

ANNUAL REPORT
SQM S.A.

2013



Sociedad Química y Minera de Chile S.A.
Sociedad Química Minera de Chile S.A., "SQM" is a publicly traded company

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RUT (Tax ID number): 93007000-9

SQM is a company with a worldwide presence in a variety of industries, handling 5 lines of business: Specialty Plant Nutrition, Iodine and derivatives, Lithium and derivatives, Industrial Chemicals, and Potassium.

The corporate purpose of SQM S.A. is: Manufacturing of other non-classified chemical products

SQM is organized in accordance with the laws of the Republic of Chile. The company was incorporated by public deed issued on June 17, 1968 by Notary Public of Santiago Sergio Rodríguez Garcés. Its existence was approved under the Ministry of Finance Decree 1,164 of June 22, 1968, and registered on June 29, 1968 in the Commercial Registry of Santiago on page 4,537 Number 1,992.

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CHAIRMAN'S LETTER
JULIO PONCE L.
Chairman

CHAIRMAN'S LETTER

In 2013, SQM reported net earnings of US\$ 467 million and gross revenue of just over US\$ 2.2 billion. These results are lower than were achieved in 2012, reflecting more complex conditions in our main business areas.

SQM faced a series of challenges in its principal markets during the year, which impacted operating revenues. International potassium chloride prices suffered severe declines, significantly affecting margins in that business line. The decrease in margin was partially offset by a 15% increase in sales volume compared to 2012. Meanwhile, specialty plant nutrient prices were indirectly affected by weak global potassium prices, impacting our principal specialty fertilizer, potassium nitrate - even though this product is not a direct substitute or competitor with potassium chloride.

The more complex situation and consequent greater impact on margins was that which affected the market for our iodine products in 2013. Global demand continued the upward trend observed in previous years, with the market growing at an average annual rate of 3% in the last decade. However, increased production by other Chilean iodine companies led to supply slipping ahead of demand. This situation affected SQM in the form of a downward trend in iodine sales volumes and prices in late 2013.

Despite the challenges that we are facing at SQM, we maintain a positive outlook and are optimistic about our business in the long term.

It should be noted that SQM's gross profit totalled US\$ 721.5 million in 2013, the third highest in the company's history. This is a clear reflection of the success of the strategy that we have been implementing over recent years. By bolstering a wide range of business areas with a commercial structure that systematically adds value, on the back of major growth in production at competitive cost points, we have been able to develop a diversified business base that covers a variety of products targeting different industries in different sectors around the world.

IN 2013, WE PROMOTED LABOR MOBILITY, CULTURAL DEVELOPMENT, AND TRAINING TO OUR WORKERS, TO HELP IMPROVE PERFORMANCE

The increases in production capacity that we have implemented in a number of business areas over recent years form the basis for our positive outlook for long term growth in our margins. SQM has almost tripled its potassium chloride production, from just 700,000 tons in 2008 to last year's 2 million tons. This boost positions us to reap the benefits of a potential recovery of prices in the market.

Meanwhile, SQM holds the world's top iodine resources and highest installed production capacity. Iodine has a wide range of uses, some of which are showing high growth rates, which suggests that systematic growth can be expected in the future. SQM is clearly the best positioned company to capture this long term growth, with our strong production and commercial fundamentals.

As the global economy recovers, solar power projects that use nitrate salts for heat storage are starting to be reactivated. The uptick in this industry should have a positive impact on our sales starting in 2015.

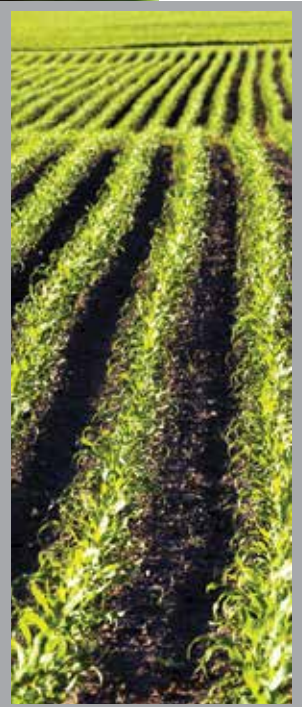
Similarly, our development strategy and vision in the specialty plant nutrients and lithium sectors are based on developing high-quality products that meet our clients' specific needs, in markets that we expect to continue to show high rates of growth.

Like other Chilean mining companies, SQM has faced pressure of increasing costs over recent years, mainly as a result of the ongoing deterioration in the exchange rate and an increase in the cost of labour in real terms. In 2013 we

launched a successful global optimization process, allowing us to significantly increase productivity while reducing production costs.

We face a number of challenges in 2014. Even as we reap the first benefits of our efforts to reduce costs, we expect the different markets in which we operate to show upward price trends in the second half of the year, in a process that is certain to translate into major increases in our margins starting in 2015.

Finally, I cannot sign off without expressing my gratitude for the dedication and work of the SQM team, both in Chile and abroad. At the same time, I ask them for their continued commitment as we face the challenges of 2014 together.





1
THE BOARD



THE BOARD

SQM's Board of Directors comprises 8 members, none of which are alternate directors.

As of December 31, 2013, the company's board members were:



Julio Ponce L.
Chairman
Forestry Engineer
Universidad de Chile
Rut: 4.250.719-9
Years in the position: 27



Wayne R. Brownlee
Vice Chair
Economist
University of Saskatchewan
Passport N° BD 108168
(Canada)
Years in the position: 13

THE BOARD



Hernán Büchi B.

Director

Civil Engineer

Universidad de Chile

Rut: 5.718.666-6

Years in the position: 21



José María Eyzaguirre B.

Director

Lawyer

Universidad de Chile

Rut: 7.011.679-0

Years in the position: 13



Alejandro Montero P.

Director

Bachelor of Business

Administration

Universidad Católica de Chile

Rut: 6.939.458-2

Years in the position: 1



Patricio Contesse Fica

Director

Lawyer

Universidad Católica de Chile

Rut: 15.315.085-0

Years in the position: 1



Juan Antonio Guzmán M.

Director

Chemical and Industrial

Engineer

Universidad Católica de Chile

Rut: 5.123.918-0

Years in the position: 1



Wolf Von Appen B.

