             | Total  | Liabilities |             | Total |          |          |            |
|        |   |                      |                                    | Current    | Non-current |        | Current     | Non-current |       |          |          |            |
|        | Foreign Sichuan SQM Migao Chemical Fertilizers Co Ltda. | China                | US dollar                          | 2,987      | 11,677      | 14,664 | 3,744       | -           | 3,744 | -        | (46)     | (4)        |
|        | Foreign Coromandel SQM                                  | India                | Indian Rupee                       | 10         | 862         | 872    | 7           | -           | 7     | 3        | -        | 3          |
|        | Foreign SQM Vitas SQM                                   | United Arab Emirates | Dirham of the United Arab Emirates | 27,534     | 9,499       | 37,033 | 2,828       | -           | 2,828 | 19,954   | (18,756) | 1,198      |
|        | Foreign Qindao-Star Co. Ltda.                           | China                | US dollar                          | 2,448      | 387         | 2,835  | 808         | -           | 808   | 2,900    | (2,873)  | 27         |
|        | Total   |                      |                                    | 32,979     | 22,425      | 55,404 | 7,387       | -           | 7,387 | 22,857   | (21,675) | 1,123      |

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Nota 11 - Policy and disclosures on interest in Joint Ventures (continued)

11.4 Amount of net gain (loss) on investments in joint ventures by company is detailed as follows:

| Joint Venture                                   | Main Activities of Joint venture  | % Interest |   | Investment<br>06.30.2011<br>ThUS\$ | Investment<br>12.31.2010<br>ThUS\$ |
|---|---|------------|---|------------------------------------|------------------------------------|
| Coromandel SQM                                  | Production and distribution of potassium nitrate  | 50         | % | 430                                | 432                                |
| Sichuan SQM Migao Chemical Fertilizer Co. Ltda. | Production and distribution of soluble fertilizers.   | 50         | % | 7,760                              | 5,461                              |
| SQM Vitas                                       | Production and trade of vegetal and animal specialty and industrial hygiene nutrition goods | 50         | % | 13,066                             | 17,102                             |
| SQM Quindao-Star Co. Ltda.                      | Production and distribution of Vegetal Nutrition Solutions NPK solubles                     | 50         | % | 1,069                              | 1,014                              |
| <b>Total</b>                                    |   |            |   | <b>22,325</b>                      | <b>24,009</b>                      |

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## Note 12 - Intangible assets and goodwill

## 12.1 Balances

| Balances                              | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|---------------------------------------|----------------------|----------------------|
| Intangible assets other than goodwill | 4,069                | 3,270                |
| Goodwill                              | 38,388               | 38,388               |
| Total                                 | 42,457               | 41,658               |

## 12.2 Disclosures on intangible assets and goodwill

Intangible assets relating to goodwill, water rights, trademarks, industrial patents, rights of way and IT programs.

Balances and movements in the main types of intangible assets as of June 30, 2011, and December 31, 2010 are detailed as follows:

| Description of types of<br>intangible assets | Useful life | 06.30.2011<br>ThUS\$ |
|--|-------------|----------------------|
| Goodwill                                     | Indefinite  | 38,388               |
| Water rights                                 | Indefinite  | 1,542                |
| Rights of way, net                           | Finite      | 395                  |
| Industrial patents, net                      | Finite      | 470                  |
| Trademarks, net                              | Finite      | 2                    |
| IT programs, net                             | Finite      | 1,660                |
| Total  |             | 42,457               |

| Description of types of<br>intangible assets | Useful life | 12.31.2010<br>ThUS\$ |
|--|-------------|----------------------|
| Goodwill                                     | Indefinite  | 38,388               |
| Water rights                                 | Indefinite  | 1,546                |
| Rights of way, net                           | Finite      | 396                  |
| Industrial patents, net                      | Finite      | 501                  |
| Trademarks, net                              | Finite      | 4                    |
| IT programs, net                             | Finite      | 823                  |
| Total  |             | 41,658               |

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Note 12 - Intangible assets and Goodwill (continued)

12.2 Disclosures on intangible assets and goodwill (continued)

a) Estimated useful lives or amortization rates used for finite identifiable intangible assets

Finite useful life measures the lifetime or the number of productive units or other similar factor that constitute its useful life.

The estimated useful life for software is three years. For other finite useful life assets, the period in which they are amortized relates to periods defined by contracts or the rights that generate them.

Indefinite useful life intangible assets mainly relate to water rights and rights of way, which were obtained as indefinite.

b) Method used to express the amortization of identifiable intangible assets (life or rate)

The method used to express amortization is useful life.

c) Minimum and maximum amortization lives or rates of intangible assets:

| Estimated useful lives or amortization rate | Minimum life or<br>rate | Maximum life or rate |
|---|-------------------------|----------------------|
| Water rights                                | Indefinite              | Indefinite           |
| Rights of way                               | 1 year                  | 20 years             |
| Industrial patents                          | 1 year                  | 16 years             |
| Trademarks                                  | 1 year                  | 5 years              |
| IT programs                                 | 2 years                 | 3 years              |

d) Disclosure on internally-generated assets

The Company has no internally-generated intangible assets.

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## Note 12 - Intangible assets and Goodwill (continued)

## 12.2 Disclosures on intangible assets and goodwill (continued)

## e) Movements in identifiable intangible assets as of June 30, 2011

| Movements in identifiable intangible assets | Net goodwill<br>ThUS\$ | Water rights, net<br>ThUS\$ | Rights of way<br>ThUS\$ | Industrial patents, net<br>ThUS\$ | Trademarks, net<br>ThUS\$ | Computer software, net<br>ThUS\$ | Identifiable intangible assets, net |
|---|------------------------|-----------------------------|-------------------------|-----------------------------------|---------------------------|----------------------------------|-------------------------------------|
| Opening balance                             | 38,388                 | 1,546                       | 396                     | 501                               | 4                         | 823                              | 41,658                              |
| Additions                                   | -                      | -                           | -                       | -                                 | -                         | 1,207                            | 1,207                               |
| Amortization                                | -                      | (4 )                        | (1 )                    | (31 )                             | (2 )                      | (370 )                           | (408 )                              |
| Other increases (decreases)                 | -                      | -                           | -                       | -                                 | -                         | -                                | -                                   |
| Ending balance                              | 38,388                 | 1,542                       | 395                     | 470                               | 2                         | 1,660                            | 42,457                              |

## Movements in identifiable intangible assets as of December 31, 2010

| Movements in identifiable intangible assets | Net goodwill<br>ThUS\$ | Water rights, net<br>ThUS\$ | Rights of way<br>ThUS\$ | Industrial patents, net<br>ThUS\$ | Trademarks, net<br>ThUS\$ | Computer software, net<br>ThUS\$ | Identifiable intangible assets, net |
|---|------------------------|-----------------------------|-------------------------|-----------------------------------|---------------------------|----------------------------------|-------------------------------------|
| Opening balance                             | 38,388                 | 1,549                       | 395                     | 570                               | -                         | 322                              | 41,224                              |
| Additions                                   | -                      | 91                          | -                       | -                                 | -                         | 839                              | 930                                 |
| Amortization                                | -                      | (94 )                       | -                       | (69 )                             | (368 )                    | (338 )                           | (869 )                              |
| Other increases (decreases)                 | -                      | -                           | 1                       | -                                 | 372                       | -                                | 373                                 |
| Ending balance                              | 38,388                 | 1,546                       | 396                     | 501                               | 4                         | 823                              | 41,658                              |

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## Note 13 - Property, plant and equipment

As of June 30, 2011 and December 31, 2010, property, plant and equipment are detailed as follows:

## 13.1 Types of property, plant and equipment

| Description of types of property, plant and equipment                                 | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|---|----------------------|----------------------|
| <b>Property, plant and equipment, net</b>   |                      |                      |
| Construction-in-progress  | 538,270              | 356,551              |
| Land  | 107,869              | 107,869              |
| Buildings   | 88,040               | 88,320               |
| Plant and equipment   | 455,562              | 492,525              |
| IT equipment  | 3,437                | 3,897                |
| Fixed installations and accessories   | 318,671              | 327,511              |
| Motor vehicles  | 47,190               | 48,936               |
| Other property, plant and equipment   | 32,970               | 28,364               |
| <b>Total</b>  | <b>1,592,009</b>     | <b>1,453,973</b>     |
| <b>Property, plant and equipment, gross</b>   |                      |                      |
| Construction-in-progress  | 538,270              | 356,551              |
| Land  | 107,869              | 107,869              |
| Buildings   | 225,981              | 221,715              |
| Plant and equipment   | 1,206,035            | 1,184,270            |
| IT equipment  | 23,052               | 22,759               |
| Fixed installations and accessories   | 540,251              | 531,423              |
| Motor vehicles  | 155,059              | 151,544              |
| Other property, plant and equipment   | 53,845               | 47,910               |
| <b>Total</b>  | <b>2,850,362</b>     | <b>2,624,041</b>     |
| <b>Accumulated depreciation and value impairment of property, plant and equipment</b> |                      |                      |
| Accumulated depreciation of buildings   | 137,941              | 133,395              |
| Accumulated depreciation plant and equipment  | 750,473              | 691,745              |
| Accumulated depreciation of IT equipment  | 19,615               | 18,862               |
| Accumulated depreciation of fixed installations and accessories                       | 221,580              | 203,912              |
| Accumulated depreciation of motor vehicles  | 107,869              | 102,608              |
| Accumulated depreciation of other PP&E  | 20,875               | 19,546               |
| <b>Total</b>  | <b>1,258,353</b>     | <b>1,170,068</b>     |

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Notes to the consolidated Financial Statements as of December 31, 2010  
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## Note 13 - Property, plant and equipment (continued)

## 13.1 Reconciliation of changes in property, plant and equipment by type as of June 30, 2011 and December 31, 2010:

| Reconciliation entries of changes in property, plant and equipment by class as of June 30, 2011 | Construction in-progress |          | Buildings, net | Plant and equipment, net | IT equipment, net | Fixed installations and accessories, net | Motor vehicles, net | Improvement of plant and equipment, net | Other property and equipment, net | Property and equipment, net |
|---|--------------------------|----------|----------------|--------------------------|-------------------|--|---------------------|---|-----------------------------------|-----------------------------|
|   | ThUS\$                   | ThUS\$   | ThUS\$         | ThUS\$                   | ThUS\$            | ThUS\$                                   | ThUS\$              | ThUS\$                                  | ThUS\$                            | ThUS\$                      |
| Opening balance   | 356,551                  | 107,869  | 88,320         | 492,525                  | 3,897             | 327,511                                  | 48,936              | -                                       | 28,364                            | 1,4                         |
| <b>Changes</b>  |                          |          |                |                          |                   |  |                     |   |                                   |                             |
| Additions   | 245,587                  | -        | -              | 43                       | 44                | 7  | 545                 | -                                       | 43                                | 246                         |
| Divestitures  | -                        | -        | -              | -                        | (68)              | -  | (462)               | -                                       | -                                 | (53)                        |
| Depreciation expense  | -                        | -        | (4,545)        | (58,742)                 | (799)             | (17,650)                                 | (5,373)             | -                                       | (1,766)                           | (88)                        |
| Increase(decrease) in foreign currency exchange   | -                        | -        | -              | 7                        | 128               | 5  | -                   | -                                       | 45                                | 185                         |
| Others Increases / Decreases  | (63,868)                 | -        | 4,265          | 21,729                   | 235               | 8,798                                    | 3,544               | -                                       | 6,284                             | (19)                        |
| <b>Total changes</b>  | <b>181,179</b>           | <b>-</b> | <b>(280)</b>   | <b>(36,963)</b>          | <b>(460)</b>      | <b>(8,840)</b>                           | <b>(1,746)</b>      | <b>-</b>                                | <b>4,606</b>                      | <b>138</b>                  |
| Ending balance  | 538,270                  | 107,869  | 88,040         | 455,562                  | 3,437             | 318,671                                  | 47,190              | -                                       | 32,970                            | 1,5                         |

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Note 13 - Property, plant and equipment (continued)

13.2 Reconciliation of changes in property, plant and equipment by class as of June 30, 2011 and December 31, 2010, continued:

| Reconciliation entries of changes in property, plant and equipment by class as of December 31, 2010 | Construction in-progress |              | Plant and equipment |               | IT equipment | Fixed installations and accessories | Motor vehicles | Improvement of plant and equipment |              | Other property and equipment |
|---|--------------------------|--------------|---------------------|---------------|--------------|-------------------------------------|----------------|------------------------------------|--------------|------------------------------|
|   | ThUS\$                   | ThUS\$       | ThUS\$              | ThUS\$        | ThUS\$       | ThUS\$                              | ThUS\$         | ThUS\$                             | ThUS\$       | ThUS\$                       |
| Opening balance   | 379,416                  | 108,356      | 86,252              | 453,859       | 3,853        | 193,893                             | 55,341         | -                                  | 19,576       |                              |
| <b>Changes</b>  |                          |              |                     |               |              |                                     |                |                                    |              |                              |
| Additions   | 351,792                  | 386          | 1,021               | 512           | 123          | 41                                  | 450            | -                                  | 126          |                              |
| Divestitures  | -                        | (26)         | (114)               | (3,391)       | (26)         | -                                   | -              | -                                  | (116)        |                              |
| Depreciation expense  | -                        | -            | (9,226)             | (88,640)      | (1,537)      | (29,342)                            | (11,837)       | -                                  | (3,326)      |                              |
| Increase(decrease) in foreign currency exchange   | -                        | -            | 2                   | 55            | -            | 14                                  | 13             | -                                  | 2            |                              |
| Reclassifications   | -                        | -            | -                   | -             | -            | -                                   | -              | -                                  | -            |                              |
| Others Increases / Decreases  | (374,657)                | (847)        | 10,385              | 130,130       | 1,484        | 162,905                             | 4,969          | -                                  | 12,102       |                              |
| <b>Total changes</b>  | <b>(22,865)</b>          | <b>(487)</b> | <b>2,068</b>        | <b>38,666</b> | <b>44</b>    | <b>133,618</b>                      | <b>(6,405)</b> | <b>-</b>                           | <b>8,788</b> |                              |
| Ending balance  | 356,551                  | 107,869      | 88,320              | 492,525       | 3,897        | 327,511                             | 48,936         | -                                  | 28,364       |                              |

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Note 13 - Property, plant and equipment (continued)

13.3 Detail of property, plant and equipment pledged as guarantee

There are no restrictions on titles or guarantees for the compliance with obligations which affect property, plant and equipment.

13.4 Additional Information

1) Leased property, plant and equipment

Investment properties include leased assets, detailed as follows:

| Description of assets                      | 06.30.2011 | 12.31.2010 |
|--|------------|------------|
|  | ThUS\$     | ThUS\$     |
| 2 floors of the Las Americas Building, net | 1,357      | 1,373      |
| Total (net)                                | 1,357      | 1,373      |

2) Interest capitalized in construction-in-progress

Capitalized interest amounted to ThUS\$ 7,687 as of June 30, 2011 and ThUS\$ 25,947 as of December 31, 2010.

Financing costs are not capitalized for periods that exceed the normal term of acquisition, construction or installation of the asset, such as in the case of delays, interruptions or temporary suspension of the project due to technical, financial or other issues that inhibit the asset's maintenance in good conditions for its use.

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## Note 14 - Leases

## 14.1 Disclosures on finance leases, lessee

The asset acquired under a finance lease relates to a contract that the Company has with Inversiones La Esperanza S.A., which began in June 1992 and ends on June 31, 2011. The agreement entered into indicates 230 installments of UF 663.75 each, with an annual interest rate of 8.5%.

The Company maintains finance lease arrangements as lessee for which there are no contingent installments or restrictions to report.

The net carrying amount as of June 30, 2011 amounted to ThUS\$1,357 and as of December 31, 2010 ThUS\$ 1,373, respectively.

The reconciliation between the total gross investment and the present value is detailed as follows:

|                             | 06.30.2011<br>ThUS\$ |                   |               | 12.31.2010<br>ThUS\$ |                   |               |
|-----------------------------|----------------------|-------------------|---------------|----------------------|-------------------|---------------|
| Minimum payments to be made | Gross investment     | Deferred interest | Present value | Gross investment     | Deferred interest | Present value |
| Not exceeding one year      | 31                   | -                 | 31            | 213                  | (6 )              | 207           |
| Total                       | 31                   | -                 | 31            | 213                  | (6 )              | 207           |

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## Note 15 - Employee benefits

| 15.1                                       | Accruals for employee benefits |               |
|--|--------------------------------|---------------|
|  | 06.30.2011                     | 12.31.2010    |
| Types of benefits and expenses by employee | ThUS\$                         | ThUS\$        |
| <b>Current</b>                             |                                |               |
| Profit sharing and bonuses                 | 17,041                         | 44,011        |
| <b>Total</b>                               | <b>17,041</b>                  | <b>44,011</b> |
| <b>Non- current</b>                        |                                |               |
| Profit sharing and bonuses                 | 1,883                          | 800           |
| Severance indemnities                      | 27,826                         | 27,208        |
| Pension Plan                               | 702                            | 702           |
| <b>Total</b>                               | <b>30,411</b>                  | <b>28,710</b> |

## 15.2 Policies on defined benefit plan

This policy is applied to all benefits received for services provided by the Company's employees.

Short-term benefits for active employees are represented by salaries, social welfare benefits, paid time off, sick leaves and other leaves, profit sharing and incentives and non-monetary benefits; e.g., healthcare services, housing, subsidized or free goods or services. These benefits will be paid over a term not exceeding twelve months.

The Company only has employee benefits for active employees, with the exception of SQM North America, as explained in 15.4 below.

For each incentive bonus delivered to the Company's employees, there will be a disbursement in the first quarter of the following year calculated based on the net income for the period, applying a factor obtained subsequent to the employee evaluation process.

Employee benefits include bonuses for officers of the Company according to the price per share of the Company and are paid in cash. The short-term portion is presented as the current employee benefits accrual while the long-term portion is presented as non-current.

The bonus provided to the Company's directors is calculated based on net income for the year at each year-end and will consider the application of a percentage factor.

The benefit relates to vacations (short-term benefits to employees) as provided in the Chilean Labor Code, which indicates that employees with more than a year of service will be entitled to annual holidays for a period of not less than fifteen paid business days. The Company provides the benefit of two additional vacation days.

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Notes to the consolidated Financial Statements as of December 31, 2010  
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Note 15 - Employee benefits (continued)

15.2 Policies on defined benefit plan (continued)

Employee termination benefits are agreed upon and payable based on the last salary for each year of service to the Company or with certain maximum limits in respect to the number of years to be considered or with respect to monetary terms. In general, this benefit is payable when the employee or worker ceases to provide his/her services to the Company, and the right to collect can be obtained for different causes, as indicated in the respective agreements; e.g., retirement, dismissal, voluntary retirement, incapacity or disability, death, etc.

