



**For Immediate release**

## **SQM announces sale of Mexican affiliate**

**Santiago, Chile, October 30, 2006.-** Sociedad Química y Minera de Chile S.A. (SQM) (NYSE: SQM, SQMA; Santiago Stock Exchange: SQM-B, SQM-A) announced today that it has sold its fully-owned Mexican subsidiary, Fertilizantes Olmeca y SQM S.A. de C.V. (“Olmeca”), to Yara International A.S.A. (“Yara”). The sale of SQM’s stake in Olmeca involved a payment of USD 4.9 million, which will have a before-tax positive effect of approximately USD 1.1 million.

Olmeca’s business lines comprise the trading of commodity fertilizers and specialty plant nutrients in Mexico, where it has an estimated market share of 4%, with revenues in excess of USD 50 million in 2005.

At the time SQM entered in Olmeca (1997), there were no reliable distribution channels for fertilizers in Mexico. Olmeca was the vehicle needed to introduce and to increase sales of potassium nitrates and specialty blends products. Considering that today less than 25% of SQM specialty plant nutrients sold in Mexico are distributed through Olmeca, this company is no longer a key distribution channel for SQM’s products.

SQM Comercial de Mexico S.A. de C.V., SQM’s subsidiary in Mexico, will concentrate in the water soluble and foliar segments carrying a complete product portfolio based on SQM and Yara key products. In addition, SQM Comercial de Mexico S.A. de C.V. will also handle SQM’s granular products.

This transaction is consistent with SQM’s business strategy based on the production and distribution of specialty plant nutrients, lithium and iodine derivatives.

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SQM is an integrated producer and distributor of specialty plant nutrients, iodine, lithium and industrial chemicals. Its products are based on the development of high quality natural resources that allow the Company to be leader in costs, supported by a specialized international network with sales in over 100 countries. SQM’s development strategy aims to maintain and strengthen the world leadership in its three main businesses: specialty plant nutrition, iodine and lithium.

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