Director

Entrepreneur

Rut: 2.884.455-7

Years in the position: 9

These directors were elected at the shareholder's meeting held on April 25, 2013. Juan Antonio Guzmán M., Patricio Contesse F. and Alejandro Montero P. were newly elected, replacing Daniel Yarur E, Kendrik T. Wallace, and Eduardo Novoa C. Prior to that election, the board had remained unchanged since April 28, 2011.

Eduardo Novoa C.

Director

Bachelor of Business

Administration

Universidad de Chile

Rut: 7.836.212-K

Daniel Yarur E.

Director

IT Engineer

Universidad Católica de Chile

Rut: 6.022.573-7

Kendrik T. Wallace

Director

Lawyer

Harvard Law School

Passport N° 712198876

(United States of America)



ADMINISTRATION

ADMINISTRATION

As of December 31, 2013, the following executives served on the company's executive management team:



Patricio Contesse G.
Chief Executive Officer
Forestry Engineer
Universidad de Chile
Rut: 6.356.264-5
Years in the position: 24
Years of service at SQM: 24



Patricio de Solminihac T.
*Executive Vice President and
Chief Operating Officer*
Industrial Civil Engineer
Universidad Católica de Chile
Rut: 6.263.302-6
Years in the position: 14
Years of service at SQM: 26



Ricardo Ramos R.

Vice President for Finance and Development
Industrial Civil Engineer
Universidad Católica de Chile
Rut: 8.037.690-1
Years in the position: 25
Years of service at SQM: 25



Eugenio Ponce L.

Commercial Vice President
Mechanical Engineer
Universidad Católica de Valparaíso
Rut: 5.370.715-7
Years in the position: 33
Years of service at SQM: 33



Matías Astaburuaga S.

General Counsel
Abogado
Lawyer
Universidad Católica de Chile
Rut: 7.080.469-7
Years in the position: 25
Years of service at SQM: 25



Juan Carlos Barrera P.

Vice President of Operations, Salar and Lithium
Industrial Civil Engineer
Universidad Católica de Chile
Rut: 10.528.182-K
Years in the position: 7
Years of service at SQM: 23



Carlos Díaz D.

Vice President of Operations, Nitrates and Iodine
Industrial Civil Engineer
Universidad Católica de Chile
Rut: 10.476.287-5
Years in the position: 2
Years of service at SQM: 18



Pauline de Vidts S.

Vice President of Human Resources and Sustainability
Industrial Civil Engineer
Universidad Católica de Chile
Rut: 9.668.138-0
Years in the position: 1
Years of service at SQM: 18



Daniel Jiménez Sch.

Vice President for Exploration
Industrial Civil Engineer
Universidad Católica de Chile
Rut: 6.362.533-7
Years in the position: 1
Years of service at SQM: 23



Macarena Briseño C.

Head of Risk Management and Compliance
Industrial Civil Engineer
Universidad Católica de Chile
Rut: 8.402.701-4
Years in the position: 1
Years of service at SQM: 21



MAJORITY SHAREHOLDERS

The company's majority shareholders as of December 31, 2013, were:

A+B Series	R.U.T	# of Shares	Participation Series A + B
THE BANK OF NEW YORK MELLON - ADRS	59.030.820-K	56,302,367	21.39%
SOCIEDAD DE INVERSIONES PAMPA CALICHERA S.A.	96.511.530-7	51,730,629	19.65%
INVERSIONES EL BOLDO LIMITADA	77.633.940-7	47,253,872	17.95%
INVERSIONES RAC CHILE LIMITADA	79.744.950-4	21,403,015	8.13%
POTASIOS DE CHILE S.A.	76.165.311-3	18,179,147	6.91%
BTG PACTUAL CHILE S.A. C. DE B.	84.177.300-4	16,391,102	6.23%
INV. GLOBAL MINING CHILE LTDA	96.863.960-9	8,798,539	3.34%
BANCO ITAU FOR INVESTORS	76.645.030-K	5,449,184	2.07%
BANCO DE CHILE FOR NON-RESIDENT THIRD PARTIES	97.004.000-5	5,234,823	1.99%
INVERSIONES LA ESPERANZA (CHILE) LIMITADA	79.798.650-K	3,693,977	1.40%
BANCO SANTANDER FOR FOREIGN INVESTORS	97.036.000-K	2,708,348	1.03%
BANCHILE C. DE B. S.A.	96.571.220-8	2,413,069	0.92%
Series A & B Majority Shareholders Subtotal		239,558,072	91.02%
Total Series A & B Shares		263,196,524	100%
Total Series A & B Shareholders		1,331	

Series A	R.U.T	# of Shares	Participation Series A
SOCIEDAD DE INVERSIONES PAMPA CALICHERA S.A.	96.511.530-7	44,758,830	31.34%
INVERSIONES EL BOLDO LIMITADA	77.633.940-7	29,225,196	20.46%
INVERSIONES RAC CHILE LIMITADA	79.744.950-4	19,200,242	13.44%
POTASIOS DE CHILE S.A.	76.165.311-3	18,179,147	12.73%
BTG PACTUAL CHILE S.A. C. DE B.	84.177.300-4	15,593,709	10.92%
INV. GLOBAL MINING CHILE LTDA	96.863.960-9	8,798,539	6.16%
INVERSIONES LA ESPERANZA (CHILE) LIMITADA	79.798.650-K	3,693,977	2.59%
KOWA CO LTD	59.046.730-8	781,429	0.55%
KOCHI S.A.	96.518.570-4	737,057	0.52%
LA ESPERANZA DELAWARE CORPORATION	59.023.690-K	227,550	0.16%
INVERSIONES RENTAMAX LIMITADA	76.056.187-8	154,000	0.11%
TANNER C. DE B. S.A.	80.962.600-8	139,586	0.10%
Series A Majority Shareholders Subtotal		141,489,262	99.07%
Total Series A Shares		142,819,552	100%
Total Series A Shareholders		423	