Law No. 19,728 published on May 14, 2001 and effective since October 14, 2002 required “Compulsory Unemployment Insurance” in favor of all dependent employees regulated by the Chilean Labor Code. Article 5 of this law provided the financing of this insurance through monthly contribution payments by both the employee and the employer.

15.3 Other long-term benefits

Other long-term benefits relate to employee termination benefits and are recorded at their actuarial value.

|  | 06.30.2011 | 12.31.2010 |
|--|------------|------------|
|  | ThUS\$     | ThUS\$     |
| Employee termination benefits at actuarial value |            |            |
| Employee termination benefits, Chile             | 27,180     | 26,577     |
| Other obligations in foreign companies           | 646        | 631        |
| Total other non-current liabilities              | 27,826     | 27,208     |
| <b>SQM North America's pension plan</b>          | <b>702</b> | <b>702</b> |
| Total post-employment obligations                | 702        | 702        |

Employee termination benefits have been calculated using the actuarial assessment method of the Company's obligations with respect to employee termination benefits, which relate to defined benefit plans consisting of days of remuneration per year served at the time of retirement, under conditions agreed upon in the respective agreements established between the Company and its employees.

Under the indemnity fund benefit plan, the Company retains the obligation for the payment of employee termination benefits related to retirements without establishing a separate fund with specific assets, which is referred to as not funded. The discount interest rate of flows expected to be used was 6%.

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15.3 Other long-term benefits (continued)

Benefit payment conditions

The employee termination benefit relates to remuneration days per year worked for the Company with no limit on salary or years of service to the Company, when employees cease to work for the Company due to turnover or death. In this case, the maximum age for men is 65 years and 60 years old for women, which are the usual ages for retirement due to achieving the senior citizen age according to the Chilean pension system provided in Decree Law 3,500 of 1980.

Methodology

The determination of the obligation for benefits under IAS 19, Projected Benefit Obligation (PBO) is described as follows:

To determine the Company's total liability, the Company used a mathematical simulation model that was programmed using a computer and processed the situation of each employee on an individual basis.

This model considered months as discrete time; i.e., the Company determined the age of each person and his/her salary on a monthly basis according to the growth rate. Thus, information on each person was simulated from the beginning of the life of his/her employment contract or when he/she started earning benefits up to the month in which the person reaches the normal retirement age, generating in each period the possible retirement according to the Company's turnover rate and the mortality rate according to the age reached. When he/she reaches retirement age, the employee finishes his/her service for the Company and receives indemnity related to retirement due to old age.

The methodology followed to determine the accrual for all employees covered by the agreements has considered turnover rates and the mortality rate RV-2010 established by the Chilean Superintendence of Securities and Insurance to calculate pension-related life insurance reserves in Chile according to the Accumulated Benefit Valuation or Accrued Cost of Benefit Method. This methodology is established in IAS 19 Retirement Benefit Costs.

15.4 Employee post-retirement obligations

Up to 2002, our subsidiary SQM North América, had agreed with its employees, a pension plan referred to as "SQM North America Retirement Income Plan", whose obligation is calculated by measuring the expected future forecasted staff severance indemnity obligation using a net salary gradual rate of restatements for inflation, mortality and turnover assumptions discounting the resulting amounts at present value using the interest rate defined by the authority for 2011 and 2010.

Since 2003, SQM North America, offers its employees, benefits associated to pensions based on system 401-k, which generates no obligations to the Company.

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## Note 15 - Employee benefits (continued)

## 15.5 Employee termination benefits

Severance pays calculated at actuarial value present the movements below:

|                           | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|---------------------------|----------------------|----------------------|
| Initial balance           | (27,208 )            | (28,682 )            |
| Cost of current service   | (1,564 )             | (3,583 )             |
| Interest cost             | (1,106 )             | (1,889 )             |
| Actuarial gains/ losses   | (3 )                 | 88                   |
| Benefits paid             | 2,055                | 6,858                |
| Balance as of December 31 | (27,826 )            | (27,208 )            |

The severance pay liability is valued using the actuarial value method, for which purpose the company uses the following actuarial hypotheses:

|                                      | 06.30.2011 |   | 12.31.2010 |   |        |
|--------------------------------------|------------|---|------------|---|--------|
|                                      | RV - 2010  |   | RV - 2009  |   |        |
| Mortality table                      |            |   |            |   |        |
| Real annual interest rate            | 6          | % | 6          | % |        |
| Voluntary resignation turnover rate: |            |   |            |   |        |
| Men                                  | 0.9        | % | 0.9        | % | annual |
| Women                                | 1.53       | % | 1.53       | % | annual |
| Salary increase                      | 3.0        | % | 3.0        | % | annual |
| Retirement age:                      |            |   |            |   |        |
| Men                                  | 65         |   | 65         |   | years  |
| Women                                | 60         |   | 60         |   | years  |

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Note 16 - Executive compensation plan

The Company counts on a compensation plan for its executives, by means of the granting of payments based on the SQM share price change, paid in cash, and the executives may exercise their rights until the year 2016.

Characteristics of the plan

This compensation plan is related with the company performance through the price of the Series B SQM share (Santiago Stock Exchange).

Participants in this plan

This compensation plan includes 42 executives of the Company, who are entitled to this benefit, provided they stay with the Company during the dates these options are executed. The dates for exercising the options will be the first 7 calendar days of May corresponding to the fiscal year.

Compensation

The compensation for each executive is the differential between the average prices of the share during April of each year compared to the base price established by Company's management. The base price fixed by the Company for this compensation plan amounts to US\$ 50 per share.

The Company reserves the right to exchange that benefit by shares or shares option.

The movement of the options in effect for the period, the average prices for the fiscal year of the options and the average contractual life of the options in effect as of June 30, 2011 and December 31, 2010 are the following:

| Movement for the period          | 06.30.2010 | 12.31.2010 |
|----------------------------------|------------|------------|
| In effect as of January 1        | 3,370,025  | 1,150,025  |
| Granted during the fiscal year   |            | 2,370,000  |
| Exercised during the fiscal year | 1,000,000  | 150,000    |
| In circulation as of December 31 | 2,370,025  | 3,370,025  |
| Average contractual life         | 53 months  | 60 months  |

The amounts accrued by the plan, as of June 30, 2011 and December 31, 2010, amount to:

|                            | 06.30.2011 | 12.31.2010 |
|----------------------------|------------|------------|
| Result effect              | ThUS\$     | ThUS\$     |
| Amount accrued             | 8,100      | 22,782     |
| Total accrued compensation | 8,100      | 22,782     |

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Note 17 - Equity Disclosures

The detail and movements in the funds of equity accounts are shown in the consolidated statement of changes in equity.

17.1 Capital management

The main object of capital management relative to the administration of the Company's equity is to administer the capital of SQM group as follows:

- Ensure the regular conduct of operations and business continuity in the long term.
- Ensure financing of new investments in order to maintain steady growth.
- Have an adequate capital structure in accordance with the cycles of the economy that have an impact on the business and the nature of the industry.
- Maximize the value of SQM group in the mid and long term.

According to the foregoing, the capital requirements are included on the basis of the financing requirements of the group, with the constant intention of maintaining an adequate level of liquidity and in compliance with the financial safeguards established in the debt contracts in force. The Company manages its capital structure and makes adjustments on the basis of the predominant economic conditions so as to mitigate the risks associated with adverse market conditions and take advantage of the opportunities there may be to improve the liquidity position.

There have been no changes in the capital management objectives or policy within the years reported in this document.

17.2 Disclosures on preference share capital

Issued share capital is divided into 263,196,524 fully paid and subscribed shares with no par value composed of 142,819,552 Series "A" shares and 120,376,972 Series "B" shares, where both series are preferred shares.

The preferential voting rights for each series are detailed as follows:

Series "A":

If the election of the President of the Company results in a tie vote, the Company's directors may vote once again, without the vote of the director elected by the Series B shareholders.

Series "B":

- 1) A general or extraordinary shareholders' meeting may be called at the request of shareholders representing 5% of the Company's Series B shares.
- 2) An extraordinary meeting of the Board of Directors may be called with or without the agreement of the Company's President, at the request of the director elected by Series B shareholders.

As of June 30, 2011, December 31, 2010, the Group does not maintain shares in the parent company either directly or through its companies in which it has investments.

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## Note 17 - Equity Disclosures (continued)

## 17.2 Disclosures on preference share capital (continued)

## Detail of types of capital in preference shares:

| Type of capital in preferred shares<br>Description of type of capital in preferred shares | 06.30.2011  |             | 12.31.2010  |             |
|---|-------------|-------------|-------------|-------------|
|   | A Series    | B Series    | A Series    | B Series    |
| Number of authorized shares   | 142,819,552 | 120,376,972 | 142,819,552 | 120,376,972 |
| Par value of shares in ThUS\$   | -           | -           | -           | -           |
| Capital amount in shares ThUS\$   | 134,750     | 342,636     | 134,750     | 342,636     |
| Amount of premium issuance ThUS\$   | -           | -           | -           | -           |
| Amount of reserves ThUS\$   | -           | -           | -           | -           |
| Number of fully subscribed and paid shares  | 142,819,552 | 120,376,972 | 142,819,552 | 120,376,972 |
| Number of subscribed, partially paid shares   | -           | -           | -           | -           |
| Total number of subscribed shares   | 142,819,552 | 120,376,972 | 142,819,552 | 120,376,972 |

As of June 30, 2011, December 31, 2010, the Company has not placed any new issuances of shares on the market.

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Note 17 - Shareholders' Equity Disclosures (continued)

17.3 Dividend policy

As required by Article 79 of the Chilean Shareholders' Company Act, unless otherwise decided by unanimous vote of the holders of issued and subscribed shares, the Company must distribute a cash dividend in an amount equal to at least 30% of consolidated profit for the year ended December 31 unless and except to the extent that it has a deficit in retained earnings (losses not absorbed in prior years.)

The Company's dividend policy for 2011 was detailed as follows:

- Distribution and payment in favor of each shareholder of a final dividend that will be equivalent to 50% of profit for the year obtained in 2011.
- Distribution and payment during 2011, of an interim dividend which is recorded against the aforementioned final dividend. This interim dividend was paid (see below) during the last quarter of 2011, and its amount did not exceed 50% of the retained earnings for distribution obtained during 2011, which are reflected in the Company's financial statements as of September 30, 2011.
- The distribution and payment by the Company of the remaining balance of the final dividend related to profit for the year for the 2011 fiscal year in up to two installments, which must be effectively paid and distributed prior to June 30, 2012.
- An amount equivalent to the remaining 50% of the Company's profit for the year for 2011 will be retained and destined to the financing of operations of one or more of the Company's investment projects with no prejudice to the possible future capitalization of the entirety or a portion of this.
- The Board of Directors does not consider the payment of any additional or interim dividends.
- The Board of Directors considers as necessary to indicate that the aforementioned Dividends Policy correspond to the intention or expectation of the Board regarding this matter. Consequently, the enforcement of such Policy Dividends is necessarily conditioned to net incomes finally obtained, to the results indicating the Company's regular forecasts or the existence of certain conditions that could affect them. Notwithstanding the above and to the extent that such policy dividend does not suffer a significant change SQM S.A. will timely communicate its shareholders on this matter.

17.4 Interim dividends

At the Annual Board of Directors meeting held on April 28, 2011, the Directors unanimously agreed to pay a final dividend of US\$0.7259 per share in relation to net profit for the year. Notwithstanding the above, US\$ 0.41794 per share was already paid as an interim dividend, and this amount should be subtracted from the final dividend detailed above. In line with this, the balance, amounting to US\$ 0.30798 per share, will be paid and distributed among shareholders of the Company who are registered with their respective shareholders 'registry as of the fifth business day prior to the day in which this dividend will be paid.

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On November 23, 2010 the Board of the Company agreed to pay interim dividends amounting to ThUS\$ 110,000, payable from December 15, 2010.

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At a Board of Directors meeting held on April 29, 2010, the Directors unanimously agreed to reduce its distribution of dividends. This means that a final dividend of US\$ 0.62131 per share will be paid in relation to net profit for the year. Notwithstanding the above, US\$ 0.37994 per share was already paid as an interim dividend, and this amount should be subtracted from the final dividend detailed above. In line with this, the balance, amounting to US\$ 0.24137 per share, will be paid and distributed among shareholders of the Company who are registered with their respective shareholders 'registry as of the fifth business day prior to the day in which this dividend will be paid.

Dividends presented deducted from equity are:

|  | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|--|----------------------|----------------------|
| Final dividend                                 | 193,050              | 63,527               |
| Interim dividend                               | 110,000              | 110,000              |
| Minimum dividend accrual                       | -                    | 5,831                |
| Reversal of prior year minimum dividend        | (5,831 )             | -                    |
| Total  | 77,219               | 179,358              |
|  | 2011<br>ThUS\$       | 2010<br>ThUS\$       |
| Dividends attributable to owners of the parent | 76.425               | 178.164              |
| Dividends of non-parent ownerships             | 794                  | 1.194                |
| Total  | 77.219               | 179.358              |

Note 18 - Provisions and other non-financial liabilities

| 18.1                               | Types of provisions  |                      |
|------------------------------------|----------------------|----------------------|
| Description of types of provisions | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
| Other current provisions           |                      |                      |
| Provision for legal complaints (*) | 4,576                | 2,590                |
| Other provisions – see below       | 8,279                | 12,424               |
| Total                              | 12,855               | 15,014               |
| Other non-current provisions       |                      |                      |
| Other provisions                   | 3,000                | 2,000                |
| Mine closers                       | 3,500                | 3,500                |
| Other current provisions           | 6,500                | 5,500                |

(\*) Provisions for legal complaints relate to legal expenses for lawsuits whose resolution are pending, and correspond to funds estimated necessary to make the disbursement of expenses incurred for this purpose.

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Notes to the consolidated Financial Statements as of December 31, 2010  
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This provision relates mainly to the litigation of its subsidiary located in Brazil and United States (see note 19.1, number 2) and other minor litigations.

| 18.2 | Description of other provisions   | 06.30.2011 | 12.31.2010 |
|------|---|------------|------------|
|      |   | ThUS\$     | ThUS\$     |
|      | Description of other provisions   |            |            |
|      | Current provisions, other provisions                                      |            |            |
|      | Provision for tax loss in fiscal litigation                               | 1,731      | 1,634      |
|      | Royalties, agreement with CORFO (the Chilean Economic Development Agency) | 5,549      | 5,182      |
|      | Temporary closer of “El Toco operation”                                   | -          | 3,264      |
|      | Retirement plan   | -          | 880        |
|      | Miscellaneous provisions  | 999        | 1,464      |
|      | Total   | 8,279      | 12,424     |
|      | Other long-term provisions  |            |            |
|      | Mine closure  | 3,500      | 3,500      |
|      | Total   | 3,500      | 3,500      |

| 18.3 | Other non-financial liabilities, current         | 06.30.2011 | 12.31.2010 |
|------|--|------------|------------|
|      | Description of other liabilities                 | ThUS\$     | ThUS\$     |
|      | Tax withholdings                                 | 848        | 5,529      |
|      | VAT payable                                      | 1,425      | 12,416     |
|      | Guarantees received                              | 1,067      | 1,028      |
|      | Accrual for minimum dividend                     | -          | 4,637      |
|      | Monthly tax provisional payments                 | 7,218      | 8,171      |
|      | Deferred income                                  | 46,028     | 14,350     |
|      | Withholdings from employees and salaries payable | 5,248      | 4,936      |
|      | Vacation accrual                                 | 14,214     | 14,854     |
|      | Other current liabilities                        | 50         | 1,538      |
|      | Total  | 76,098     | 67,459     |

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Notes to the consolidated Financial Statements as of December 31, 2010  
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## Note 18 - Provisions and other non-financial liabilities (continued)

## 18.3 Movements in provisions as of June 30, 2011

| Description of items that gave rise to variations   | Dismantling, cost of restoration and Other |              |            | Total     |
|---|--|--------------|------------|-----------|
|   | Legal complaints                           | habilitation | provisions |           |
|   | ThUS\$                                     | ThUS\$       | ThUS\$     | ThUS\$    |
| Total provisions, initial balance                   | 4,590                                      | 3,500        | 12,424     | 20,514    |
| Additional provisions                               | 3,000                                      | -            | 6,473      | 9,473     |
| Provision used                                      | (14 )                                      | -            | (10,728 )  | (10,742 ) |
| Increase (decrease) in foreign currency translation | -  | -            | 110        | 110       |
| Total provisions, final balance                     | 7,576                                      | 3,500        | 8,279      | 19,355    |

## 18.4 Movements in provisions as of December 31, 2010

| Description of items that gave rise to variations   | Dismantling, cost of restoration and Other |              |            | Total     |
|---|--|--------------|------------|-----------|
|   | Legal complaints                           | habilitation | provisions |           |
|   | ThUS\$                                     | ThUS\$       | ThUS\$     | ThUS\$    |
| Total provisions, initial balance                   | 590  | 3,500        | 15,852     | 19,942    |
| Additional provisions                               | 4,000                                      | -            | 14,301     | 18,301    |
| Provision used                                      | -  | -            | (17,803 )  | (17,803 ) |
| Increase (decrease) in foreign currency translation | -  | -            | 74         | 74        |
| Total provisions, final balance                     | 4,590                                      | 3,500        | 12,424     | 20,514    |

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Note 18 - Provisions and other non-financial liabilities (continued)

18.5 Detail of main types of provisions and other non-financial liabilities

Legal expenses: this provision depends on the pending resolution of a legal lawsuit. (Incurred mainly in Brazil and U.S.A.)

Tax accrual in tax litigation: this accrual relates to lawsuits pending resolution related to taxes in Brazil for two of our subsidiaries, SQM Brazil and NNC.

CORFO (Economic Development Agency) Royalties agreement: relates to the commercialization of mining properties that SQM Salar S.A. pays the Economic Development Agency for on a quarterly basis. The amount of the lease payable is calculated based on sales of products extracted from the Atacama Saltpeter deposit.

The settlement of the aforementioned amounts is performed on a quarterly basis.

Temporary closure of El Toco operation: The Company's Board of Directors unanimously agreed to approve the temporary closure of the Toco and Pampa Blanca mining sectors. The Company accrued a legal severance indemnity for the employees subject to this closure. Additional benefits that will be paid to employees will correspond to 2010 expenses.

Retirement plan: corresponds to a benefit agreed upon with employees to retire from the Company. Those employees who invoked the agreed-upon plan signed their consent as of December 31, 2009. The effective retirement date was during 2010, but part of this benefit is pending for 2011.

Note 19 - Contingencies and restrictions

According to note 18.1 the Company has only registered a provision for those lawsuits in which the probability to lose is "more likely than not". The Company is party to lawsuits and other relevant legal actions that are detailed as follows:

19.1 Lawsuits and other relevant events

|               |   |   |
|---------------|---|---|
| 1. Plaintiff  | : | Compañía de Salitre y Yodo Soledad S.A.     |
| Defendant     | : | Sociedad Química y Minera de Chile S.A.     |
| Date          | : | December 1994                               |
| Court         | : | Civil Court in Pozo Almonte                 |
| Reason        | : | Nullity of mining concession Cesard 1 to 29 |
| Status        | : | Evidence provided                           |
| Nominal value | : | ThUS\$ 211                                  |

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Note 19 - Contingencies and restrictions (continued)

19.1 Lawsuits and other relevant events (continued)

2. Plaintiffs : JB Comércio de Fertilizantes e Defensivos Agrícolas Ltda. (JB)  
 Defendants : Nitratos Naturais do Chile Ltda. (NNC)  
 Date : December 1995  
 Court : MM 1ª. Vara Cível de Comarca de Barueri, Brasil.  
 Reason : Compensation claim filed by JB against NNC for having appointed a distributor in a territory of Brazil for which JB had an exclusive contract.  
 Status : First instance against NNC.  
 Nominal value : ThUS\$1,800
  
3. Plaintiff : Compañía Productora de Yodo y Sales S.A.  
 Defendant : Sociedad Química y Minera de Chile S.A.  
 Date : November 1999  
 Court : Civil Court in Pozo Almonte  
 Reason : Nullity of mining concession Paz II 1 to 25  
 Status : Evidence provided  
 Nominal value : ThUS\$ 162
  
4. Plaintiff : Compañía Productora de Yodo y Sales S.A.  
 Defendant : Sociedad Química y Minera de Chile S.A.  
 Date : November 1999  
 Court : Civil Court in Pozo Almonte  
 Reason : Nullity of mining concession Paz III 1 to 25  
 Status : Evidence provided  
 Nominal value : ThUS\$ 204
  
5. Plaintiff : Nancy Erika Urra Muñoz  
 Defendants : Fresia Flores Zamorano, Duratec-Vinilit S.A. and SQM S.A. and their insurers  
 Date : December 2008  
 Court : 1st Civil Court of Santiago  
 Reason : Labor Accident  
 Status : At hearing stage  
 Nominal value : ThUS\$ 550
  
6. Plaintiffs : Eduardo Fajardo Nuñez, Ana Maria Canales Poblete, Raquel Beltran Parra, Eduardo Fajardo Beltran and Martina Fajardo Beltran.  
 Defendants : SQM Salar S.A. and insured parties  
 Date : November 2009  
 Court : 20th Civil Court in Santiago  
 Reason : Labor accident  
 Status : Evidence  
 Nominal value : ThUS\$ 1,880

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Note 19 - Contingencies and restrictions (continued)

19.1 Lawsuits and other relevant events (continued)

7. Plaintiff : Poli Instalaciones Limitada  
 Defendant : SQM Industrial S.A.  
 Date : August 2010  
 Court : Arbitral Court  
 Reason : Claim for damages resulting from the exercise of a contractual clause under which the contract may be terminated in advance  
 Status : Discovery stage  
 Nominal value : ThUS\$ 484
8. Plaintiff : Newland S.A.  
 Defendant : SQM Industrial S.A.  
 Date : August 2010  
 Court : Arbitral Court  
 Reason : Claim for damages due to alleged breach of obligations  
 Status : Discovery stage  
 Nominal value : ThUS\$480
9. Plaintiffs : María Loreto Lorca Morales, Nathan Guerrero Lorca, Maryori Guerrero Lorca, Abraham Guerrero Lorca, Esteban Guerrero Lorca and María Sol Osorio Tapia et all  
 Defendants : Gonzalo Daved Valenzuela, Julio Zamorano Avendaño, Comercial Transportes y Servicios Generales Julio Zamorano Avendaño E.I.R.L., And in solidum SQM S.A. and insurers  
 Date : August 2010  
 Court : 2nd Civil Court of Iquique  
 Reason : Claim for damages resulting from the crash of two trucks in July 2008 near Pozo Almonte, causing the death of Mr. Alberto Galleguillos Monardes And Mr. Fernando Guerrero Tapia  
 Status : Hearing stage ended.  
 Nominal value : ThUS\$3,500
10. Plaintiff : Sociedad Chilena del Litio Ltda.  
 Defendant : SQM Salar S.A.  
 Date : December 2010  
 Court : Arbitral  
 Reason : Payment of sales prices  
 Status : At hearing stage  
 Nominal value : ThUS\$2,000

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## Note 19 - Contingencies and restrictions (continued)

## 19.1 Lawsuits and other relevant events (continued)

11. Plaintiff : City of Pomona, California USA  
 Defendant : SQM North America Corp (SQM NA)  
 The lawsuit also was filed against Sociedad Química y Minera de Chile S.A: this lawsuit has not yet been notified to the Company  
 Date : December 2010  
 Court : United States District Court for the Central District of California  
 Reason : Claim for damages incurred by the city of Pomona, as a result of the alleged responsibility in the perchlorate contamination of municipal underground water wells that feed the freshwater system in the city  
 Status : Discovery stage. The Company has been named but has not yet been served.  
 Nominal value : Unspecified
12. Plaintiff : City of Lindsay, California USA  
 Defendant : SQM North America Corp (SQM NA)  
 The lawsuit also was filed against Sociedad Química y Minera de Chile S.A: this lawsuit has not yet been notified to the Company  
 Date : December 2010  
 Court : United States District Court for the Eastern District of California  
 Reason : Claim for damages incurred by the city of Lindsay, as a result of the alleged responsibility in perchlorate contamination of municipal underground water wells that feed the freshwater system in the city  
 Status : Discovery stage. The Company has been named but has not yet been served.  
 Nominal value : Unspecified
13. Plaintiff : Alejandro Tapia Moyano  
 Defendant : SQM Nitratos S.A.  
 Date : February 2011  
 Court : Labour Court of Antofagasta  
 Reason : Compensation for moral damage for illness allegedly acquired as the results of works performed  
 Status : Hearing stage ended  
 Nominal value : ThUS\$200

The Company has been involved and will probably continue being involved either as plaintiffs or defendants in certain judicial proceedings that have been and will be heard by the Arbitral or Ordinary Courts of Justice that will make the final decision. Those proceedings that are regulated by the appropriate legal regulations are intended to exercise or oppose certain actions or exceptions related to certain mining claims either granted or to be granted and that do not or will not affect in an essential manner the development of the Company.

Soquimich Comercial S.A. has been involved and will probably continue being involved either as plaintiff or defendant in certain judicial proceedings through which it intends to collect and receive the amounts owed, the total nominal value of which is approximately ThUS\$ 700.

The Company has made efforts and continues making efforts to obtain payment of certain amounts that are still owed it on occasion of their activities. Such amounts will continue to be required using judicial or non-judicial means by the

plaintiffs, and the actions and exercise related to these are currently in full force and effect.

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Note 19 - Contingencies and restrictions (continued)

19.1 Lawsuits and other relevant events (continued)

The Company has not received legal notice of any claims other than those mentioned in paragraph I above. The claims detailed above seek to annul certain mining claims that were purchased by SQM S.A. and Subsidiaries, the proportional purchase value of which, with respect to the portion affected by the superimposition, exceeds the nominal and approximate amount of ThUS\$ 150. The claims seek payment of certain amounts allegedly owed by the Company due to its own activities, which exceed the approximate nominal and individual amount of ThUS\$ 150.

19.2 Restrictions

Bank loans of the Company have similar restrictions to the loans of a similar nature that have been valid at the appropriate times and that amongst others relate to maximum indebtedness and minimum equity. Save for the foregoing, The Company. is not exposed to other restrictions or limits on financial indicators relating to contracts and agreements with creditors.

19.3 Commitment

The subsidiary SQM Salar S.A. has signed a rental contract with the Economic Development Agency (CORFO), which establishes that this subsidiary will pay rent to CORFO for the concept of commercialization of certain mining properties owned by CORFO and for the products resulting from this commercialization. The annual rent stated in the aforementioned contract is calculated on the basis of sales of each type of product. The contract is in force until 2030, and rent began being paid in 1996 reflecting an expense amount of ThUS\$ 10,840 as of June 30, 2011 (ThUS\$ 18,717 as of December 31, 2010).

19.4 Restricted or pledged cash

The subsidiary Isapre Norte Grande S.A. in compliance with that established by the Chilean Superintendence of Healthcare, which regulates the running of pension-related health institutions, maintains a guarantee in financial instruments, delivered in deposits, custody and administration to Banco de Chile.

This guarantee, according to the regulations issued by the Chilean Superintendence of Healthcare is equivalent to the total sum owed to its members and medical providers. Banco de Chile reports the present value of the guarantee to the Chilean Superintendence of Healthcare and Isapre Norte Grande Ltda.on a daily basis. As of June 30, 2011, the guarantee amounts to ThUS\$ 528.

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## Note 19 - Contingencies and restrictions (continued)

## 19.5 Collateral received from third parties

The main collateral received from third parties (distributors) to guarantee Soquimich Comercial S.A.'s compliance with obligations in contracts of commercial mandates for the distribution and sale of fertilizers amounted to ThUS\$4,204 as of June 30, 2011; as of December 31, 2010 these amounted to ThUS \$6,389 which is detailed as follows:

| Entity name                       | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|-----------------------------------|----------------------|----------------------|
| Llanos y Wammes Soc.<br>Com. Ltda | 2,136                | 2,037                |
| Fertglobal Chile Ltda.            | 1,068                | 3,352                |
| Tattersall Agroinsumos<br>S.A.    | 1,000                | 1,000                |

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| SQM Investment Corp.      |                    |            |      |   |   |
|---------------------------|--------------------|------------|------|---|---|
| Export Development Canada | N.V.               | Subsidiary | Bond | - | - |
| BBVA Bancomer S.A.        | Royal Seef Trading | Subsidiary | Bond | - | - |

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## Note 20 - Revenue

As of June 30, 2011 and 2010, revenue is detailed as follows:

|                       | 06.30.2011<br>ThUS\$ | 06.30.2010<br>ThUS\$ |
|-----------------------|----------------------|----------------------|
| Sales of goods        | 1,028,216            | 861,539              |
| Provision of services | 3,484                | 3,728                |
| <b>Total</b>          | <b>1,031,700</b>     | <b>865,267</b>       |

## Note 21 - Earnings per Share

Basic earnings per share are calculated by dividing net income attributable to the Company's shareholders by the weighted average of the number of shares in circulation during that period.

As expressed, earnings per share are detailed as follows:

|   | 06.30.2011<br>ThUS\$ | 06.30.2010<br>ThUS\$ |
|---|----------------------|----------------------|
| Earnings per share                                    |                      |                      |
| Earnings attributable to owners of the parent         | 243,616              | 181,522              |
|   | 06.30.2011<br>Units  | 06.30.2010<br>Units  |
| Number of common shares in circulation                | 263,196,524          | 263,196,524          |
|   | 06.30.2011           | 06.30.2010           |
| Basic and diluted earnings per share (US\$ per share) | 0.9256               | 0.6897               |

The Company has not made any operation with a potential dilutive effect that assumes a diluted earnings per share different from the basic earnings per share.

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## Note 22 - Loan costs

The cost of interest is recognized as expenses in the year in which it is incurred, except for interest that is directly related to the acquisition and construction of tangible property, plant and equipment assets and that complies with the requirements of IAS 23. As of June 30, 2011, total interest expenses incurred amount to ThUS\$7,687 (ThUS\$12,366 as of June 30, 2010.)

The Company capitalizes all interest costs directly related to the construction or to the acquisition of property, plant and equipment, which require a substantial time to be suitable for use.

## Costs of capitalized interest, property, plant and equipment

The cost of capitalized interest is determined by applying the average or weighted average of all financing costs incurred by the Company to the monthly end balances of works-in-progress meeting the requirements of IAS 23.

The rates and costs for capitalized interest of property, plant and equipment are detailed as follows:

|  | 06.30.2011 |   | 06.30.2010 |   |
|--|------------|---|------------|---|
| Capitalization rate of costs for capitalized interest, property, plant and equipment | 7          | % | 7          | % |
| Amount of costs for interest capitalized in ThUS\$                                   | 7,687      |   | 12,366     |   |

## Note 23 - Effect of variations in the foreign currency exchange rates

a) Foreign currency exchange differences recognized in profit or loss except for financial instruments measured at fair value through profit or loss

|  | 06.30.2011<br>ThUS\$ | 06.30.2010<br>ThUS\$ |
|--|----------------------|----------------------|
| Conversion foreign exchange gains (losses) recognized in the result of the year.           | (7,141 )             | (5,352 )             |
| Conversion foreign exchange reserves attributable to the owners of the controlling entity. | 10                   | (356 )               |
| Conversion foreign exchange reserves attributable to the non-controlling entity.           | -                    | (227 )               |

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Note 23 - Effect of variations in the foreign currency exchange rates (continued)

b) Reserves for foreign currency exchange differences

As of June 30, 2011 and December 31, 2010, foreign currency exchange differences are detailed as follows:

| Detail   | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|--|----------------------|----------------------|
| <b>Changes in equity generated through the equity method</b> |                      |                      |
| Comercial Hydro S.A.   | 937                  | 937                  |
| SQMC Internacional Ltda.                                     | 41                   | 41                   |
| Proinsa Ltda.  | 31                   | 31                   |
| Agrorama Callegari Ltda.                                     | 161                  | 161                  |
| Isapre Cruz del Norte Ltda.                                  | 99                   | 99                   |
| Almacenes y Depósitos Ltda.                                  | 99                   | 90                   |
| Sales de Magnesio Ltda.                                      | 132                  | 132                  |
| Sociedad de Servicios de Salud S.A.                          | 39                   | 39                   |
| Agrorama S.A.  | 1                    | -                    |
| <b>Total</b>   | <b>1,540</b>         | <b>1,530</b>         |

c) Functional and presentation currency

The functional currency of the aforementioned entities is the Chilean peso and the presentation currency is the United States dollar.

d) Reasons to use one presentation currency and a different functional currency

- The total revenues of these subsidiaries are associated with the Chilean peso.
- The commercialization cost structure of these companies is affected by the local currency.
- The equities of these companies are expressed in local currency (Chilean peso).

Note 24 - The environment

24.1 Disclosures of disbursements related to the environment

The Company is continuously concerned with protecting the environment both in its production processes and with respect to products manufactured. This commitment is supported by the principles indicated in the Company's Sustainable Development Policy. The Company is currently operating under an Environmental Management System (EMS) that has allowed it to strengthen its environmental performance through the effective application of the Company's Sustainable Development Policy

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Note 24 - The environment (continued)

24.1 Disclosures of disbursements related to the environment (continued)

Operations that use caliche as a raw material are carried out in desert areas with climatic conditions that are favorable for drying solids and evaporating liquids using solar energy. Operations involving the open-pit extraction of minerals, due to their low waste-to-mineral ratio, generate remaining deposits that slightly alter the environment. A portion of the ore extracted is crushed, a process in which particle emissions occur. Currently this operation is conducted only at the Pedro de Valdivia worksite. In the María Elena location, crushing units used to operate that affected the air quality. The Company has implemented a range of mitigating actions that have led to a notable improvement in air quality at Maria Elena, and beginning in March 2010, no ore crushing process is conducted in the Maria Elena sector.

Many of the Company's products are shipped in bulk at the Port of Tocopilla. In 2007 the city of Tocopilla was declared a zone Saturated with MP 10 Particles mainly due to the emissions from the electric power plants that operate in that city. In October 2010 the Decontamination Plan for Tocopilla was put in place. Accordingly, the Company has committed to taking several measures to mitigate the effects derived from bulk product movements in the port. These measures have been successfully implemented since 2007.

The Company carries out environmental follow-up and monitoring plans based on specialized scientific studies, and it also provides an annual training program in environmental matters to both its direct employees and its contractors' employees. Within this context, the Company entered into a contract with the National Forestry Corporation (CONAF) aimed at researching the activities of flamingo groups that live in the Salar de Atacama (Atacama Saltpeter Deposit) lagoons. Such research includes a population count of the birds, as well as breeding research. Environmental monitoring activities carried out by the Company at the Salar de Atacama and other systems in which it operates are supported by a number of studies that have integrated diverse scientific efforts from prestigious research centers, including Dictuc from the Pontificia Universidad Católica in Santiago and the School of Agricultural Science of the Universidad de Chile.

Furthermore, within the framework of the environmental studies which the Company is conducting, the Company performs significant activities in relation to the recording of Pre-Columbian and historical cultural heritage, as well as the protection of heritage sites, in accordance with current Chilean laws. These activities have been especially performed in the areas surrounding Maria Elena and the Nueva Victoria plants. This effort is being accompanied by cultural initiatives within the community and the organization of exhibits in local and regional museums.

As emphasized in its Sustainable Development Policy, the Company strives to maintain positive relationships with the communities surrounding the locations in which it carries out its operations, as well as to participate in communities' development by supporting joint projects and activities which help to improve the quality of life for residents. For this purpose, the Company has focused its efforts on activities involving the rescue of historical heritage, education and culture, as well as development, and in order to do so, it acts both individually and in conjunction with private and public entities.