COMPANY

Serie B	RUT	# of Shares	Participation Series B
THE BANK OF NEW YORK MELLON ADRS	59.030.820-K	56,302,367	46.77%
INVERSIONES EL BOLDO LIMITADA	77.633.940-7	18,028,676	14.98%
SOCIEDAD DE INVERSIONES PAMPA CALICHERA S.A.	96.511.530-7	6,971,799	5.79%
BANCO ITAU FOR INVESTORS	76.645.030-K	5,428,234	4.51%
BANCO DE CHILE FOR NON-RESIDENT THIRD PARTIES	97.004.000-5	5,234,823	4.35%
BANCO SANTANDER FOR FOREIGN INVESTORS	97.036.000-K	2,708,348	2.25%
BANCHILE C. DE B. S.A.	96.571.220-8	2,278,897	1.89%
INVERSIONES RAC CHILE LIMITADA	79.744.950-4	2,202,773	1.83%
AFP PROVIDA S.A. FOR PENSION FUND C	98.000.400-7	2,125,612	1.77%
AFP CAPITAL S.A. TYPE C PENSION FUND	98.000.000-1	1,502,368	1.25%
AFP HABITAT S.A. FOR PENSION FUND C	98.000.100-8	1,344,769	1.12%
AFP CUPRUM S.A. FOR PENSION FUND C	98.001.000-7	1,230,367	1.02%
Series B Majority Shareholders Subtotal		105,359,033	87.52%
Total Series B Shares		120,376,972	100%
Total Series B Shareholders		1,234	

SITUATION OF CONTROL

At December 31, 2013, SQM has a controlling group in conformance with the definition established for said purpose under Title XV of the Law N°18,045. In fact, at December 31, 2013 SQM has been informed that Mr. Julio Ponce Lerou (ID N° 4.250.719-9) and persons related to him, control 100% of the company, Inversiones SQYA LTDA., and that the latter, in turn, currently and indirectly controls 29.92% of all of the shares of SQM (71,736,516 correspond to Series A shares, 7,007,688 correspond to Series B shares). - This, (i) due to the fact that the company, Inversiones SQYA LTDA., controls 67.31% of the shares in the company, Norte Grande S.A., and the Company Norte Grande S.A., controls, in turn, 76.34% of the shares in Sociedad de Inversiones Oro Blanco

S.A., and that Sociedad de Inversiones Oro Blanco S.A. controls, in turn, 88.62% of the shares in Sociedad de Inversiones Pampa Calichera S.A. and that Sociedad de Inversiones Pampa Calichera S.A. controls, finally, 19.67% of the SQM shares (ii) and also due to the fact that Sociedad de Inversiones Pampa Calichera S.A. controls 99.99% of the Company, Inversiones Global Mining Chile Limitada, and that the company, Inversiones Global Mining Chile Limitada, controls, at the same time, 3.34% of SQM shares, and (iii) to the fact that, finally, the company, Norte Grande S.A., controls 76.34% of the shares in the company, Nitratos de Chile S.A., that the company, Nitratos de Chile S.A., controls, at the same time, 98.62% of the shares in the company, Potasios de Chile S.A., and that the company, Potasios de Chile S.A. controls, on the one hand, 10.07% of the shares in Sociedad

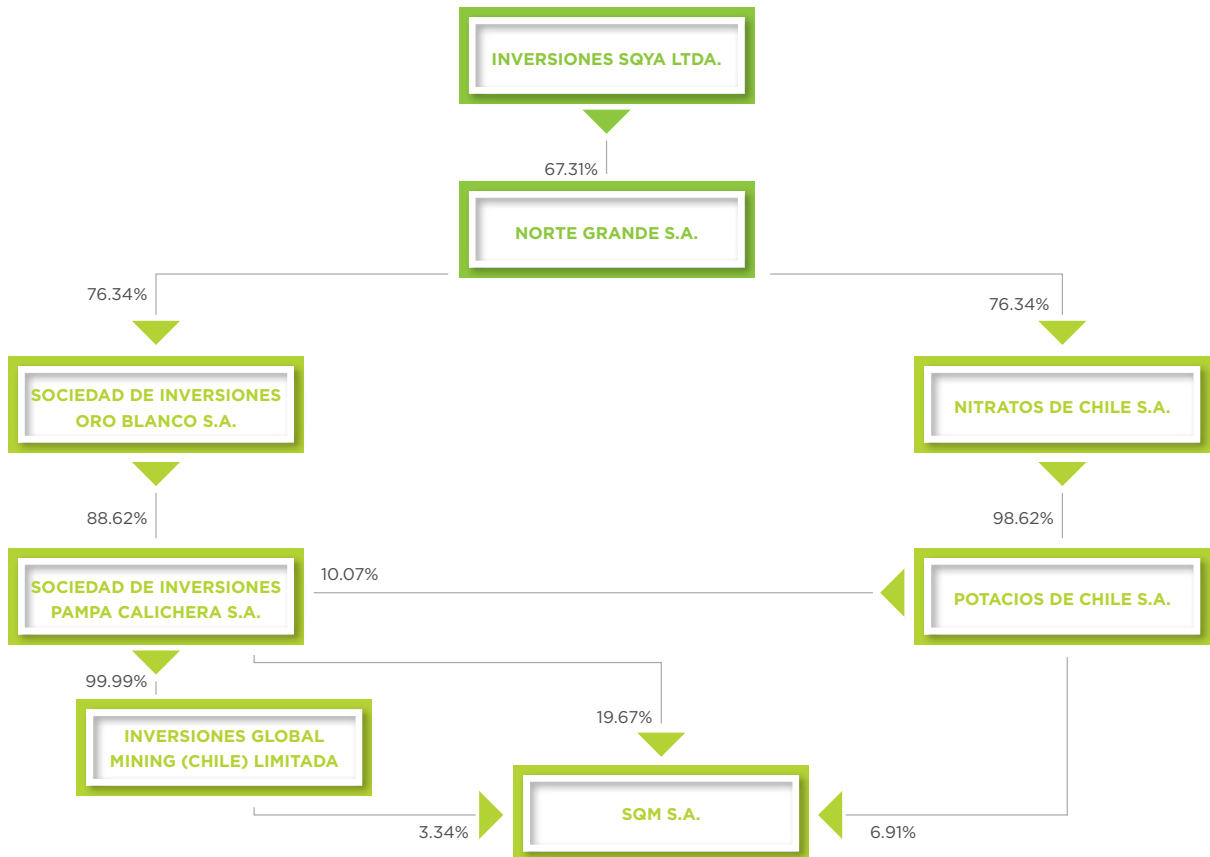


de Inversiones Pampa Calichera S.A. and, on the other hand, 6.91% of SQM shares.- Thus, the Sociedad de Inversiones Pampa Calichera S.A. and its related companies, Inversiones Global Mining Chile Limitada and Potasios de Chile S.A., control 29.92% of all SQM shares (“Pampa Group”). In addition, the Pampa Group has also informed that it is owner of 35,889 SQM shares and the aforementioned 29.92% must be added to the

latter and that they are currently under custody at “Larraín Vial Corredora de Bolsa S.A.”.