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Note 24 - The environment (continued)

24.2 Detail of information on disbursements related to the environment

The accumulated disbursements in which the Company incurred as of June 30, 2011 for the concept of investments in production processes, verification and control of compliance with ordinances and laws relative to industrial processes and facilities, including prior year disbursements related to these projects amounted to ThUS\$ 12,327 and are detailed as follows:

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## Note 24 - The environment (continued)

## 24.2 Detail of information on disbursements related to the environment

Accumulated expenses as of June 30, 2011

| Identification of the Parent Company or subsidiary | Name of the project with which the disbursement is associated   | Concept for which the disbursement was made or will be made | Asset / Expense | Description of the asset or expense |
|--|---|---|-----------------|-------------------------------------|
| SQM Industrial S.A.                                | Management of Environment (Expense 2011 as of June)   | Not classified  | Expense         | Not clas                            |
| SQM Industrial S.A.                                | SQ7X - Reach 2011-2013  | Support   | Expense         | Not clas                            |
| SQM Industrial S.A.                                | ANMI – Consulting on infrastructure for the storage of hazardous chemicals  | Support: Risk Prevention and the environment                | Asset           | Develop                             |
| SQM Industrial S.A.                                | FNWR - EID Discard field Pampa Blanca   | Support: Risk Prevention and the environment                | Expense         | Develop                             |
| SQM Industrial S.A.                                | FP55 - FPXA - EIA PB Mine Zone - EIA Enlargement PB (Projects: Agua de Mar Pampa Blanca - Agua de Mar Phase I)          | Support   | Asset           | Develop                             |
| SQM Industrial S.A.                                | JNTU – San Isidro water assessment  | Support: Risk Prevention and the environment                | Asset           | Not clas                            |
| SQM Industrial S.A.                                | JPX9 - EID improvement of granular and prilled plant Coya Sur (Project: Pilot Plant DT and Tests and Resin Pilot tests) | Support: Risk Research and development                      | Asset           | Researc                             |
| SQM Industrial S.A.                                | MNYS - Cultural heritage dissemination actions, Technological change at Maria Elena                                     | Support: Risk Prevention and the environment                | Asset           | Not clas                            |
| SQM Industrial S.A.                                | MP17 - ME/CS/PV Normalization drinking water chloride ME  | Support   | Asset           | Not clas                            |
| SQM Industrial S.A.                                | MP5W – Normalization of TK´s fuel   | Support   | Asset           | Not clas                            |
| SQM Industrial S.A.                                | MPIS - Stabilization of streets and suppression of dust at sidewalks  | Support   | Asset           | Develop                             |
| SQM Industrial S.A.                                | MPL5 – Repair of electric and sanitary services   | Support   | Asset           | Develop                             |
| SQM Industrial S.A.                                | MPLS – Automated alarms and information of monitoring station Hospital  | Not classified  | Asset           | Not clas                            |
| SQM Industrial S.A.                                | MQ51 – Reference terms on heritage measurements Project ME  | Support: Risk Prevention and the environment                | Expense         | Not clas                            |
| SQM Industrial S.A.                                | PPNK – Handling of PV ammonia in Detention of plant   | Support: Risk Prevention and the environment                | Asset           | Not clas                            |

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## Note 24 - The environment (continued)

## 24.2Detail of information on disbursements related to the environment (continued)

## Accumulated expenses as of June 30, 2011 (continued)

| Identification of the Parent Company or subsidiary | Name of the project with which the disbursement is associated             | Concept for which the disbursement was made or will be made | Asset / Expense |   |
|--|---|---|-----------------|---|
| SQM Industrial S.A.                                | PPZU - Normalize and certificate fuel tanks in plants                     | Support: Risk Prevention and the environment                | Asset-Expense   | N |
| SQM Industrial S.A.                                | JQ8K - EID Line 4 Drying Plant, Coya Sur (Project: Line 4 Drying)         | Capacity enlargement  | Asset           | D |
| SQM Industrial S.A.                                | MQ7P - ME change of sewerage covers in town                               | Support   | Expense         | N |
| Minera Nueva Victoria S.A.                         | IPMN – Iris Sanitary Capacity enlargement                                 | Capacity enlargement  | Asset           | D |
| Minera Nueva Victoria S.A.                         | IPNW – Improvements in pavilions C/D/B in Iris                            | Support   | Asset           | N |
| Minera Nueva Victoria S.A.                         | IQ4C – Camp development (Osmosis and other)                               | Capacity enlargement  | Asset           | N |
| SIT S.A.   | TPLR – Implementation of a system to pump sewage to dump                  | Support: Risk Prevention and the environment                | Asset           | N |
| SIT S.A.   | TPM7 – Environmental meshes for fields 3 and 4                            | Not classified  | Asset - Expense | N |
| SIT S.A.   | TPR8 – Elimination of riles generation through vacuum                     | Support: Risk Prevention and the environment                | Asset - Expense | N |
| SIT S.A.   | TPYX – Dust collector enabling of and seal field 3 Tocopilla              | Support: Risk Prevention and the environment                | Asset           | D |
| SQM S.A.   | AQ0A – Drilling of 4 wells change of collection point Pampa del Tamarugal | Support: Natural Resources                                  | Asset           | D |
| SQM S.A.   | IPFT –Cultural Heritage Region I  | Support: Risk Prevention and the environment                | Expense         | N |
| SQM S.A.   | IPXE – Environmental monitoring plan Salar de Llamara                     | Support: Risk Prevention and the environment                | Expense         | N |
| SQM S.A.   | IPXF - Environmental monitoring plan Pampa del Tamarugal                  | Support: Risk Prevention and the environment                | Expense         | N |
| SQM S.A.   | IQ08 - PSA Llamara & Pampa del Tamarugal                                  | Support: Natural Resources                                  | Expense         | D |
| SQM S.A.   | IQ0C – Valuing Mine Zone NV   | Support: Risk Prevention and the environment                | Expense         | N |
| SQM S.A.   | IQ1K – Construction of 3 observation Wells in Sur Viejo                   | Support: Natural Resources                                  | Asset           | D |

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## Note 24 - The environment (continued)

## 24.2 Detail of information on disbursements related to the environment (continued)

## Accumulated expenses as of June 30, 2011 (continued)

| Identification of the Parent Company or subsidiary | Name of the project with which the disbursement is associated       | Concept for which the disbursement was made or will be made | Asset / Expense | Description of the asset or expense |
|--|---|---|-----------------|-------------------------------------|
| SQM S.A.   | IQ1M - PSA Re-injection of water to Pukuíos Llamara                 | Not classified  | Asset           | Not cla                             |
| SQM S.A.   | IQ3S – Standardization of handling hazardous material               | Support: Risk prevention and the environment                | Asset           | Not cla                             |
| SQM S.A.   | IQ52 – Environment Office Nueva Victoria                            | Not classified  | Asset           | Not cla                             |
| SQM S.A.   | IQ53 – Cultural heritage adduction layout Soronal (Pampa Hermosa)   | Support: Risk prevention and the environment                | Asset           | Not cla                             |
| SQM S.A.   | IQ54 –Cultural heritage Pampa Hermosa                               | Support: Risk prevention and the environment                | Asset           | Not cla                             |
| SQM S.A.   | SCI6 – Environmental arrays – Project Region I                      | Not classified  | Asset           | Not cla                             |
| SQM Nitratos S.A                                   | IP6W – Riles treatment plant  | Support: Risk prevention and the environment                | Asset           | Not cla                             |
| SQM Nitratos S.A                                   | PP0V – Environmental projects Maintenance ME-PV-NV-PB               | Support: Risk prevention and the environment                | Asset - Expense | Develo                              |
| SQM Salar S.A                                      | CPTP – Enabling of emergency showers drinking water                 | Support   | Asset           | Not cla                             |
| SQM Salar S.A                                      | CPZH –Filters Discards handling press Hydroxide                     | Support: Risk prevention and the environment                | Expense         | Not cla                             |
| SQM Salar S.A                                      | LP5J – Hydric recharge array Salar de Atacama                       | Support: Risk prevention and the environment                | Expense         | Researc                             |
| SQM Salar S.A                                      | LP82 – Project to Foster agricultural activities in Salar locations | Support   | Expense         | Develo                              |
| SQM Salar S.A                                      | LPTF – 2010 Environmental study and survey                          | Support   | Expense         | Not cla                             |
| SQM Salar S.A                                      | LPTJ – Improvements in sanitary works                               | Support   | Asset           | Not cla                             |
|  |   |   |                 | Total                               |

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## Note 24 - The environment (continued)

## 24.2 Detail of information on disbursements related to the environment (continued)

## Future expenses

| Identification of the Parent Company or subsidiary | Name of the project with which the disbursement is associated  | Concept for which the disbursement was made or will be made | Asset / Expense | Description of the asset or expense Item | Amount for the Th |
|--|--|---|-----------------|--|-------------------|
| SQM Industrial S.A.                                | Environment Management (Budget 2011- Expense as of June 2011)  | Not classified  | Expense         | Not classified                           | 1                 |
| SQM Industrial S.A.                                | SQ7X - Reach 2011-2013   | Support   | Expense         | Not classified                           | 7                 |
| SQM Industrial S.A.                                | ANMI – Consulting on infrastructure for the storage of hazardous chemicals                                     | Support: Risk prevention and the environment                | Asset           | Development                              | 4                 |
| SQM Industrial S.A.                                | FP55 - FPXA - EIA Mine Zone PB - EIA Enlargement PB (Projects: Agua de Mar Pampa Blanca - Agua de Mar Phase I) | Support   | Asset           | Development                              | 3                 |
| SQM Industrial S.A.                                | IQ5B – Slab construction for transfer pumps  | Capacity enlargement  | Asset           | Not classified                           | 1                 |
| SQM Industrial S.A.                                | MNYS - Cultural heritage dissemination actions, Technological change at Maria Elena                            | Support: Risk prevention and the environment                | Asset           | Not classified                           | 7                 |
| SQM Industrial S.A.                                | MP5W – Normalization of TK's fuels   | Support   | Asset           | Not classified                           | 6                 |
| SQM Industrial S.A.                                | MPQU – Construction of warehouse for hazardous chemicals supplies  | Support: Risk prevention and the environment                | Asset           | Development                              | 4                 |
| SQM Industrial S.A.                                | PPC1 – Eliminate PCB switches in sub stations 3 and 1/12 Pedro de Valdivia                                     | Support: Replacement of equipment                           | Asset - Expense | Not classified                           | 1                 |
| SQM Industrial S.A.                                | PPNK – PV Ammonia handling in Plant Detention  | Support: Risk prevention and the environment                | Asset           | Not classified                           | 1                 |
| SQM Industrial S.A.                                | PPZU - Normalize and certificate fuel tanks in plants  | Support: Risk prevention and the environment                |                 | Not classified                           | 3                 |
| SQM Industrial S.A.                                | JQ8K - DIA Line 4 Dryer Plant, Coya Sur (Project: Line 4 Dryer)  | Capacity enlargement  | Asset           | Development                              | 2                 |
| SQM Industrial S.A.                                | IQ8G – Improvement of Money exchange, offices and premises   | Support   | Asset           | Not classified                           | 7                 |
| SQM Industrial S.A.                                | MQ8M – Reconditioning of monitoring station ME   | Support: Repair-spare                                       | Asset           | Not classified                           | 8                 |

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## Note 24 - The environment (continued)

## 24.2 Detail of information on disbursements related to the environment (continued)

## Future expenses (continued)

| Identification of the Parent Company or subsidiary | Name of the project with which the disbursement is associated         | Concept for which the disbursement was made or will be made | Asset / Expense | Description of the asset or expense Item | Amount for the Th |
|--|---|---|-----------------|--|-------------------|
| SQM Industrial S.A.                                | MQ7P - ME change of sewerage covers in town                           | Support   | Asset           | Not classified                           | 4                 |
| Minera Nueva Victoria S.A.                         | IQ4C – Camp development (Osmosis and other)                           | Capacity enlargement  | Asset           | Not classified                           | 2                 |
| SIT S.A.   | TPR8 – Elimination of riles generation through vacuum                 | Support: Risk prevention and the environment                | Asset - Expense | Not classified                           | 9                 |
| SIT S.A.   | TPYX – Enabling of dust collector of crib and field seal 3 Tocopilla  | Support: Risk prevention and the environment                | Asset           | Development                              | 7                 |
| SIT S.A.   | MQ6Y - Maintenance and repair Money Exchange premise ME and Tocopilla | Support: Risk prevention and the environment                | Asset           | Not classified                           | 2                 |
| SQM S.A.   | AQ0A – Drilling of 4 wells uptake point change Pampa del Tamarugal    | Support: Natural resources                                  | Asset           | Development                              | 1                 |
| SQM S.A.   | IPFT – Cultural heritage Region I                                     | Support: Risk prevention and the environment                | Expense         | Not classified                           | 5                 |
| SQM S.A.   | IPXE – Environmental follow-up plan Salar de Llamara                  | Support: Risk prevention and the environment                | Expense         | Not classified                           | 1                 |
| SQM S.A.   | IPXF - Environmental follow-up plan Pampa del Tamarugal               | Support: Risk prevention and the environment                | Expense         | Not classified                           | 1                 |
| SQM S.A.   | IQ08 - PSA Llamara & Pampa del Tamarugal                              | Support: Natural resources                                  | Expense         | Development                              | 2                 |
| SQM S.A.   | IQ0C – Valuing Mine Zone NV   | Support: Risk prevention and the environment                | Expense         | Not classified                           | 2                 |
| SQM S.A.   | IQ1K – Construction of 3 observation wells in Sur Viejo               | Support: Natural resources                                  | Asset           | Development                              | 4                 |
| SQM S.A.   | IQ1M - PSA Re-injection of Water to Puquíos Llamara                   | Not classified  | Asset           | Not classified                           | 1                 |
| SQM S.A.   | IQ3S – Standardization of handling of hazardous materials             | Support: Risk prevention and the environment                | Asset           | Not classified                           | 3                 |

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## Note 24 - The environment (continued)

## 24.2 Detail of information on disbursements related to the environment (continued)

## Future expenses (continued)

| Identification of the Parent Company or subsidiary | Name of the project with which the disbursement is associated            | Concept for which the disbursement was made or will be made | Asset / Expense | Description of the asset or expense Item |
|--|--|---|-----------------|--|
| SQM S.A.   | IQ52 – Environmental Office Nueva Victoria                               | Not classified  | Asset           | Not classified                           |
| SQM S.A.   | IQ53 - Cultural heritage adduction layout Soronal (Pampa Hermosa)        | Support: Risk prevention and the environment                | Asset           | Not classified                           |
| SQM S.A.   | IQ54 - Cultural heritage Pampa Hermosa                                   | Support: Risk prevention and the environment                | Asset           | Not classified                           |
| SQM S.A.   | SCI6 – Environmental arrays – Project Region I                           | Not classified  | Expense         | Not classified                           |
| SQM Salar S.A                                      | CPZH – Handling of Filters discard Hydroxide press                       | Support: Risk prevention and the environment                | Expense         | Not classified                           |
| SQM Salar S.A                                      | CQ4M – Regularization of Contractor’s premises                           | Support: Risk prevention and the environment                | Asset           | Not classified                           |
| SQM Salar S.A                                      | LP5J – Hydric recharge study Salar de Atacama                            | Support: Risk prevention and the environment                | Asset-Expense   | Research                                 |
| SQM Salar S.A                                      | LP82 – Project to Foster the agricultural activity in locations of Salar | Support   | Expense         | Development                              |
| SQM Salar S.A                                      | LPTF – Environmental study and survey 2010                               | Support   | Asset-Expense   | Not classified                           |
| SQM Salar S.A                                      | LPTJ – Improvements in sanitary works                                    | Support   | Asset           | Not classified                           |
| SQM Salar S.A                                      | LQ38 – Mud Dryer field   | Support: Risk prevention and the environment                | Asset - Expense | Not classified                           |
| SQM Salar S.A                                      | CQ8U – New change room CL - HLCapacity enlargement                       |   | Asset           | Not classified                           |
|  |  |   |                 | Total                                    |

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## Note 24 - The environment (continued)

## 24.2 Detail of information on disbursements related to the environment (continued)

Accumulated expenses, as of December 31, 2010

| Identification of the Parent Company or subsidiary | Name of the project with which the disbursement is associated                          | Concept for which the disbursement was made or will be made | Asset / Expense |   |
|--|--|---|-----------------|---|
| SQM Industrial S.A                                 | Environment Management (2010 Expense)  | Not classified  | Expense         | N |
| SQM Industrial S.A                                 | EPRH – Reach 2010  | Support   | Expense         | N |
| SQM Industrial S.A                                 | MCLX - Cleaning of the saving yards  | Cost reduction  | Expense         | D |
| SQM Industrial S.A                                 | ANMI - Infrastructure consulting for the storage of dangerous chemical substances      | Support: Risk prevention and the environment                | Asset           | D |
| SQM Industrial S.A                                 | MNH8 - Lightning upgrades  | Support   | Expense         | D |
| SQM Industrial S.A                                 | SCCY - Disposal of dangerous residue   | Support   | Asset - Expense | D |
| SQM Industrial S.A                                 | JNTU - San Isidro water evaluation   | Support: Risk prevention and the environment                | Asset           | N |
| SQM Industrial S.A                                 | JNNX - Nitrate environment various   | Support: Risk prevention and the environment                | Asset           | N |
| SQM Industrial S.A                                 | MNTE - Industrial hygiene equipment  | Support: Risk prevention and the environment                | Asset           | D |
| SQM Industrial S.A                                 | INST - Acquisition of used lubricant rapid disposal bank. NV-ME-PB                     | Support: Risk prevention and the environment                | Expense         | D |
| SQM Industrial S.A                                 | MP17 - Normalization of consumable water   | Support   | Asset           | N |
| SQM Industrial S.A                                 | ME/CS/PV   | Support   | Asset           | N |
| SQM Industrial S.A                                 | MP5W - Normalization TK's fuel   | Support   | Asset           | N |
| SQM Industrial S.A                                 | FNWR EID Discard field Pampa Blanca  | Support: Risk prevention and the environment                | Expense         | D |
| SQM Industrial S.A                                 | MNYS Actions for the dissemination of cultural heritage, technology change Maria Elena | Support: Risk prevention and the environment                | Asset           | N |
| SQM Industrial S.A                                 | FP55-FPXA  | Support   | Asset           | D |
| SQM Industrial S.A                                 | MP8Z Automation of water volume inlet pipe ME, CS and Vergara                          | Support   | Asset           | D |
| SQM Industrial S.A                                 | MPL5 Repair of sanitary and electric facilities  | Support   | Asset           | D |
| SQM Industrial S.A                                 | MPIS - Stabilization of streets and suppression of dust at sidewalks                   | Support   | Asset           | D |
| SQM Industrial S.A                                 | PPNK Handling of PV ammonia in Detention of plant                                      | Support: Risk prevention and the environment                | Asset           | N |
| SQM Industrial S.A                                 | MPGF Improvement of sealing and pressurization room 031                                | Support   | Asset - Expense | N |
| SQM Industrial S.A                                 | TPO4 Indigenous camp   | Support   | Asset           | N |
| SQM Industrial S.A                                 | MPLS Automated alarms and information of monitoring station Hospital                   | Not classified  | Asset           | N |
| Minera Nueva Victoria S.A.                         | IPNW Extension in sanitary capacity for Iris   | Support   | Asset           | N |
|  | IPMN Extension in sanitary capacity for Iris   | Capacity upgrade  | Asset           | D |

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|                  |   |   |                      |
|------------------|---|---|----------------------|
| SQM Nitratos S.A | PNH2 Maintenance of Environmental projects<br>ME-PV-NV-PB | Support: Risk prevention and the<br>environment | Asset -<br>Expense D |
|------------------|---|---|----------------------|

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## Note 24 - The environment (continued)