Kowa Company Ltd., Inversiones La Esperanza (Chile) Limitada, Kochi S.A., and the Esperanza Delaware Corporation (“Kowa Group”) are owners of 2.08% of all shares in SQM. The Pampa Group and the Kowa Group subscribed, on December 21, 2006, A Joint Operation Agreement which

ORGANIZATIONAL CHART





COMPANY

currently allows them to control 32% of all SQM shares. As a consequence of said Agreement, the “Pampa Group”, together with “Kowa Group”, Indirectly control 32% of all SQM shares, allowing them to have the status as controller of the Company.

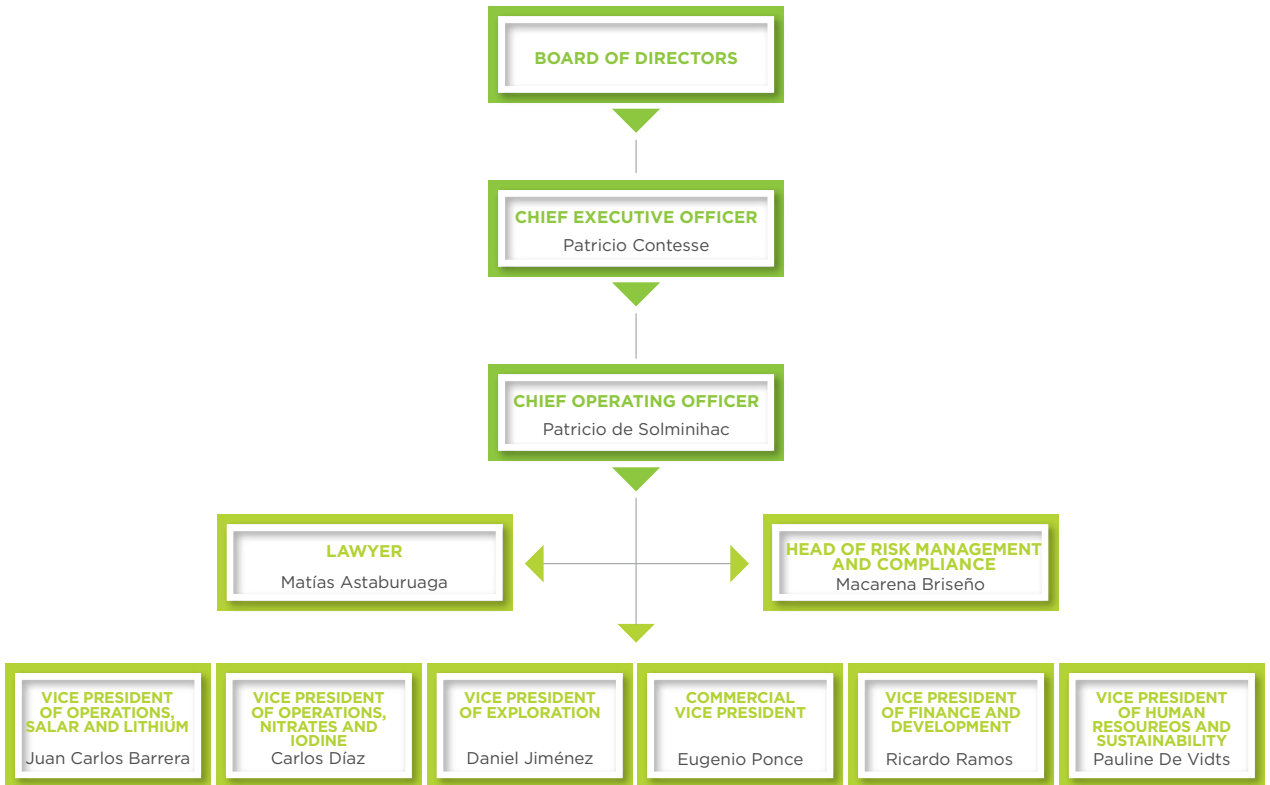
The aforementioned Joint Operation Agreement refers to the essential fact that was filed by

Sociedad de Inversiones Pampa Calichera S.A. on December 21, 2006.

SQM is listed on the New York Stock Exchange, the Santiago Stock Exchange, the Santiago Electronic Stock Exchange, and the Valparaiso Stock Exchange.

No major stock exchange changes have occurred in SQM in 2013.

ORGANIZATIONAL CHART



1924

The Guggenheim family acquired the Coya Norte landholding in El Toco to build a major saltpetre office. María Elena was built, opening on November 22, 1926. It implemented the Guggenheim production system, which is still used in some plants today.

1930
–
1951

Construction of the Pedro de Valdivia saltpetre facility begins, with a higher capacity than María Elena. Production there started on June 6, 1931.

A crystallization plant was built in Coya Sur, using the solar evaporation ponds rays to precipitate nitrate.

1995
–
1997

1995: The company's second ADR offering was issued. Potassium chloride production began at the Salar de Atacama.

1997: Lithium carbonate production started, using lithium brines as raw material.

1999
–
2001

1999: SQM's third ADR offering was issued.

2000: Construction was completed on the new potassium nitrate plant. The company also boosted its potassium chloride production capacity.

2001: A commercial distribution agreement was signed with the Norwegian company Yara International ASA, opening up cost synergies in the specialty plant nutrition sector.

2009
–
2010

2009: Work began to boost production of potassium nitrate and potassium chloride. SQM launched new joint ventures with Coromandel (India), Qingdao Star (China) and Roullier (France).

2010: The new potassium nitrate plant began production on a test basis. Work continued to expand potassium salt production at the Salar de Atacama. In Dubai, SQM Vitas launched a new line of soluble phosphate products.

2011

The new potassium nitrate plant at Coya Sur went into full scale production, taking its place as the world's most modern potassium nitrate plant, adding 300,000 tons per year to the company's production capacity.

A new potassium nitrate plant was opened in China, as a joint venture with the Migao Corporation. This allowed SQM to increase its presence in key markets such as the Asian giant.



1968
—
1983

SQM was created through a corporate merger between Corporación de Ventas de Salitre y Yodo, Compañía Salitrera Anglo Lautaro and Compañía Victoria, with the participation of the Chilean government.

▶ 1971: Government agency CORFO took 100% control of SQM.

1983: A five-year process to privatize SQM began. Private pension funds acquire holdings in the company.

1985
—
1993

1985: Heap leach ore processing was launched to extract nitrates and iodine.

1986: Potassium nitrate production began at Coya Sur.

▶ 1993: The technical-grade potassium nitrate plant opened, and the company issued its first shares on the international market, using American Depositary Receipts (ADRs).

2005
—
2006

2005: SQM acquired the Kemira Emirates Fertilizers Company (Kefco) plant.

The company began producing lithium hydroxide at the Salar del Carmen.

▶ 2006: SQM acquired DSM's iodine business in Chile.

On December 21, 2006, the Pampa Group and the Kowa Group signed a joint agreement, leading to their current classification as the Controlling Group of SQM.

2007
—
2008

2007: Production started at the new prilling and granulation plant at Coya Sur.

The company's lithium hydroxide plant was certified under ISO 9001:2000.

▶ 2008: SQM signed a joint venture agreement with the Migao Corporation to produce and distribute potassium nitrate in China. Lithium carbonate production capacity was expanded to 40,000 metric tons per year.

2012

SQM Vitas broke ground on new plants in Brazil (Candeias), Peru and South Africa (Durban) to produce water-soluble fertilizers with different proportions of nitrogen, phosphorus, and potassium, sometimes containing small quantities of other nutrients. The Industrial Complex opened in March 2012. This \$10 million facility has a production capacity of 25,000 metric tons per year.

2013

SQM sold its royalty rights to the Antucoya mining project to Antofagasta Minerals for a sum of US\$ 84 million.

▶ The company opened a trading office in Thailand.





COMPANY PROFILE

COMPANY PROFILE

We will continue our strategy of growth and expansion in 2013 and, as always, will be constantly evaluating all opportunities that we believe could positively complement our current lines of business, or where we could leverage sustainable competitive advantages. During the fourth quarter of 2013, we observed a downward pressure on prices in potassium fertilizer markets. However, we believe that our unique operational synergies, our wide product portfolio, and our competitive advantages will bolster our efforts to maximize the company's value for shareholders and related communities.

SQM has achieved major synergies between the natural resources that it uses: caliche and salt brines. Caliche is an iodine and nitrate rich mineral found in the Tarapacá and Antofagasta regions of Chile. Meanwhile, the brines found at the Salar de Atacama contain high concentrations of lithium and potassium, as well as significant amounts of sulfate, boron, and magnesium. The key products produced from the resources in the Salar are: potassium chloride, potassium sulfate, lithium carbonate, lithium hydroxide, and magnesium chloride.

SQM is currently operating five business lines: specialty plant nutrition, iodine and derivatives, lithium and derivatives, potassium, and industrial chemicals. SQM is proud to be the world's largest producer of lithium compounds, iodine and derivatives, potassium nitrates, and nitrate compounds used for industrial thermal energy storage.

The company has enjoyed sustained success and proven its ability to maximize shareholder value, maintaining a solid financial position while focusing on sustainable development, competitive advantages, and efficiency optimization to produce high quality products at the lowest possible cost.

GLOBAL PRESENCE RESULTING FROM AN EXTENSIVE LOGISTIC AND DISTRIBUTION NETWORK

SQM has also made continuing efforts to expand its business globally. Today, the company has a physical presence in all key markets, and the majority of its revenues are generated in international markets.

All in all, SQM's competitive edge is based on the following foundations:

- Unique natural resources, with size, location, ease of extraction, and chemical composition unlike any other site on the planet.
- Significant economies of scale across the company's different business areas, enjoying an advantage of lower costs than most of the competition.
- Major synergies between the natural resources that we use: caliche and salt brines.
- Presence in markets with strong growth potential.
- Flexible production processes that are integrated into different stages, enhancing operating efficiency.
- Global presence through an extensive logistics and distribution network.
- Production development and technological know how.





NATURAL RESOURCES

The Atacama Desert, located in Chile's Antofagasta and Tarapacá regions, is the vast landscape where most of SQM's production operations are located. Here, the company has access to natural reserves of incomparable size and quality: caliche and the salt brines of the Salar de Atacama.

Caliche is a mineral that contains high concentrations of nitrates and iodine, as well as a more modest quantity of potassium. It is found in layers or veins with a thickness that can vary between 20 centimetres and 5 meters, covered by 0.5 to 1.5 meters of sterile overburden.

First mined for its saltpetre content in the 19th century, caliche is abundant in Northern Chile - indeed, this area is the world's largest natural deposit of iodine and nitrates. SQM has also developed its own technology to extract iodine and derivatives, sodium nitrate, and potassium nitrate.

The Salar is a salt flat located in the Atacama Desert that contains an underground deposit of salt brines located in porous rocks, fed by a subterranean flow from the Andes.

These brines contain high concentrations of lithium and potassium, as well as significant quantities of sulfate, boron, and magnesium. The key products produced from the Salar's resources are potassium chloride, lithium carbonate, potassium sulfate, boric acid, and magnesium chloride.

**OUR NATURAL RESOURCES FORM ONE OF THE KEY
PILLARS OF THE COMPANY'S STRATEGY.**



NATURAL RESOURCES

The Salar de Atacama offers a number of advantages apart from its mineral-rich brines: the resource's excellent ionic distribution allows processing costs to be minimized; the area's dry climate makes for extremely high evaporation rates that allow for year-round operations; and the site is located within close proximity to a port.

Together, these unique resources form one of the key pillars of the company's strategy. The production processes for the different mineral products benefit from ease of extraction and the scale of our operations, which together with the richness, quality, and quantity of the resources enables us to produce at low cost.

Additionally, over the years we have developed unique production processes that are tailored to our needs, and maximize our resources. This continuous improvement process has allowed us to build up the knowledge necessary to maintain a competitive edge in all the markets in which we operate.