## 24.2 Detail of information on disbursements related to the environment (continued)

Accumulated expenses, as of December 31, 2010 (continued)

| Identification of the Parent Company or subsidiary | Name of the project with which the disbursement is associated            | Concept for which the disbursement was made or will be made | Asset / Expense | Description of the asset or expense Item | Amount of the disbursement in US\$ Thousands |
|--|--|---|-----------------|--|--|
| SQM Nitratos S.A                                   | PP0V - Maintenance of environmental projects ME-PV-NV-PB                 | Support: Risk prevention and the environment                | Asset - Expense | Development                              | 82   |
| SQM Nitratos S.A                                   | IP6W Treatment plants of "riles"   | Support: Risk prevention and the environment                | Asset           | Not classified                           | 95   |
| SQM Nitratos S.A                                   | PPAT - Risk prevention projects Sem II 2008                              | Support: Risk prevention and the environment                | Expense         | Development                              | 157  |
| SQM Salar S.A                                      | LP5K Environmental evaluation (mop)                                      | Support: Risk prevention and the environment                | Asset           | Not classified                           | 4  |
| SQM Salar S.A                                      | LP5J - Water study Water Recharge Atacama Saltpeter deposit              | Support: Risk prevention and the environment                | Expense         | Research                                 | 83   |
| SQM Salar S.A                                      | LNNT Environmental projects Salar Chaxa                                  | Support: Risk prevention and the environment                | Expense         | Not classified                           | 98   |
| SQM Salar S.A                                      | LPIL Upgrade SOP plant   | Capacity upgrade  | Asset           | Development                              | 17   |
| SQM Salar S.A                                      | LPIK Potassium Plant   | Capacity upgrade  | Asset           | Development                              | 19   |
| SQM Salar S.A                                      | LP82 - Project to foster the agricultural activity in Locations of Salar | Support   | Expense         | Development                              | 331  |
| SQM Salar S.A                                      | LPGA Improvement in facilities Toconao                                   | Capacity upgrade  | Asset           | Not classified                           | 109  |
| SQM Salar S.A                                      | LPK2 Cash exchange house   | Not classified  | Asset           | Not classified                           | 102  |
| SQM Salar S.A                                      | LPN3 New plant MOP   | Support   | Asset           | Investigation                            | 19   |
| SQM Salar S.A                                      | CPTP - Installation of drinking water emergency showers                  | Support   | Asset           | Not classified                           | 14   |
| SQM Salar S.A                                      | LPTF Environment projects  | Support   | Expense         | Not classified                           | 169  |
| SQM Salar S.A                                      | LPTJ Sanitary upgrades   | Support   | Asset           | Not classified                           | 95   |
| SQM Salar S.A                                      | LPPJ - EID SOP upgrade   | Capacity upgrade  | Asset           | Not classified                           | 14   |
| SIT S.A.   | TNLA - Road paving   | Support: Risk prevention and the environment                | Asset           | Development                              | 82   |
| SIT S.A.   | PNOT - Lightning upgrade (train area)                                    | Support   | Asset - Expense | Development                              | 369  |
| SIT S.A.   | TPR8 - Elimination of waste water generation through vacuum              | Support: Risk prevention and the environment                | Asset - Expense | Not classified                           | 54   |
| SIT S.A.   | TPLR - Waste disposal system   | Support: Risk prevention and the environment                | Asset           | Not classified                           | 68   |
| SIT S.A.   | TPM7 - Environment projects  | Not classified  | Asset - Expense | Not classified                           | 524  |
| SQM  | SCI6 - Environment studies   | Not classified  | Expense         | Not classified                           | 2,37   |

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Note 24 - The environment (continued)

24.2 Detail of information on disbursements related to the environment (continued)

Accumulated expenses, as of December 31, 2010 (continued)

| Identification of the Parent Company or subsidiary | Name of the project with which the disbursement is associated | Concept for which the disbursement was made or will be made | Asset / Expense | Description of the asset or expense Item | Amount of disbursement for the Period ThUS\$ |
|--|---|---|-----------------|--|--|
| SQM S.A.   | AQ0A Llamara & Tamarugal Meadows                              | Support Natural resources                                   | Asset           | Development                              | 5  |
| SQM S.A.   | IPFT - I Region of Chile Cultural heritage                    | Support: Risk prevention and the environment                | Expense         | Not classified                           | 111  |
| SQM S.A.   | IPXE- Environmental follow-up plan at Tamarugal Meadows       | Support: Risk prevention and the environment                | Expense         | Not classified                           | 4  |
|  |   |   |                 |  | 12,34  |

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Note 24 - The environment (continued)

24.3 Description of each project, indicating whether they are being implemented or completed

SQM Industrial S.A.

SQ7X: The objective of this Project is to obtain and record information on final products and components of SQM in ECHA database in order to comply with the requirements established by REACH standard of the European Union. This Project is being executed.

ANMI: Compliance with technical and legal aspects and with specific regulations applicable to warehouses, signals, safety and main factors associated with materials, products and supplies at the mine site. In addition, the infrastructure of warehouses for storage of hazardous chemicals will be improved. The project is completed.

FNWR: Preparation of EID for elimination field project Pampa Blanca. The project is close to completion.

FP55 - FPXA: These two projects have a common final object, that is, the installation of an 87 kilometer sea water adductor system from Mejillones to the facilities of SQM in Pampa Blanca. The expenses relate to EIA Mine Zone PB and EIA Enlargement PB only. The projects are being implemented.

JNTU: To make an environmental evaluation of San Isidro waters. The project is close to completion.

JPX9: The final objective of this project is to perform testing on two processes in order to eliminate the perchlorate from certain products. However, the related expenses solely relate to the processing of EIP (Environmental Impact Performance), Improvement in the granulation pilling plant in Coya Sur. The project is being executed.

MNYS: Preparation and implementation of geoglyph conservation project. Editing and publication of book and implementation of information center. Construction of storage for collections. All compensation measures María Elena Technological Change Project. The project is being implemented.

MP17: A study of the current water chlorination system in María Elena, Coya Sur and Pedro de Valdivia will be made to then implement and start the water chlorination system in accordance with the regulations in force. The project is completed.

MP5W: Standardization of fuel storage and distribution at the facilities of SQM. The project is being implemented.

MPIS: Improve the urban situation of María Elena, paving roads with dust treatment on sidewalks. The project is completed.

MPL5: Partial improvement of the water and sewage systems in María Elena. The project is completed.

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MPLS: Implement alarms via e-mail for Particle concentration peaks and change the text file information log to a database to implement reports. The project is completed.

Note 24 - The environment (continued)

24.3 Description of each project, indicating whether they are being implemented or completed (continued)

MQ51: The objective of this project is to generate the reference terms to implement the equity measure established in RCA N°0076/2000 which environmentally approves the EID of María Elena's project. This project is being executed.

PPNK: Project to ensure control of ammonia gas in crystal plant. The project is being implemented.

PPZU: Required actions will be performed to normalize and certify the fuel tanks in plants located in María Elena, Coya Sur and Pedro de Valdivia. This Project is being executed.

JQ8K: The objective of this Project is to build a new drying plant in Coya Sur. The expenses considered solely correspond to the environmental processing. This Project is being executed.

MQ7P: This Project will renew all sewerage covers at María Elena, currently very old. This Project is being completed.

Minera Nueva Victoria S.A.

IPMN: Improve sanitary capacity in camp IRIS by building 3 ditches. The project is completed.

IPNW: Replacement of deteriorated bathroom fixtures in order to improve hygiene conditions. The project is close completion.

IQ4C: Supply, Construction and Mounting of Osmosis Plant and septic tanks required to enable the camp in Iris plant and other. The project is close completion.

SIT S.A.

TPLR: The goal of this project is to spill sewage generated in Tocopilla port to the public sewage system. The project is completed.

TPM7: Nets will be purchased and installed in yards 3 and 4 in order to control dust emissions coming from screening operations and protect from emissions from the electric power plant. The project is completed.

TPR8: The Company intends to reduce the generation of liquid and solid industrial waste using aspiration and not washing technologies by implementing an aspiration system that avoids using water and therefore the generation of liquid and solid industrial waste. The project is being implemented.

TPYX: To comply with a commitment to decrease the issuance of particled material to Tocopilla. This Project is being completed.

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Note 24 - The environment (continued)

24.3 Description of each project, indicating whether they are being implemented or completed (continued)

SQM S.A.

AQ0A: To be able to use water rights that have been granted in relation to several wells situated in the ecological reserve of Conaf called Pampa del Tamarugal and take them outside the “tamarugo” forest and the reserve, thus reducing the environmental impact caused by the exploitation thereof. The project is being implemented.

IPFT: Implementation of patrimonial measures in projects Mine Zone Nueva Victoria, Operations Up-date Nueva Victoria, Evaporation Duct and Pools Iris. The project is being implemented.

IPXE: Implement the environmental follow-up plan of project Pampa Hermosa at Salar de Llamara. The project is being implemented.

IPXF: To implement the environmental follow-up plan of Pampa Hermosa project in Pampa del Tamarugal. This Project is being implemented.

IQ08: The Project includes the following procedures for aquifers of Pampa del Tamarugal and Salar de Llamara: Construction and enabling of observation and monitoring wells, pumping tests, construction of roads on droll and crust terrains Salar. This Project is being implemented.

IQ0C: This is a Project to implement an enhancement program of an area close to Route 5, which will allow developing a self-guided tour of the area referred to as Cantón de Lagunas within the historical saltpeter context. This Project is being implemented.

IQ1K: Construction of 3 observation wells in Sur Viejo in order to comply with environmental commitments proposed in EIP(\*) of Pampa Hermosa and to be able to monitor the aquifer located nearby these wells. This Project is being implemented.

IQ1M: To implement the environmental commitments included in the EIP of Project “Pampa Hermosa” to be able to safeguard the puquios zone located in the Aquifer Salar de Llamara. This Project is being implemented.

IQ3S: Improvements in premises for the storage of hazardous raw material in Nueva Victoria. This Project is being implemented

IQ52: This Project considers the enabling and enlargement of environmental offices in Nueva Victoria. This Project is being implemented

IQ53: To perform heritage prospecting to the new location on the track of Soronal adduction of Project Pampa Hermosa approved through RCA N° 890/2010. This Project is being implemented

IQ54: Correspond to the implementation of heritage environmental commitments acquired through the environmental assessment of project Pampa Hermosa (RCA N°890/2010). This Project is being implemented

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Note 24 - The environment (continued)

24.3 Description of each project, indicating whether they are being implemented or completed (continued)

SCI6: This project is intended to obtain environmental licenses for the Development projects in Region I of Chile including all pieces of work related to initial environmental requirements which allow that Operations execute the project's construction and operation. The environmental evaluation to obtain the related license would be conducted through EIA, which contemplates the preparation and processing of the document and also includes specific environmental study activities (the study of tamarugos in Llamara and P. Tamarugal, archeological mitigation steps, environmental study of Loa river, hydro geological studies.) This project is in the process of closure.

SQM Nitratos S.A.

IP6W: Design and build settling ditches for mud, water, oil and a tank with a pump to reuse settled water, metal tanks to withdraw mud. The project is completed.

PP0V: Installation of a container for hazardous waste in maintenance shops and elimination of liquid and solid industrial waste hydraulic filter at maintenance shops situated at the María Elena, Pedro de Valdivia, Nueva Victoria and Pampa Blanca mines. The project is completed.

SQM Salar S.A.

CPTP: Change of the current industrial water system to fresh water in order to comply with the regulations in force contained in DS 72. The project is close completion.

CPZH: The objectives of this Project is the safe and fast recover of the LiOH cake and discard, not discharging it to the ground, avoiding splashing it to surrounding areas which would expose the operators working nearby to harm. This project is being executed.

LP5J: Perform the analyses conducive to refining the hydrological units of the basin, quantifying the recharge to the water-bearing place using environmental isotopic techniques. The project is being implemented.

LP82: Support in the development of demonstration lots, technical assistance for the application of improvements in irrigation and agricultural practices. The project is being implemented.

LPTF: Prepare biannual reports so as to present improvements of environmental checkpoints; knowledge of geological and hydro-geological variables at Salar de Atacama should be improved. The project is being implemented.

LPTJ: Acquisition of stand equipment to ensure the operational continuity of plants TAS and OR; change in current control system of level of accumulation in TK's of fresh water, sewage, and sewage elevation tanks, amongst others. The project is close completion.

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## Note 25 - Other current and non-current non-financial assets

As of June 30, 2011, and December 31, 2010, the composition of other current and non-current assets is detailed as follows:

|                                     | 06.30.2011 | 12.31.2010 |
|-------------------------------------|------------|------------|
| Other non-financial assets, current | ThUS\$     | ThUS\$     |
| Agreement termination bonus         | 2,147      | 2,108      |
| Domestic Value Added Tax            | 18,305     | 30,795     |
| Foreign Value Added Tax             | 6,844      | 4,167      |
| Prepaid mining licenses             | 5,037      | 1,281      |
| Prepaid insurance                   | 2,512      | 4,575      |
| Prepaid leases                      | 23         | 30         |
| Marine concessions                  | -          | 48         |
| Other prepaid expenses              | 338        | 86         |
| Other assets                        | 1,254      | 1,352      |
| Total                               | 36,460     | 44,442     |

|   | 06.30.2011 | 12.31.2010 |
|---|------------|------------|
| Other non-financial assets, non-current                 | ThUS\$     | ThUS\$     |
| End of collective negotiation bonus                     | 1,043      | 1,538      |
| Stain development expenses and prospecting expenses (1) | 19,920     | 21,350     |
| Income taxes recoverable                                | 716        | 651        |
| Guarantee deposits                                      | 528        | 514        |
| Other assets  | 69         | 104        |
| Total   | 22,276     | 24,157     |

(1) Assets for the exploration or evaluation of mineral resources are amortized to the extent that the explored or evaluated area has been exploited. For this purpose, a variable rate is applied to extracted tons, which is determined based on the measured initial reserve and evaluation cost. The Company presents expenses associated with Exploration and Evaluation of Mineral Resources. Of these expenses, those that are under exploitation are included under Inventory and are amortized according to the estimated ore reserves contained, and expenses associated with future reserves are presented under Other non-current assets. Those expenses incurred on properties with low ore grade that are not economically exploitable are directly charged to income. As of June 30, 2011 balances associated with the exploration and assessment of mineral resources is presented under Inventory for ThUS\$ 4,304 (ThUS\$ 1,723 as of December 31 2010).

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Note 25 - Other current and non-current non-financial assets (continued)

Reconciliation of changes in assets for exploration and mineral resource evaluation, by type

Movements in assets for the exploration and evaluation of mineral resources as of June 30, 2011 and December 31, 2010:

| Reconciliation   | 06.30.2010<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|--|----------------------|----------------------|
| Assets for the exploration and evaluation of mineral resources, net, beginning balance | 21,350               | 26,832               |
| Changes in assets for exploration and assessment of mineral resources:                 |                      |                      |
| Additions  | 1,993                | -                    |
| Depreciation and amortization  | (904 )               | (2,044 )             |
| Decrease due to transfers and other charges  | (2,519 )             | (3,438 )             |
| Assets for exploration and assessment of mineral resources, net, final balance         | 19,920               | 21,350               |

As of the presentation date, no reevaluations of assets for exploration and assessment of mineral resources have been conducted.

Note 26 - Operating segments

#### 26.1 Operating segments

In accordance with IFRS 8 "Operating segments", the Company provides financial and descriptive information about the segments it has defined in consideration of available annual separate financial information, which is regularly evaluated by the maximum authority in making operating decisions with the purpose of deciding how to assign resources and assess performance.

Operating segments relate to the following groups of products that generate revenue and for which the Company incurs expenses and the result of which is regularly reviewed by the Company's maximum authority in the decision-making process:

1. Specialty plant nutrients
2. Iodine and its derivatives
3. Lithium and its derivatives
4. Industrial chemicals
5. Potassium
6. Other products and services

Information relative to assets, liabilities and profit and expenses that cannot be assigned to the segments indicated above, due to the nature of production processes, is included under the "Corporate Unit" category of disclosures.

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## Note 26 - Operating segments (continued)

## 26.2 Statement of income classified by operating segments based on groups of products as of June 30, 2011:

| Items in the statement of income   | Specialty plant nutrients<br>ThUS\$ | Iodine and its derivatives<br>ThUS\$ | Lithium and its derivatives<br>ThUS\$ | Industrial chemicals<br>ThUS\$ | Potassium<br>ThUS\$ | Other products and services<br>ThUS\$ | Corporate unit<br>ThUS\$ | Total segments and Corporate unit<br>ThUS\$ |
|--|-------------------------------------|--------------------------------------|---------------------------------------|--------------------------------|---------------------|---------------------------------------|--------------------------|---|
| Sales  | 363,859                             | 211,080                              | 86,324                                | 67,935                         | 273,301             | 29,201                                | -                        | 1,031,700                                   |
| Cost of sales  | (251,228)                           | (100,716)                            | (47,686)                              | (43,808)                       | (163,982)           | (27,100)                              | -                        | (634,520)                                   |
| Gross profit   | 112,631                             | 110,364                              | 38,638                                | 24,127                         | 109,319             | 2,101                                 | -                        | 397,180                                     |
| Other income by function   | -                                   | -                                    | -                                     | -                              | -                   | -                                     | 5,377                    | 5,377                                       |
| Administrative expenses  | -                                   | -                                    | -                                     | -                              | -                   | -                                     | (43,148)                 | (43,148)                                    |
| Other expenses by function   | -                                   | -                                    | -                                     | -                              | -                   | -                                     | (26,863)                 | (26,863)                                    |
| Other gains  | -                                   | -                                    | -                                     | -                              | -                   | -                                     | 4,712                    | 4,712                                       |
| Interest income  | -                                   | -                                    | -                                     | -                              | -                   | -                                     | 11,492                   | 11,492                                      |
| Interest expenses  | -                                   | -                                    | -                                     | -                              | -                   | -                                     | (22,618)                 | (22,618)                                    |
| Interest in gains from associates and joint ventures accounted for using the equity method | -                                   | -                                    | -                                     | -                              | -                   | -                                     | 10,039                   | 10,039                                      |
| Foreign currency transactions  | -                                   | -                                    | -                                     | -                              | -                   | -                                     | (7,141)                  | (7,141)                                     |
| Profit (loss) before taxes   | 112,631                             | 110,364                              | 38,638                                | 24,127                         | 109,319             | 2,101                                 | (68,150)                 | 329,030                                     |
| Income tax expense   | -                                   | -                                    | -                                     | -                              | -                   | -                                     | (83,393)                 | (83,393)                                    |
| Net income (loss) from continuing operations   | 112,631                             | 110,364                              | 38,638                                | 24,127                         | 109,319             | 2,101                                 | (151,543)                | 245,637                                     |
| Net income (loss) from discontinued operations   | -                                   | -                                    | -                                     | -                              | -                   | -                                     | -                        | -   |
| Net income (loss)  | 112,631                             | 110,364                              | 38,638                                | 24,127                         | 109,319             | 2,101                                 | (151,543)                | 245,637                                     |
| Net income attributable to:  |                                     |                                      |                                       |                                |                     |                                       |                          |   |
| Owners of the parent   | -                                   | -                                    | -                                     | -                              | -                   | -                                     | -                        | 243,616                                     |
| Non-controlling interests  | -                                   | -                                    | -                                     | -                              | -                   | -                                     | -                        | 2,021                                       |
| Net income for the year  | -                                   | -                                    | -                                     | -                              | -                   | -                                     | -                        | 245,637                                     |