QUALITY

QUALITY

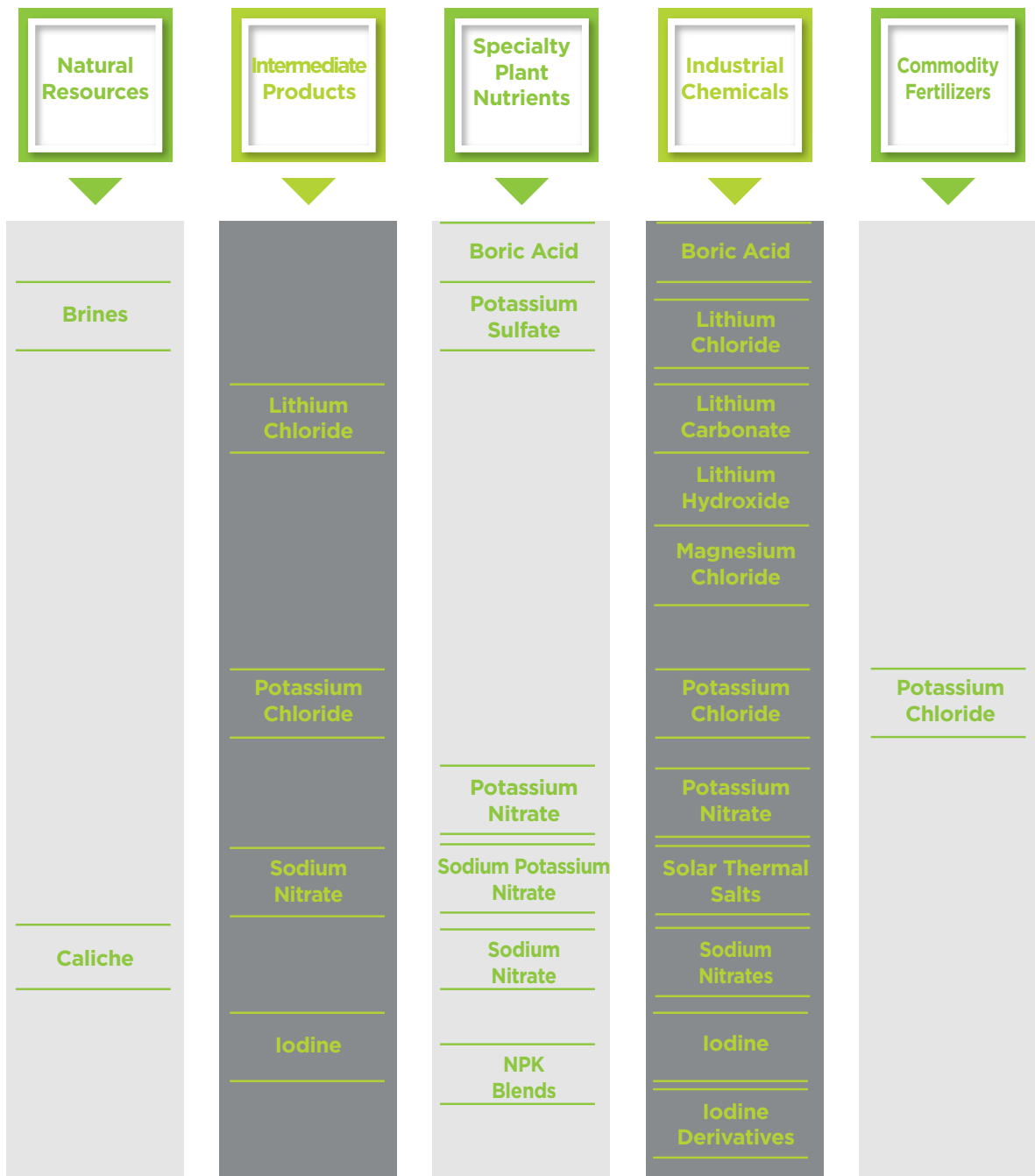
SQM cultivates long-term relationships with its clients. We have achieved this by implementing a quality management system based on increasing client satisfaction, by delivering products that meet the specified standards, and with client service and care that ensures mutually beneficial relationships.

In order to maintain relationships with its clients that are based on trust and openness, SQM keeps a communications channel permanently open through its external complaints system, which allows any client to submit concerns, complaints, or questions and receive a prompt and satisfactory response.

As a supporting pillar for our commitment to providing our clients with quality products and service, SQM maintains independent certifications under the ISO 9001:2008 standard covering its production and marketing processes for iodine, lithium carbonate and lithium hydroxide (industrial, technical, and battery grades), potassium nitrate and sodium nitrate (standard, refined, and technical grades), and the production of some of our soluble specialty plant nutrition products.

Delivering products to our clients on time, every time, is a priority for SQM that rests not only on excellence in operations, but also on taking prompt action when national and international regulations change in a way that may affect how our products are marketed and distributed - such as the EU REACH chemical regulation system - and offering our clients suitable technical guidance on handling and storage regulations in different markets.

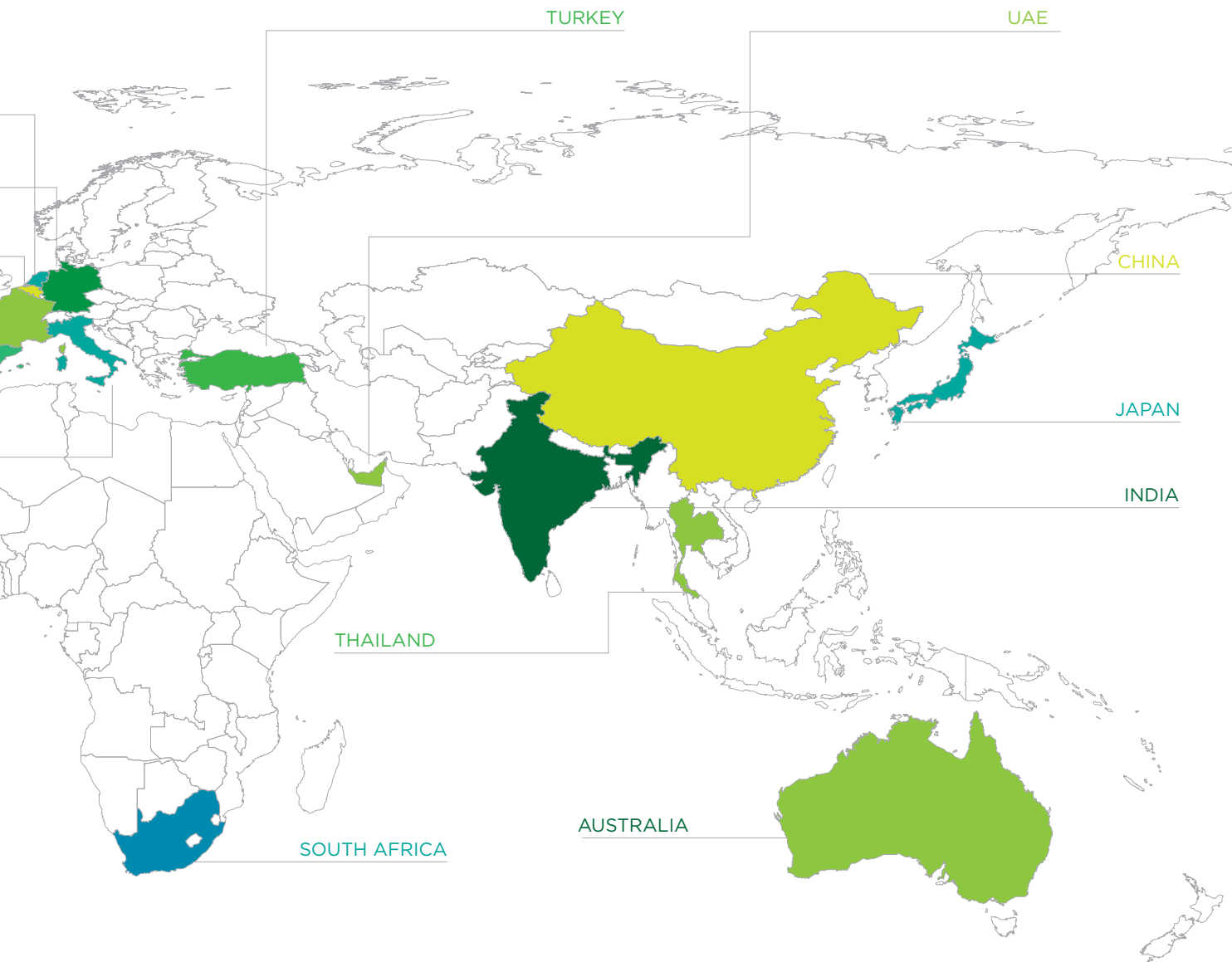
PRODUCTS AND MARKETS





LOGISTICS AND DISTRIBUTION

SQM's supply chain consists of an extensive network of truck and rail connections, exclusive access to the Port of Tocopilla, sales and representation offices in 20 countries, warehouses and mixing plants in strategic markets, and significant distribution agreements and joint ventures to maximize the company's global reach.



This network makes it possible for us to deliver our products to our broad client base across over 115 countries in five continents. Being close at hand for our main markets and clients ensures the quality of our products, and enables us to provide advice for our clients and receive market information in real time.

The logistics system we have developed to manage our resources and deliver our products in a timely and efficient way has been essential in meeting our clients' needs and building value for our shareholders and employees.





2
SUSTAINABLE
DEVELOPMENT



SUSTAINABLE DEVELOPMENT

SUSTAINABLE DEVELOPMENT

Based on the principle of continuous development, SQM's day to day activities are aligned with its commitments to its shareholders, clients, employees, partners, communities and to itself, to carry out its business and production efforts in harmony with its surroundings, safeguarding people and the environment to ensure business sustainability - a responsibility borne by all who work and collaborate with the company.

In line with its Sustainable Development Policy, each year SQM outlines the new challenges it will address in order to continue to make progress across all areas.

Environment

SQM is committed to safeguarding the environment and future generations. This is why the company has developed a solid knowledge base on the ecosystems that are linked to its operations, allowing it to prepare and implement protection and monitoring plans and to take whatever measures are necessary to safeguard the environment and prevent any negative impacts from its operations. To that end, SQM imposes an environmental management system to oversee care for the natural environment and communities around its facilities.

To minimize any environmental impacts that its activities might cause, SQM includes environmental considerations at an early stage of operations design. Thus, all new projects and modifications of existing operations undergo an environmental assessment, and are submitted to Chile's Environmental Impact Assessment System when applicable. As of December 2013, SQM holds environmental permits for 56 projects: 12 Environmental Impact Studies and 44 Environmental Impact Declarations. In 2013, SQM ensured adherence to its strict environmental monitoring plans for all of its operations, notably the comprehensive and robust monitoring plan for the Salar de Atacama, which includes hydro-geological systems

and ecosystems on the edges of the salt flat. The company has also included a number of major environmental protection measures in Pampa Hermosa, located in Tarapacá Region, where a complete Environmental Monitoring Plan covering a variety of variables will determine whether the project's activities are in line with its environmental assessment. Key activities in this area include highly complex studies such as monitoring the health of Tamarugo and broom scrubland, as well as the water meadows of Puquios de Llamara and local aquatic life-forms and organisms found in surface watercourses.

The company's Tamarugo Environmental Management Plan includes a wide range of measures that bring its activities into line with the development of the Tamarugo scrubland ecosystem, working with state environmental body CONAF to create the CEDAM Environmental Education Center in the Pampa del Tamarugal Reserve. This is the only center of its kind in the region, and allows children, young people and adults to learn about the habitat and its environmental richness in a bid to promote, preserve, and value the zone's natural and cultural heritage.

All of these monitoring activities are conducted in association with prestigious environmental groups such as the Agriculture and Livestock Research Institute (INIA); the Soil-Plant-Water Relationship Laboratory (SAP) at the Universidad de Chile Agronomy Science Faculty, Geobiota, Bioamerica Consultores, GeoHidrología Consultores and Análisis Ambientales S.A. (ANAM)

Operational Risk Management

Protecting human life and health is a key value for SQM: a job well done is job done safely. In line with this philosophy, SQM has implemented a continuous improvement system for risk prevention, which has been fundamental in achieving a reduction in accident indices by more than 84% between 2004 and 2013, for both contractors and company personnel.

SQM implements an occupational health and safety management system that aims to bring about a permanent and systematic drop in workplace accidents and occupational illnesses, with a focus on participation by everyone in the organization.





The success of this system hinges on concrete and visible leadership from executives and supervisors on site at all times, as well as the valuable work of our peer committees and safety commissions. Since 2012, SQM has been contracting advisory services from the Chilean Safety Association (Asociación Chilena de Seguridad), including audits that enable the company to verify that its occupational health and safety management system is functioning correctly throughout the organization.

In parallel with this management system, SQM has developed tools to strengthen preventive management, such as 13 basic safety rules designed to prevent accidents with a high loss potential, a behaviour-based prevention program and training in risk prevention techniques for workers and supervisors. These tools are periodically evaluated, updated and audited to ensure that they are being implemented appropriately in all operations and that they are consistent with the activities in which workers are engaged.