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## Note 26 - Operating segments (continued)

## 26.2 Statement of Income classified by operating segments based on groups of products as of June 30, 2010:

| Items in the statement of income   | Specialty<br>plant<br>nutrients<br>ThUS\$ | Iodine and<br>its<br>derivatives<br>ThUS\$ | Lithium and<br>its<br>derivatives<br>ThUS\$ | Industrial<br>chemicals<br>ThUS\$ | Potassium<br>ThUS\$ | Other<br>products<br>and<br>services<br>ThUS\$ | Corporate<br>unit<br>ThUS\$ | Total<br>segments<br>and<br>Corporate<br>unit<br>ThUS\$ |
|--|---|--|---|-----------------------------------|---------------------|--|-----------------------------|---|
| Sales  | 300,981                                   | 150,016                                    | 77,500                                      | 67,746                            | 242,364             | 26,660   | -                           | 865,267   |
| Cost of sales  | (203,062)                                 | (85,469)                                   | (41,669)                                    | (38,148)                          | (169,416)           | (24,302)                                       | -                           | (562,066)   |
| Gross profit   | 97,919                                    | 64,547                                     | 35,831                                      | 29,598                            | 72,948              | 2,358  | -                           | 303,201   |
| Other income by function   | -   | -  | -   | -                                 | -                   | -  | 3,660                       | 3,660   |
| Administrative expenses  | -   | -  | -   | -                                 | -                   | -  | (36,067)                    | (36,067)  |
| Other expenses by function   | -   | -  | -   | -                                 | -                   | -  | (9,911)                     | (9,911)   |
| Other gains (losses)   | -   | -  | -   | -                                 | -                   | -  | (6,569)                     | (6,569)   |
| Interest income  | -   | -  | -   | -                                 | -                   | -  | 2,854                       | 2,854   |
| Interest expenses  | -   | -  | -   | -                                 | -                   | -  | (17,907)                    | (17,907)  |
| Interest in gains from associates<br>and joint ventures accounted for<br>using the equity method | -   | -  | -   | -                                 | -                   | -  | 4,999                       | 4,999   |
| Foreign currency transactions  | -   | -  | -   | -                                 | -                   | -  | (5,352)                     | (5,352)   |
| Income (loss) before taxes   | 97,919                                    | 64,547                                     | 35,831                                      | 29,598                            | 72,948              | 2,358  | (64,293)                    | 238,908   |
| Income tax expense   | -   | -  | -   | -                                 | -                   | -  | (56,028)                    | (56,028)  |
| Net income (loss) from<br>continuing operations  | 97,919                                    | 64,547                                     | 35,831                                      | 29,598                            | 72,948              | 2,358  | (120,321)                   | 182,880   |
| Net income (loss) from<br>discontinued operations  | -   | -  | -   | -                                 | -                   | -  | -                           | -   |
| Net income (loss)  | 97,919                                    | 64,547                                     | 35,831                                      | 29,598                            | 72,948              | 2,358  | (120,321)                   | 182,880   |
| Net income attributable to:  |   |  |   |                                   |                     |  |                             |   |
| Owners of the parent   | -   | -  | -   | -                                 | -                   | -  | -                           | 181,522   |
| Non-controlling interests  | -   | -  | -   | -                                 | -                   | -  | -                           | 1,358   |
| Profit for the year  | -   | -  | -   | -                                 | -                   | -  | -                           | 182,880   |

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## Note 26 - Operating segments (continued)

## 26.3 Disbursements of non-monetary assets of the segment as of June 30, 2011:

| Identification of disbursements of non-monetary assets | Latin America and the Caribbean, Europe and North America |        |        |        |        | Asia and others | Balances according to the Statement of Financial Position |
|--|---|--------|--------|--------|--------|-----------------|---|
|  | Chile<br>ThUS\$   | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$          | ThUS\$  |
| Investments in joint ventures                          | -   | -      | -      | -      | -      | 2,500           | 2,500   |
| SQM Quindao - Star                                     | -   | -      | -      | -      | -      | -               | -   |
| SQM Migao Sichuan                                      | -   | -      | -      | -      | -      | 2,500           | 2,500   |
| Amounts in addition of non-current assets              | 238,316   | -      | -      | -      | -      | -               | 238,316   |
| - Property, plant and equipment                        | 238,130   | -      | -      | -      | -      | -               | 238,130   |
| - Intangible assets                                    | 186   | -      | -      | -      | -      | -               | 186   |
| Total segments   | 238,316   | -      | -      | -      | -      | 2,500           | 240,816   |

## 26.3 Disbursements of non-monetary assets of the segment as of December 31, 2010:

| Identification of disbursements of non-monetary assets | Latin America and the Caribbean, Europe and North America |        |        |        |        | Asia and others | Balances according to the Statement of Financial Position |
|--|---|--------|--------|--------|--------|-----------------|---|
|  | Chile<br>ThUS\$   | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$          | ThUS\$  |
| Investments in joint ventures                          | -   | -      | -      | -      | -      | 3,500           | 3,500   |
| SQM Quindao - Star                                     | -   | -      | -      | -      | -      | 1,000           | 1,000   |
| SQM Migao Sichuan                                      | -   | -      | -      | -      | -      | 2,500           | 2,500   |
| Amounts in addition of non-current assets              | 335,997   | -      | -      | -      | -      | -               | 335,997   |
| - Property, plant and equipment                        | 335,632   | -      | -      | -      | -      | -               | 335,632   |
| - Intangible assets                                    | 365   | -      | -      | -      | -      | -               | 365   |
| Total segments   | 335,997   | -      | -      | -      | -      | 3,500           | 339,497   |

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## Note 26 - Operating segments (continued)

## 26.4 Information on products and services of external customers

Revenues from operating activities with external customers by group of product and service as of June 30, 2011 are detailed as follows:

| Items in the statement of income | Iodine and Specialty plant nutrients | Lithium and its derivatives | Industrial chemicals | Potassium and services | Other products | Total segments and Corporate Unit |           |
|----------------------------------|--------------------------------------|-----------------------------|----------------------|------------------------|----------------|-----------------------------------|-----------|
|                                  | ThUS\$                               | ThUS\$                      | ThUS\$               | ThUS\$                 | ThUS\$         | ThUS\$                            |           |
| Revenue                          | 363,859                              | 211,080                     | 86,324               | 67,935                 | 273,301        | 29,201                            | 1,031,700 |

Revenues from operating activities from external customers by group of product and service as of June 30, 2010 are detailed as follows:

| Items in the statement of income | Iodine and Specialty plant nutrients | Lithium and its derivatives | Industrial chemicals | Potassium and services | Other products | Total segments and Corporate Unit |         |
|----------------------------------|--------------------------------------|-----------------------------|----------------------|------------------------|----------------|-----------------------------------|---------|
|                                  | ThUS\$                               | ThUS\$                      | ThUS\$               | ThUS\$                 | ThUS\$         | ThUS\$                            |         |
| Revenue                          | 300,981                              | 150,016                     | 77,500               | 67,746                 | 242,364        | 26,660                            | 865,267 |

## 26.5 Information on geographical areas

As indicated in paragraph 33 of IFRS 8, the entity discloses geographical information on its revenue from operating activities with external customers and from non-current assets that are not financial instruments, deferred income tax assets, assets related to post-employment benefits or rights derived from insurance contracts.

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Note 26 - Operating segments (continued)

26.6 Revenues from operating activities from external customers classified by geographical areas as of June 30, 2011:

| Identification of revenue from external customers | Latin America and the Caribbean |           |         |               |         | Asia and others | Balances according to the Statement of income |
|---|---------------------------------|-----------|---------|---------------|---------|-----------------|---|
|   | Chile                           | Caribbean | Europe  | North America |         |                 |   |
|   | ThUS\$                          | ThUS\$    | ThUS\$  | ThUS\$        | ThUS\$  | ThUS\$          | ThUS\$  |
| Revenue   | 70,324                          | 132,356   | 469,461 | 222,679       | 136,800 |                 | 1,031,700                                     |

26.6 Revenue from external customers, classified by geographical areas as of June 30, 2010:

| Identification of revenue from external customers | Latin America and the Caribbean |           |         |               |         | Asia and others | Balances according to the Statement of income |
|---|---------------------------------|-----------|---------|---------------|---------|-----------------|---|
|   | Chile                           | Caribbean | Europe  | North America |         |                 |   |
|   | ThUS\$                          | ThUS\$    | ThUS\$  | ThUS\$        | ThUS\$  | ThUS\$          | ThUS\$  |
| Revenue   | 63,541                          | 97,016    | 382,107 | 191,086       | 131,517 |                 | 865,267                                       |

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## Note 26 - Operating segments (continued)

## 26.7 Non-current assets classified by geographical area as of June 30, 2011:

| Non-current asset items   | Chile<br>ThUS\$  | Latin<br>America and<br>the<br>Caribbean<br>ThUS\$ | Europe<br>ThUS\$ | North America<br>ThUS\$ | Asia and<br>others<br>ThUS\$ | Balances<br>according to<br>the Statement<br>of financial<br>position<br>ThUS\$ |
|---|------------------|--|------------------|-------------------------|------------------------------|---|
| Investments in associates<br>accounted for using the equity<br>method | 1,237            | -  | 23,663           | 9,642                   | 33,258                       | 67,800  |
| Intangible assets other than<br>goodwill                              | 3,597            | -  | 2                | 470                     | -                            | 4,069   |
| Goodwill  | 26,929           | 86   | 11,373           | -                       | -                            | 38,388  |
| Property, plant and equipment,<br>net                                 | 1,589,952        | 1,516  | 321              | 35                      | 185                          | 1,592,009   |
| Investment property   | 1,357            | -  | -                | -                       | -                            | 1,357   |
| Other non-current assets  | 21,544           | 355  | -                | -                       | 377                          | 22,276  |
| <b>Total assets</b>   | <b>1,644,616</b> | <b>1,957</b>                                       | <b>35,359</b>    | <b>10,147</b>           | <b>33,820</b>                | <b>1,725,899</b>  |

## 26.7 Non-current assets classified by geographical area as of December 31, 2010:

| Non-current asset items   | Chile<br>ThUS\$  | Latin<br>America and<br>the<br>Caribbean<br>ThUS\$ | Europe<br>ThUS\$ | North America<br>ThUS\$ | Asia and<br>others<br>ThUS\$ | Balances<br>according to<br>the Statement<br>of financial<br>position<br>ThUS\$ |
|---|------------------|--|------------------|-------------------------|------------------------------|---|
| Investments in associates<br>accounted for using the equity<br>method | 1,352            | -  | 19,615           | 7,251                   | 34,053                       | 62,271  |
| Intangible assets other than<br>goodwill                              | 2,765            | -  | 4                | 501                     | -                            | 3,270   |
| Goodwill  | 24,147           | 86   | 11,373           | 724                     | 2,058                        | 38,388  |
| Property, plant and equipment,<br>net                                 | 1,451,576        | 1,858  | 331              | 40                      | 168                          | 1,453,973   |
| Investment property   | 1,373            | -  | -                | -                       | -                            | 1,373   |
| Other non-current assets  | 112,820          | 227  | -                | 3,293                   | 373                          | 116,713   |
| <b>Total assets</b>   | <b>1,594,033</b> | <b>2,171</b>                                       | <b>31,323</b>    | <b>11,809</b>           | <b>36,652</b>                | <b>1,675,988</b>  |

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## Note 26 - Operating segments (continued)

## 26.8 Information on main customers

With respect to the degree of dependency of the Company on its customers, in accordance with, the Company has no external customers who individually represent 10% or more of its income from operating activities. Credit risk concentrations with respect to trade and other accounts receivable are limited due to the significant number of entities in the Company's portfolio and its worldwide distribution. The Company's policy requires guarantees (such as letters of credit, guarantee clauses and others) and/or to maintain insurance policies for certain accounts as deemed necessary by the Company's Management.

## 26.9 Property, plant and equipment classified by geographical area as of June 30, 2011:

| Property, plant and equipment  | Chile<br>ThUS\$ | Latin America<br>and the<br>Caribbean | Europe<br>06.30.2011<br>ThUS\$ | North America<br>ThUS\$ | Asia and<br>others | Total<br>ThUS\$ |
|--------------------------------|-----------------|---------------------------------------|--------------------------------|-------------------------|--------------------|-----------------|
|                                |                 | ThUS\$                                |                                |                         | ThUS\$             |                 |
| <b>Production facilities:</b>  |                 |                                       |                                |                         |                    |                 |
| Coya Sur                       | 268,500         | -                                     | -                              | -                       | -                  | 268,500         |
| María Elena                    | 140,102         | -                                     | -                              | -                       | -                  | 140,102         |
| Nueva Victoria                 | 211,535         | -                                     | -                              | -                       | -                  | 211,535         |
| Pampa Blanca                   | 19,116          | -                                     | -                              | -                       | -                  | 19,116          |
| Pedro de Valdivia              | 101,096         | -                                     | -                              | -                       | -                  | 101,096         |
| Salar de Atacama               | 551,241         | -                                     | -                              | -                       | -                  | 551,241         |
| Salar del Carmen               | 212,031         | -                                     | -                              | -                       | -                  | 212,031         |
| Tocopilla (port premises)      | 66,129          | -                                     | -                              | -                       | -                  | 66,129          |
| Subtotal production facilities | 1,569,750       | -                                     | -                              | -                       | -                  | 1,569,750       |
| <b>Corporate facilities:</b>   |                 |                                       |                                |                         |                    |                 |
| Santiago                       | 13,681          | -                                     | -                              | -                       | -                  | 13,681          |
| Antofagasta                    | 5,086           | -                                     | -                              | -                       | -                  | 5,086           |
| Subtotal corporate facilities  | 18,767          | -                                     | -                              | -                       | -                  | 18,767          |
| Subtotal business offices      | 1,435           | 1,516                                 | 321                            | 35                      | 185                | 3,492           |
| Total segments                 | 1,589,952       | 1,516                                 | 321                            | 35                      | 185                | 1,592,009       |

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## Note 26 - Operating segments (continued)

## 26.9 Property, plant and equipment classified by geographical area as of December 31, 2010:

| Property, plant and equipment  | Chile<br>ThUS\$ | Latin America<br>and the<br>Caribbean<br>ThUS\$ | Europe<br>ThUS\$ | 12.31.2010              |                              | Total<br>ThUS\$ |
|--------------------------------|-----------------|---|------------------|-------------------------|------------------------------|-----------------|
|                                |                 |   |                  | North America<br>ThUS\$ | Asia and<br>others<br>ThUS\$ |                 |
| <b>Production facilities:</b>  |                 |   |                  |                         |                              |                 |
| Coya Sur                       | 256,570         | -   | -                | -                       | -                            | 256,570         |
| María Elena                    | 144,233         | -   | -                | -                       | -                            | 144,233         |
| Nueva Victoria                 | 202,134         | -   | -                | -                       | -                            | 202,134         |
| Pampa Blanca                   | 20,381          | -   | -                | -                       | -                            | 20,381          |
| Pedro de Valdivia              | 84,992          | -   | -                | -                       | -                            | 84,992          |
| Salar de Atacama               | 442,281         | -   | -                | -                       | -                            | 442,281         |
| Salar del Carmen               | 213,488         | -   | -                | -                       | -                            | 213,488         |
| Tocopilla (port premises)      | 63,521          | -   | -                | -                       | -                            | 63,521          |
| Subtotal production facilities | 1,427,600       | -   | -                | -                       | -                            | 1,427,600       |
| <b>Corporate facilities:</b>   |                 |   |                  |                         |                              |                 |
| Santiago                       | 14,506          | -   | -                | -                       | -                            | 14,506          |
| Antofagasta                    | 6,831           | -   | -                | -                       | -                            | 6,831           |
| Subtotal corporate facilities  | 21,337          | -   | -                | -                       | -                            | 21,337          |
| Subtotal business offices      | 2,639           | 1,858   | 331              | 40                      | 168                          | 5,036           |
| Total segments                 | 1,451,576       | 1,858   | 331              | 40                      | 168                          | 1,453,973       |

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Note 27 - Other income, other expenses by function and other gains or losses

Other income and expenses are detailed as follows:

|   | 06.30.2011   | 06.30.2010   |
|---|--------------|--------------|
|   | ThUS\$       | ThUS\$       |
| a) Other income by function                               |              |              |
| Discounts obtained from suppliers                         | 322          | 386          |
| Indemnities received                                      | 905          | -            |
| Fines collected to suppliers                              | 169          | 48           |
| Insurance recovery  | 395          | 8            |
| Overestimate of accrual for obligation with third parties | 601          | 426          |
| Overestimate of doubtful accounts                         | 126          | 53           |
| Sale of property, plant and equipment                     | 112          | 3            |
| Sale of materials, spare parts and supplies               | 473          | 381          |
| Sale of mine concessions                                  | 613          | 866          |
| Indemnities at Minera Esperanza                           | 114          | 549          |
| Over estimate in provision for inventories                | 370          | -            |
| Miscellaneous services                                    | 54           | 167          |
| Other operating income                                    | 1,123        | 773          |
| <b>Total</b>  | <b>5,377</b> | <b>3,660</b> |

|                                     | 06.30.2011       | 06.30.2010      |
|-------------------------------------|------------------|-----------------|
|                                     | ThUS\$           | ThUS\$          |
| b) Other expenses by function       |                  |                 |
| Doubtful accounts impairment        | (1,644 )         | (921 )          |
| VAT and other non recoverable taxes | (311 )           | (254 )          |
| Fines paid                          | (70 )            | (178 )          |
| Investment plan expenses            | (5,164 )         | (5,348 )        |
| Gifts not accepted as credit        | (700 )           | (1,223 )        |
| Indemnities paid                    | (814 )           | (30 )           |
| Legal expenses                      | (2,169 )         | (52 )           |
| Depreciation of immobilized goods   | (13,747 )        | -               |
| Other operating expenses            | (2,244 )         | (1,905 )        |
| <b>Total</b>                        | <b>(26,863 )</b> | <b>(9,911 )</b> |

|                                 | 06.30.2011   | 06.30.2010      |
|---------------------------------|--------------|-----------------|
|                                 | ThUS\$       | ThUS\$          |
| c) Other gains or losses        |              |                 |
| Retirement plan provision       | 880          | (100 )          |
| PNW adjustment of previous year | 809          | 434             |
| El Toco closing provision       | 3,023        | (6,900 )        |
| Other                           | -            | (3 )            |
| <b>Total</b>                    | <b>4,712</b> | <b>(6,569 )</b> |

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## Note 28 - Income Taxes

As of June 30, 2011 and December 31, 2010, current income taxes recoverable are detailed as follows:

## 28.1 Current tax accounts receivable

|   | 06.30.2011    | 12.31.2010    |
|---|---------------|---------------|
|   | ThUS\$        | ThUS\$        |
| Net monthly tax provisional payments, Chilean companies actual year | 1,869         | 19,614        |
| Net monthly tax provisional payments, Chilean companies prior year  | 14,895        | 2,158         |
| Monthly tax provisional payments, foreign companies                 | 1,105         | 562           |
| Corporate tax credits (1)   | 352           | 1,111         |
| Corporate tax absorbed by tax losses (2)                            | 1,201         | 9,328         |
| <b>Total</b>  | <b>19,422</b> | <b>32,773</b> |

(1): These credits are available to companies and relate to the corporate tax payment in April of the following year. These credits include, amongst others, training expense credits (SENCE) and property, plant and equipment acquisition credits that are equivalent to 4% of the property, plant and equipment purchases made during the year. In addition, some credits relate to the donations the Group has made during 2011 and 2010.

(2): This concept corresponds to the absorption of non-operating losses (NOL's) determined by the company at year end, which must be imputed or recorded in the Retained Taxable Profits Registry (FUT).

In accordance with the laws in force and as provided by article 31, No. 3 of the Income Tax Law, when profits recorded in the FUT that have not been withdrawn or distributed are totally or partially absorbed by NOL's, the corporate tax paid on such profits (17%, 16.5%, 16%, 15%, 10% depending on the year in which profits were generated) will be considered to be a provisional payment with respect to the portion representing the absorbed accumulated tax profits.

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Note 28 - Income and deferred taxes (continued)

### 28.1 Current tax accounts receivable (continued)

Taxpayers are entitled to apply for a refund of this provisional tax payment on the absorbed profits recorded in the FUT registry via their tax returns (Form 22).

Therefore, the provisional payment for absorbed profits (PPAP) recorded in the FUT is in effect a recoverable tax, and as such the Company records it as an asset.

### 28.2 Current tax accounts payable

| Taxes payable                 | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|-------------------------------|----------------------|----------------------|
| Corporate tax and royalty (1) | 26,103               | 5,915                |
| Foreign company income tax    | 3,157                | 1,174                |
| Article 21 unique tax         | 1                    | 24                   |
| Total                         | 29,261               | 7,113                |

(1): This concept relates to the tax accrual that is determined by the company and that will be paid the following year when the appropriate tax return is filed.

The income tax is determined on the basis of the tax result determination to which the tax rate currently in force in Chile, i.e. 17%, is applied (the tax rate was temporarily increased for 2011 and 2012 to 20% and 18.5%, respectively).

The royalty provision is determined by applying the tax rate that was determined to the Operational Net Income (ONI).

In conclusion, both concepts represent the estimated amount the company will have to pay on account of income tax and specific tax on mining.

### 28.3 Taxable earnings

As of June 30, 2011 and December 31, 2010, the Company and its subsidiaries have recorded the following consolidated balances for retained taxable earnings registry, income not constituting revenue subject to income tax, accumulated tax losses and credit for shareholders:

|   | 06.30.2011<br>ThUS\$ | 12.31.2010<br>ThUS\$ |
|---|----------------------|----------------------|
| Taxable profits with credit rights (1)    | 845,164              | 602,536              |
| Taxable profits without credit rights (1) | 66,315               | 86,920               |
| Taxable losses                            | 9,018                | 21,630               |
| Credit for shareholders                   | 183,364              | 123,322              |

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Note 28 - Income and deferred taxes (continued)

28.3 Taxable earnings (continued)

(1): The Retained Taxable Profits Registry (FUT) is a chronological registry where the profits generated and distributed by the company are recorded. The object of the FUT is to control the accumulated taxable profits of the company that may be distributed, withdrawn or remitted to the owners, shareholders or partners, and the final taxes that must be imposed, called in Chile Global Aggregate Tax (that levies persons resident or domiciled in Chile), or Withholding Tax (that levies persons “Not” resident or domiciled in Chile).

The FUT Register contains profits with credit rights and profits without credit rights, which arise out of the inclusion of the net taxable income determined by the company or the profits received by the company that may be dividends received or withdrawals made within the period.

Profits without credit rights represent the tax payable by the company within the year and filed the following year, therefore they will be deducted from the FUT Registry the following year.

Profits with credit rights may be used to reduce the final tax burden of owners, shareholders or partners, which upon withdrawal are entitled to use the credits associated with the relevant profits.

In summary, companies use the FUT Registry to maintain control over the profits they generate that have not been distributed to the owners and the relevant credits associated with such profits.

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## 28.4 Income and deferred taxes

Assets and liabilities recognized in the consolidated classified statement of financial position are offset if and only if:

1 The Company has legally recognized before the tax authority the right to offset the amounts recognized in these entries; and

2 Deferred income tax assets and liabilities are derived from income tax related to the same tax authority on:

(i) the same entity or tax subject; or

(ii) different entities or tax subjects who intend either to settle current fiscal assets and liabilities for their net amount, or to realize assets and pay liabilities simultaneously in each of the future periods in which the Company expects to settle or recover significant amounts of deferred tax assets or liabilities.

Deferred income tax assets recognized are those income taxes to be recovered in future periods, related to:

(a) deductible temporary differences;

(b) the offset of losses obtained in prior periods and not yet subject to tax deduction; and

(c) the offset of unused credits from prior periods.

## 28.4 Income and deferred taxes (continued)

The Company recognizes a deferred tax asset when there is certainty that these can be offset with fiscal income from subsequent periods, losses or fiscal credits not yet used, but solely as long as it is more likely than not that there will be tax earnings in the future against which to charge to these losses or unused fiscal credits.

Deferred tax liabilities recognized refer to the amounts of income taxes payable in future periods related to taxable temporary differences.

D.1 Income tax assets and liabilities as of June 31, 2011 are detailed as follows:

| Description of deferred income tax assets and liabilities | Net position, assets |                       | Net position, liabilities |                       |
|---|----------------------|-----------------------|---------------------------|-----------------------|
|   | Assets<br>ThUS\$     | Liabilities<br>ThUS\$ | Assets<br>ThUS\$          | Liabilities<br>ThUS\$ |
| Depreciation  | -                    | -                     | -                         | 88,388                |
| Doubtful accounts impairment                              | 16                   | -                     | 3,946                     | -                     |
| Vacation accrual  | 9                    | -                     | 2,294                     | -                     |
| Production expenses                                       | -                    | -                     | -                         | 49,656                |
| Unrealized gains (losses) from sales of products          | -                    | -                     | 55,197                    | -                     |
| Bonds fair value  | -                    | -                     | 2,678                     | -                     |
| Employee termination benefits                             | -                    | -                     | -                         | 3,148                 |
| Hedging   | -                    | -                     | -                         | 24,704                |
| Inventory of products, spare parts and supplies           | 82                   | -                     | 9,995                     | -                     |
| Research and development expenses                         | -                    | -                     | -                         | 4,127                 |

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|   |     |   |        |         |
|---|-----|---|--------|---------|
| Tax losses                                  | -   | - | 1,662  | -       |
| Capitalized interest                        | -   | - | -      | 15,723  |
| Expenses in assumption of bank loans        | -   | - | -      | 2,066   |
| Unaccrued interest                          | -   | - | 177    | -       |
| Fair value of property, plant and equipment | -   | - | 9,612  | -       |
| Employee benefits                           | -   | - | 3,695  | -       |
| Royalty deferred income taxes               | -   | - | -      | 11,415  |
| Other                                       | 180 | - | 4,027  | -       |
| Balance at year-end                         | 287 | - | 93,283 | 199,677 |
| Net balance                                 | 287 | - | -      | 106,394 |

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## 28.4 Income and deferred taxes (continued)

D.2 Income tax assets and liabilities as of December 31, 2010 are detailed as follows:

| Description of deferred income tax assets and liabilities | Net position, assets |                       | Net position, liabilities |                       |
|---|----------------------|-----------------------|---------------------------|-----------------------|
|   | Assets<br>ThUS\$     | Liabilities<br>ThUS\$ | Assets<br>ThUS\$          | Liabilities<br>ThUS\$ |
| Depreciation  | -                    | -                     | -                         | 88,785                |
| Doubtful accounts impairment                              | 139                  | -                     | 3,452                     | -                     |
| Vacation accrual  | 9                    | -                     | 2,382                     | -                     |
| Production expenses                                       | -                    | -                     | -                         | 47,442                |
| Unrealized gains (losses) from sales of products          | -                    | -                     | 49,181                    | -                     |
| Bonds fair value  | -                    | -                     | 1,886                     | -                     |
| Employee termination benefits                             | -                    | -                     | -                         | 2,984                 |
| Hedging   | -                    | -                     | -                         | 20,739                |
| Inventory of products, spare parts and supplies           | -                    | 1,050                 | 8,950                     | -                     |
| Research and development expenses                         | -                    | -                     | -                         | 4,215                 |
| Tax losses  | 796                  | -                     | 2,748                     | -                     |
| Capitalized interest                                      | -                    | -                     | -                         | 14,784                |
| Expenses in assumption of bank loans                      | -                    | -                     | -                         | 2,278                 |
| Unaccrued interest  | -                    | -                     | 261                       | -                     |
| Fair value of property, plant and equipment               | -                    | -                     | 9,634                     | -                     |
| Employee benefits   | -                    | -                     | 6,052                     | -                     |
| Royalty deferred income taxes                             | -                    | -                     | -                         | 7,462                 |
| Other   | 471                  | -                     | 3,362                     | -                     |
| Balance at year-end                                       | 1,415                | 1,050                 | 87,908                    | 188,689               |
| Net balance   | 365                  | -                     | -                         | 100,781               |

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Note 28 - Income and deferred taxes (continued)

28.4 Income and deferred taxes (continued)

D.4 Deferred income taxes related to benefits for tax losses

The Company's tax loss carryforwards (NOL carryforwards) were mainly generated by losses in Chile, which in accordance with current Chilean tax regulations have no expiration date.

As of June 30, 2011 and December 31, 2010, tax loss carryforwards (NOL carryforwards) are detailed as follows:

|                     | 06.30.2011 | 12.31.2010 |
|---------------------|------------|------------|
|                     | ThUS\$     | ThUS\$     |
| Chile               | 1,273      | 2,748      |
| Other countries     | 389        | 796        |
| Balance at year-end | 1,662      | 3,544      |

Tax losses (NOL's) correspond mainly to Mexico. These losses expire on December 31, 2011.

D.5 Unrecognized deferred income tax assets and liabilities

As of June 30, 2011 and December 31, 2010, unrecognized assets and liabilities are detailed as follows:

|                              | 06.30.2011    | 12.31.2010    |
|------------------------------|---------------|---------------|
|                              | ThUS\$        | ThUS\$        |
|                              | Assets        | Assets        |
|                              | (liabilities) | (liabilities) |
| Tax losses (NOL's)           | 251           | 251           |
| Doubtful accounts impairment | 98            | 98            |
| Inventory impairment         | 704           | 704           |
| Pensions plan                | 266           | 266           |
| Vacation accrual             | 29            | 29            |
| Depreciation                 | (67 )         | (67 )         |
| Other                        | (17 )         | (17 )         |
| Balance at year-end          | 1,264         | 1,264         |

Tax losses mainly relate to the United States, which expire in 20 years.

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Note 28 - Income and deferred taxes (continued)

28.4 Income and deferred taxes (continued)

D.6 Movements in deferred tax liabilities

Movements in deferred tax liabilities as of June 30, 2011 and December 31, 2010 are detailed as follows:

|   | 06.30.2011  | 12.31.2010  |
|---|-------------|-------------|
|   | ThUS\$      | ThUS\$      |
|   | Liabilities | Liabilities |
|   | (assets)    | (assets)    |
| Beginning balance of deferred income tax liabilities                | 100,781     | 53,802      |
| Increase (decrease) in deferred income taxes in statement of income | 6,406       | 47,230      |
| Increase (decrease) in deferred income taxes in equity              | (793 )      | (251 )      |
| Balance at period end   | 106,394     | 100,781     |

D.7 Disclosures on income tax expense (income)

The Company recognizes current and deferred income taxes as income or expenses, and they are included in income, unless they arise from:

(a) a transaction or event recognized in the same period or in a different period, outside profit or loss either in other comprehensive income or directly in equity; or

(b) a business combination

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Note 28 - Income and deferred taxes (continued)

28.4 Income and deferred taxes (continued)

D.7 Disclosures on income tax expense (income) (continued)

Current and deferred income tax expenses (income) are detailed as follows

|   | 06.30.2011<br>ThUS\$<br>Benefit<br>(expenses) | 06.30.2010<br>ThUS\$<br>Benefit<br>(expenses) |
|---|---|---|
| <b>Current gains tax expense</b>  |   |   |
| Current tax expense   | (76,028 )                                     | (41,148 )                                     |
| Adjustments to current taxes of the previous year   | (882 )  | 2,547   |
| <b>Current tax expenses, net, total</b>   | <b>(76,910 )</b>                              | <b>(38,601 )</b>                              |
| <b>Deferred tax expenses</b>  |   |   |
| Deferred tax expense (revenue) relating to the creation and reversal of temporary differences     | (6,483 )                                      | (17,427 )                                     |
| Deferred tax expense (revenue) relating to changes in fiscal rates or the imposition of new taxes | -   | -   |
| <b>Deferred tax expenses, net, total</b>  | <b>(6,483 )</b>                               | <b>(17,427 )</b>                              |
| <b>Income tax expense</b>   | <b>(83,393 )</b>                              | <b>(56,028 )</b>                              |

Expenses (income) for income taxes for foreign and domestic parties are detailed as follows:

|  | 06.30.2011<br>ThUS\$<br>Benefit<br>(expenses) | 06.30.2010<br>ThUS\$<br>Benefit<br>(expenses) |
|--|---|---|
| <b>Current income tax expense by domestic and foreign parties, net</b> |   |   |
| Current income tax expense, foreign parties, net                       | (687 )  | (3,541 )                                      |
| Current income tax expense, domestic, net                              | (76,223 )                                     | (35,060 )                                     |
| <b>Total current income tax expense, net</b>                           | <b>(76,910 )</b>                              | <b>(38,601 )</b>                              |
| <b>Deferred income taxes by foreign and domestic parties, net</b>      |   |   |
| Deferred income tax expense, foreign parties, net                      | (447 )  | (1,306 )                                      |
| Deferred income tax expense, domestic, net                             | (6,036 )                                      | (16,121 )                                     |
| <b>Deferred income tax expense, net</b>                                | <b>(6,483 )</b>                               | <b>(17,427 )</b>                              |
| <b>Income tax expense</b>  | <b>(83,393 )</b>                              | <b>(56,028 )</b>                              |

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Note 28 - Income and deferred taxes (continued)

28.4 Income and deferred taxes (continued)

D.8 Equity interest in taxation attributable to investments recognized according to the equity method:

The Company does not recognize any deferred income tax liability in all cases of taxable temporary differences associated with investments in subsidiaries, branches and associated companies or interest in joint ventures, because as indicated in the standard, the following two conditions are jointly met:

(a) the parent company, investor or interest holder is able to control the time for reversal of the temporary difference; and

(b) It is more likely than not that the temporary difference is not reversed in the foreseeable future.

In addition, the Company does not recognize deferred income tax assets for all deductible temporary differences from investments in subsidiaries, branches and associated companies or interests in joint ventures because it is not possible to meet for the following requirements:

(a) Temporary differences are reversed in a foreseeable future; and

(b) The Company has tax earnings against which temporary differences can be used.

D.9 Information on the tax effects of other comprehensive income components:

| Income tax related to components of other income and expense with a charge or credit to net equity | Amount before taxes | 06.30.2011<br>ThUS\$<br>Expense (income) for |                    |
|--|---------------------|--|--------------------|
|  |                     | Amount after taxes                           | Amount after taxes |
| Cash flow hedges   | (3,962 )            | 793  | (3,169 )           |
| Total  | (3,962 )            | 793  | (3,169 )           |

| Income tax related to components of other income and expense with a charge or credit to equity | Amount before taxes | 06.30.2010<br>ThUS\$<br>Expense (income) for |                    |
|--|---------------------|--|--------------------|
|  |                     | Amount after taxes                           | Amount after taxes |
| Cash flow hedges   | 4,558               | (775 )                                       | 3,783              |
| Total  | 4,558               | (775 )                                       | 3,783              |

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Note 28 - Income and deferred taxes (continued)

28.4 Income and deferred taxes (continued)

D.10 Explanation of the relationship between expense (income) for tax purposes and accounting income

In accordance with paragraph No. 81, letter c) of IAS 12, the Company has estimated that the method that discloses more significant information for the users of its financial statements is the reconciliation of tax expense (income) to the result of multiplying income for accounting purposes by the tax rate in force in Chile. This option is based on the fact that the Parent Company and its subsidiaries incorporated in Chile generate almost the total amount of tax expense (income) and the fact that amounts of subsidiaries incorporated in foreign countries have no relevant significance within the context of the total amount of tax expense (income.)

Reconciliation of numbers in income tax expenses (income) and the result of multiplying financial gain by the rate prevailing in Chile.

|  | 06.30.2011 |   | 06.30.2010 |   |
|--|------------|---|------------|---|
|  | ThUS\$     |   | ThUS\$     |   |
|  | Income     |   | Income     |   |
|  | (loss)     |   | (loss)     |   |
| Consolidated income before taxes   | 329,030    |   | 238,908    |   |
| Income tax rate in force in Chile  | 20         | % | 17         | % |
| Tax expense using the legal rate   | (65,806 )  |   | (40,614 )  |   |
| Effect of royalty tax expense  | (13,874 )  |   | (11,770 )  |   |
| Effect of non-taxable income   | 2,905      |   | 1,204      |   |
| Tax effect of rates in other jurisdictions   | (1,521 )   |   | (662 )     |   |
| Tax effect of tax rates supported abroad   | (3,052 )   |   | (3,620 )   |   |
| Other effects from the reconciliation between carrying amount and the tax expense (income) | (2,045 )   |   | (566 )     |   |
| Tax expense using the effective rate   | (83,393 )  |   | (56,028 )  |   |

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Note 28 - Income and deferred taxes (continued)

28.4 Income and deferred taxes (continued)

D.11 Tax periods potentially subject to verification:

The Company is potentially subject to income tax audits by tax authorities in each country. These audits are limited to a number of annual tax periods, which, in general, when they elapse, give rise to the expiration of these inspections.

Tax audits, due to their nature, are often complex and may require several years. Below, we provide a summary of tax periods that are potentially subject to verification, in accordance with tax regulations in force in the country of origin:

a) Chile

In Chile, the tax authority may review tax returns for up to 3 years from the expiration date of the legal term in which the payment should have been made. In the event that there is an administrative or legal notice, the review can be extended to a period of 6 years.

b) United States

In the United States, the tax authority may review tax returns for up to 3 years from the expiration date of the tax return. In the event that an omission or error is detected in the tax return of sales or cost of sales, the review can be extended for a period of up to 6 years.

c) Mexico

In Mexico, the tax authority can review tax returns up to 5 years from the expiration date of the tax return.

d) Spain

In Spain, the tax authority can review tax returns up to 4 years from the expiration date of the tax return.

e) Belgium

In Belgium, the tax authority may review tax returns for up to 3 years from the expiration date of the tax return if no tax losses exist. In the event of detecting an omission or error in the tax return, the review can be extended for a period of up to 5 years.

f) South Africa

In South Africa, the tax authority may review tax returns for up to 3 years from the expiration date of the tax return. In the event an omission or error in the tax return is detected, the review can be extended for a period of up to 5 years.

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Note 28 - Income and deferred taxes (continued)

28.5 Amendments to the income tax law and specific tax on mining in Chile

a) Amendment to Corporate Tax

Law No. 20,455 was published in the Official Gazette of July 31, 2010. Article 1 of this law temporarily increases the Corporate Tax rate set forth in article 20 of the Income Tax Law (ITL), which levies incomes received or accrued within calendar years 2011 and 2012.

In accordance with that temporary increase, the referred-to rate of 17% increases to 20% for income received or accrued within calendar year 2011 (fiscal year 2012); and to 18.5% for income received or accrued within calendar year 2012 (fiscal year 2013).

b) Amendment to the specific tax on mining

Law No. 20.469 was published in the Official Gazette of October 21, 2010, dealing with the following matters:

- a. Article 64 bis of the Income Tax Law, which establishes a specific tax on the operating income derived from mining activities earned by a foreign mine operator, was replaced;
- b. It included a new article 64 ter, relating to the method to be used to determine the operating taxable income derived from mining activities that, prior to this amendment, were addressed in the replaced article 64 bis;
  - c. It amended article 11 ter of Decree Law 600/ 1974; and
- d. It established transitory and optional regulations applicable to investments or companies subject to articles 7, 11 bis and 11 ter of DL 600/ 1974; transitory article 5 of Law 20,026, and companies included in the provisions set forth in transitory article 4, even when they are not the recipients of foreign investments.

Subsidiaries SQM Salar S.A. and SQM Nitratos S.A. requested approval from the Ministry of Economy to be subject to the provisions set forth in transitory article 4 so they can choose to be subject, from 2013 and for a 5 year period, to the 5% invariability rate as the specific tax on mining.

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## Note 29 - Disclosures on accounts maintained in foreign currency

Assets maintained in foreign currency are detailed as follows:

| Types of Assets                                      | Currency | 06.30.2011<br>MUS\$ | 12.31.2010<br>MUS\$ |
|--|----------|---------------------|---------------------|
| <b>Current assets:</b>                               |          |                     |                     |
| Cash and cash equivalents                            | ARS      | 3                   | -                   |
| Cash and cash equivalents                            | BRL      | 6                   | 22                  |
| Cash and cash equivalents                            | CLP      | 254,399             | 332,624             |
| Cash and cash equivalents                            | CNY      | 29                  | 104                 |
| Cash and cash equivalents                            | EUR      | 5,400               | 6,709               |
| Cash and cash equivalents                            | GBP      | 14                  | 5                   |
| Cash and cash equivalents                            | INR      | 204                 | -                   |
| Cash and cash equivalents                            | IDR      | 5                   | 16                  |
| Cash and cash equivalents                            | MXN      | 230                 | 102                 |
| Cash and cash equivalents                            | PEN      | 58                  | 13                  |
| Cash and cash equivalents                            | YEN      | 1,191               | 1,193               |
| Cash and cash equivalents                            | ZAR      | 3,506               | 1,523               |
| Subtotal cash and cash equivalents                   |          | 265,045             | 342,311             |
| Other current financial assets                       | CLF      | 10,537              | -                   |
| Other current financial assets                       | CLP      | 101,101             | 69,818              |
| Subtotal Other current financial assets              |          | 111,638             | 69,818              |
| Other current non-financial assets                   | ARS      | 40                  | 42                  |
| Other current non-financial assets                   | AUD      | 71                  | -                   |
| Other current non-financial assets                   | BRL      | 5                   | 2                   |
| Other current non-financial assets                   | CLF      | 3                   | 21                  |
| Other current non-financial assets                   | CLP      | 18,493              | 30,966              |
| Other current non-financial assets                   | CNY      | 15                  | 23                  |
| Other current non-financial assets                   | EUR      | 6,044               | 4,303               |
| Other current non-financial assets                   | GBP      | 3                   | -                   |
| Other current non-financial assets                   | INR      | 19                  | -                   |
| Other current non-financial assets                   | MXN      | 457                 | 552                 |
| Other current non-financial assets                   | PEN      | 141                 | 331                 |
| Other current non-financial assets                   | ZAR      | 980                 | 167                 |
| Subtotal Other current non-financial assets          |          | 26,271              | 36,407              |
| Trade debtors and other accounts receivable          | ARS      | -                   | 5                   |
| Trade debtors and other accounts receivable          | AUD      | 922                 | -                   |
| Trade debtors and other accounts receivable          | BRL      | 49                  | 64                  |
| Trade debtors and other accounts receivable          | CLF      | 963                 | 1,015               |
| Trade debtors and other accounts receivable          | CLP      | 95,969              | 114,108             |
| Trade debtors and other accounts receivable          | CNY      | 50                  | 48                  |
| Trade debtors and other accounts receivable          | EUR      | 108,170             | 97,193              |
| Trade debtors and other accounts receivable          | GBP      | 1,714               | 409                 |
| Trade debtors and other accounts receivable          | MXN      | 148                 | 58                  |
| Trade debtors and other accounts receivable          | PEN      | -                   | 2                   |
| Trade debtors and other accounts receivable          | YEN      | -                   | 2                   |
| Trade debtors and other accounts receivable          | ZAR      | 14,119              | 7,292               |
| Subtotal Trade debtors and other accounts receivable |          | 222,104             | 220,196             |

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|  |     |         |         |
|--|-----|---------|---------|
| Accounts receivable from related entities          | CLP | 83      | 111     |
| Accounts receivable from related entities          | EUR | 5,402   | 2,651   |
| Subtotal Accounts receivable from related entities |     | 5,485   | 2,762   |
| Current tax assets                                 | CLP | 94      | 9,098   |
| Current tax assets                                 | CNY | -       | 20      |
| Current tax assets                                 | EUR | 283     | 140     |
| Current tax assets                                 | MXN | 31      | 39      |
| Current tax assets                                 | PEN | 135     | 61      |
| Current tax assets                                 | YEN | 5       | 16      |
| Current tax assets                                 | ZAR | 106     | 123     |
| Subtotal Current tax assets                        |     | 654     | 9,497   |
| Total current assets                               |     | 631,197 | 680,991 |

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## Note 29 - Disclosures on accounts maintained in foreign currency (continued)

| Types of Assets  | Currency | 06.30.2011<br>MUS\$ | 12.31.2010<br>MUS\$ |
|--|----------|---------------------|---------------------|
| <b>Non-current assets</b>                                  |          |                     |                     |
| Other non-current financial assets                         | BRL      | 34                  | 34                  |
| Other non-current financial assets                         | CLP      | 20                  | 20                  |
| Other non-current financial assets                         | EUR      | 3                   | 3                   |
| Other non-current financial assets                         | YEN      | 59                  | 58                  |
| Subtotal Other non-current financial assets                |          | 116                 | 115                 |
| Other non-financial non-current assets                     | BRL      | 286                 | 227                 |
| Other non-financial non-current assets                     | CLP      | 597                 | 599                 |
| Other non-financial non-current assets                     | YEN      | 377                 | 373                 |
| Subtotal Other non-financial non-current assets            |          | 1,260               | 1,199               |
| Non-current rights receivable                              | CLF      | 555                 | 633                 |
| Non-current rights receivable                              | CLP      | 446                 | 469                 |
| Subtotal Non-current rights receivable                     |          | 1,001               | 1,102               |
| Investments accounted for using the equity method          | AED      | 25,813              | 24,168              |
| Investments accounted for using the equity method          | CLP      | 1,237               | 1,352               |
| Investments accounted for using the equity method          | EGP      | 1,349               | 1,435               |
| Investments accounted for using the equity method          | EUR      | 12,087              | 9,560               |
| Investments accounted for using the equity method          | INR      | 430                 | 432                 |
| Investments accounted for using the equity method          | THB      | 1,612               | 1,543               |
| Investments accounted for using the equity method          | TRY      | 13,715              | 11,988              |
| Subtotal Investments accounted for using the equity method |          | 56,243              | 50,478              |
| Intangible assets other than goodwill                      | CLP      | 42                  | -                   |
| Subtotal Intangible assets other than goodwill             |          | 42                  | -                   |
| Increase in value  | CLP      | 735                 | 735                 |
| Subtotal Increase in value                                 |          | 735                 | 735                 |
| Property, plant and equipment                              | CLP      | 3,423               | 1,762               |
| Subtotal Property, plant and equipment                     |          | 3,423               | 1,762               |
| Total non-current assets                                   |          | 62,820              | 55,391              |
| Total assets   |          | 694,017             | 736,382             |

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## Note 29 - Disclosures on accounts maintained in foreign currency (continued)

Liabilities maintained in foreign currency are detailed as follows:

| Types of Liabilities                          | Currency | 06.30.2011              |                                     |                 | 12.31.2010              |                                     |                 |
|---|----------|-------------------------|-------------------------------------|-----------------|-------------------------|-------------------------------------|-----------------|
|   |          | Up to 90 days<br>ThUS\$ | Over 90 days to<br>1 year<br>ThUS\$ | Total<br>ThUS\$ | Up to 90 days<br>ThUS\$ | Over 90 days to<br>1 year<br>ThUS\$ | Total<br>ThUS\$ |
| <b>Current liabilities</b>                    |          |                         |                                     |                 |                         |                                     |                 |
| Other current financial liabilities           | CLF      | 4,263                   | 7,268                               | 11,531          | 3,577                   | 7,749                               | 11,326          |
| Other current financial liabilities           | CLP      | 1,364                   | 930                                 | 2,294           | 814                     | 1,508                               | 2,322           |
| Subtotal Other current financial liabilities  |          | 5,627                   | 8,198                               | 13,825          | 4,391                   | 9,257                               | 13,648          |
| Trade and other accounts payable              | ARS      | -                       | -                                   | -               | 1                       | -                                   | 1               |
| Trade and other accounts payable              | BRL      | 25                      | 372                                 | 397             | 341                     | -                                   | 341             |
| Trade and other accounts payable              | CHF      | 81                      | 164                                 | 245             | -                       | -                                   | -               |
| Trade and other accounts payable              | CLP      | 58,320                  | 40,434                              | 98,754          | 85,403                  | -                                   | 85,403          |
| Trade and other accounts payable              | CNY      | 61                      | -                                   | 61              | 57                      | -                                   | 57              |
| Trade and other accounts payable              | EUR      | 26,651                  | 2,184                               | 28,835          | 22,356                  | 1,535                               | 23,891          |
| Trade and other accounts payable              | GBP      | 33                      | -                                   | 33              | 40                      | -                                   | 40              |
| Trade and other accounts payable              | INR      | 1                       | -                                   | 1               | 1                       | -                                   | 1               |
| Trade and other accounts payable              | MXN      | 1,551                   | 157                                 | 1,708           | 1,020                   | 140                                 | 1,160           |
| Trade and other accounts payable              | PEN      | 56                      | -                                   | 56              | 43                      | -                                   | 43              |
| Trade and other accounts payable              | ZAR      | 1,028                   | 2,135                               | 3,163           | 1,280                   | 1,062                               | 2,342           |
| Subtotal Trade and other accounts payable     |          | 87,807                  | 45,446                              | 133,253         | 110,542                 | 2,737                               | 113,279         |
| Accounts payable to related entities          | EUR      | -                       | 2,278                               | 2,278           | -                       | 997                                 | 997             |
| Subtotal Accounts payable to related entities |          | -                       | 2,278                               | 2,278           | -                       | 997                                 | 997             |
| Other short term accruals                     | BRL      | -                       | 1,731                               | 1,731           | -                       | 1,634                               | 1,634           |
|   | CLP      | 16                      | -                                   | 16              | 20                      | -                                   | 20              |

|  |     |         |        |         |         |        |         |
|--|-----|---------|--------|---------|---------|--------|---------|
| Other short term accruals                        |     |         |        |         |         |        |         |
| Other short term accruals                        | EUR | 36      | -      | 36      | 323     | -      | 323     |
| Other short term accruals                        | PEN | 7       | -      | 7       | -       | -      | -       |
| Subtotal Other short term accruals               |     | 59      | 1,731  | 1,790   | 343     | 1,634  | 1,977   |
| Current tax liabilities                          | CLP | -       | 533    | 533     | -       | -      | -       |
| Current tax liabilities                          | CNY | 9       | -      | 9       | -       | -      | -       |
| Current tax liabilities                          | EUR | -       | 79     | 79      | -       | 335    | 335     |
| Current tax liabilities                          | MXN | -       | 10     | 10      | -       | -      | -       |
| Current tax liabilities                          | ZAR | -       | 34     | 34      | -       | -      | -       |
| Subtotal Current tax liabilities                 |     | 9       | 656    | 665     | -       | 335    | 335     |
| Employee benefits current accruals               | CLP | 5,654   | 8,338  | 13,992  | 34,211  | 9,455  | 43,666  |
| Employee benefits current accruals               | MXN | -       | 323    | 323     | -       | 292    | 292     |
| Subtotal Employee benefits current accruals      |     | 5,654   | 8,661  | 14,315  | 34,211  | 9,747  | 43,958  |
| Other current non-financial liabilities          | AUD | -       | -      | -       | -       | 4      | 4       |
| Other current non-financial liabilities          | BRL | 16      | 43     | 59      | 12      | -      | 12      |
| Other current non-financial liabilities          | CLP | 5,816   | 15,091 | 20,907  | 6,299   | 12,557 | 18,856  |
| Other current non-financial liabilities          | CNY | 25      | -      | 25      | 18      | -      | 18      |
| Other current non-financial liabilities          | EUR | 25      | 778    | 803     | 29      | 84     | 113     |
| Other current non-financial liabilities          | MXN | 902     | 95     | 997     | 710     | 54     | 764     |
| Other current non-financial liabilities          | PEN | 107     | 28     | 135     | 79      | -      | 79      |
| Other current non-financial liabilities          | ZAR | -       | 6      | 6       | -       | -      | -       |
| Subtotal Other current non-financial liabilities |     | 6,891   | 16,041 | 22,932  | 7,147   | 12,699 | 19,846  |
| Total current liabilities                        |     | 106,047 | 83,011 | 189,058 | 156,634 | 37,406 | 194,040 |

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## Note 29 - Disclosures on accounts maintained in foreign currency (continued)

|  |          | 06.30.2011 |          |         |         |           | 12.31.2010 |         |         |  |
|--|----------|------------|----------|---------|---------|-----------|------------|---------|---------|--|
| Types of Liabilities                             | Currency | Over 1     | Over 3   |         |         | Over 1    | Over 3     |         |         |  |
|  |          | year to 3  | years to | Over 5  | Total   | year to 3 | years to   | Over 5  | Total   |  |
|  |          | years      | 5 years  | years   | ThUS\$  | years     | 5 years    | years   | ThUS\$  |  |
|  |          | ThUS\$     | ThUS\$   | ThUS\$  | ThUS\$  | ThUS\$    | ThUS\$     | ThUS\$  | ThUS\$  |  |
| Other non-current financial liabilities          |          |            |          |         |         |           |            |         |         |  |
| Other non-current financial liabilities          | CLF      | 83,099     | 13,639   | 257,290 | 354,028 | -         | 66,081     | 284,056 | 350,137 |  |
| Other non-current financial liabilities          | CLP      | 154,756    | -        | -       | 154,756 | -         | 154,485    | -       | 154,485 |  |
| Subtotal Other non-current financial liabilities |          | 237,855    | 13,639   | 257,290 | 508,784 | -         | 220,566    | 284,056 | 504,622 |  |
| Tax liabilities                                  | CLP      | 122        | -        | 61      | 183     | 56        | -          | 36      | 92      |  |
| Tax liabilities                                  | MXN      | 369        | -        | -       | 369     | -         | -          | -       | -       |  |
| Subtotal Tax liabilities                         |          | 491        | -        | 61      | 552     | 56        | -          | 36      | 92      |  |
| Employee benefits non-current accruals           | CLP      | -          | -        | 27,180  | 27,180  | -         | -          | 26,578  | 26,578  |  |
| Employee benefits non-current accruals           | MXN      | -          | -        | 206     | 206     | -         | -          | 195     | 195     |  |
| Employee benefits non-current accruals           | YEN      | -          | -        | 440     | 440     | -         | -          | 436     | 436     |  |
| Subtotal Employee benefits non-current accruals  |          | -          | -        | 27,826  | 27,826  | -         | -          | 27,209  | 27,209  |  |
| Total Other non-current                          |          | 238,346    | 13,639   | 285,177 | 537,162 | 56        | 220,566    | 311,301 | 531,923 |  |

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Note 30 - Events after the reporting period

30.1 Authorization of the financial statements

The consolidated financial statements of Sociedad Química y Minera S.A. and subsidiaries prepared in accordance with International Financial Reporting Standards for the period ended June 30, 2011 were approved and authorized for issuance by the Board of Directors at their meeting held on August 30, 2011.

The consolidated financial statements of Sociedad Química y Minera S.A. and subsidiaries have been translated into English and adapted in order to comply with US SEC requirements. These consolidated financial statements were approved and authorized for issuance by the Board of Directors whose meeting was held on August 30, 2011.

30.2 Disclosures of subsequent events

Management is not aware of any other significant events that occurred between June 31, 2011 and the date of issuance of these consolidated financial statements that may significantly affect them.

30.3 Detail of dividends declared after the reporting date

As of the closing date of these financial statements, there are no dividends declared after the reporting date.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.

Conf:                    /s/ Ricardo Ramos R.  
                             Ricardo Ramos R.  
                             Chief Financial Officer

Date: September 22, 2011

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