Instilling a deep-seated culture of preventive behaviour and personal care in each of its workers and partners constitutes a significant safety-related challenge for SQM, which is why we continue to encourage activities that raise awareness of safe working habits and recognize safety.

We at SQM believe that all accidents are entirely avoidable, so we work ceaselessly toward the goal of achieving “zero accidents”.

Human resources

SQM seeks to attract, develop and retain the best people to contribute to the company’s human



SUSTAINABLE DEVELOPMENT

resources, by providing a work environment that fosters integration, motivation, safety and commitment, actively promoting the company's values and fulfilment of business objectives. With that in mind, the company creates personal and professional development opportunities for its employees and works to protect the safety and physical integrity of its workers and partners.

Our company implements a formal program that strongly promotes mobility within the company as a means of retaining talent, fostering employee performance, and strengthening the commitment and motivation of our personnel. Indeed, during 2013 a total of 207 positions were filled by applicants from within the company.

SQM also pays close attention to the professional and personal growth of its associates. The Company provides scholarships for undergraduate and graduate studies to workers who show outstanding performance, enabling employees to advance in their professions. We provide all of our workers with training in a variety of areas, with over 79,000 hours of training completed in 2013, in addition to a further 95,000 hours of training provided to contractors.

2013 saw a number of improvements in quality management on site at SQM facilities, including:

- Renovation of canteen infrastructure and furnishings at Salar del Carmen and Salar de Atacama.
- Completion of the Iris Facility recreation room (cafeteria, TV room, internet-connected

computer terminals).

- Gym and astroturf sports field at Iris.
- Completion of expansion of the Iris canteen.
- Renovation of human resources offices, site offices, and management offices at sites such as Nueva Victoria, María Elena and Coya Sur.
- New sports area, shared use terrace, and landscaping at the Andino Facility, Salar de Atacama.
- New operations offices at Tocopilla Port.

Worker satisfaction is monitored using surveys that allow us to make adjustments and raise our standards over the course of time.

SQM maintains fluid relations with employee union representatives, enabling the company to address its people's concerns and needs in a timely manner. The health and safety of those who work for SQM is one of the areas of mutual collaboration upheld between the company and its workers' representatives. Commissions have been formed to address issues relating to health and safety, food, and lodgings, where proposals for improvements are gathered for management review and implementation.

Community

SQM firmly believes in maintaining a long-term good neighbour policy based on respect and trust with the settlements close to its operations,



It is of utmost importance maintain good relationships with towns located near our operations.

enabling the company and its nearby communities to grow together in the long term. To achieve this, we have developed permanent, open communication channels with authorities and residents in each community where we have a presence, and promote economic and social development by supporting joint projects and activities that help improve residents' quality of life. As part of this commitment, the company is permanently engaged in projects aligned with three key lines of action, to focus support on the development of neighbouring communities:

- **Historical Heritage**, aiming to recover, conserve, and raise awareness of the history of the saltpeter industry embodied to this day by SQM, and to promote and value the culture of the Atacama and Aymara peoples.
- **Education and Culture**, laying the foundations for development in nearby communities to provide future generations with knowledge and skills.
- **Social Development**, with an emphasis on promoting economically sustainable business start-ups that allow nearby communities to be the force behind their own development.

Historical Heritage

SQM has a deep understanding of the vital role that the saltpeter industry has played in Chile's history, and we therefore place particular emphasis on rescuing this historic legacy and heritage, and building awareness of this fascinating side of how our country came to be. The company takes an active role in the Chacabuco Corporations and Saltpeter Museum (Humberstone and Santa Laura) - organizations that take the lead in rescuing and conserving ghost towns that were built on the saltpeter industry - providing

SUSTAINABLE
DEVELOPMENT

support for monthly operating costs and cultural and tourism activities. The company also forms part of the Ruinas de Huanchaca Foundation and its Atacama Desert Museum, with a view to raising awareness of the natural history and human prehistory of Northern Chile.

As part of our environmental studies, SQM is involved in recording and protecting pre-Hispanic and historical cultural heritage, particularly in the areas surrounding María Elena and Nueva Victoria. In 2013, the company was involved in a major documentary research project that led to the creation of the book *"Historia de Quillagua"* (History of Quillagua), which will be published in 2014 as a joint project with the Nitrate Museum Corporation.

SQM also supported activities such as an exhibition of local Tarapacá folk art, featuring traditional funereal flower wreaths crafted from used cans; Chile's Independence Day celebrations with traditional games at Humberstone; and a theatre work dedicated to remembrance of the meaning of Christmas on the saltpeter plains.

Education and Culture

Over recent years, the company has worked tirelessly to deliver new and better opportunities for personal development and growth in local communities. SQM's education programs are designed to help meet the need shared by all people to garner new skills and to continue to learn and improve. With this goal in mind, the company has continued with a wide range of initiatives, including its Dual Education programs for high school students; free training in the community, offering a number of courses for the residents of Antofagasta, Pozo Almonte, María Elena, Tocopilla, Socaire, Toconao, and San Pedro de Atacama; an agreement with the local government of San Pedro de Atacama to provide an educational psychologist to help children with learning difficulties. SQM also provides financial support to cover transport costs for students attending schools and universities in different cities.

In 2013, SQM continued its support for traditional festivals in nearby districts, such as the *Juegos Multigrados* in San Pedro de Atacama, the celebration of the patron saint of Quillagua, cultural

heritage day in María Elena and the anniversary of the abandoned saltpeter town at Pedro de Valdivia. As a fundamental area of action in the field of education and culture, SQM provides significant support to education establishments in María Elena, San Pedro de Atacama, Tocopilla, Quillagua and Pozo Almonte.

In 2013, the company launched an expansion to its successful program, "+Matemáticas", supporting schools in San Pedro de Atacama, María Elena and Pozo Almonte, implemented by the Crea+ Foundation, an organization that helps elementary school math teachers learn and apply effective teaching methods. This program was a major success, as shown by the results at Lower School G-27 San Roque de Peine, where students attained a score of 297 in the math section of the 2012 SIMCE standardized tests - the top score in the district.

In 2013, Crea+ celebrated its tenth anniversary supporting teachers and students in vulnerable areas; the celebration included a special recognition for the major commitment provided by SQM.

Furthermore, in Pozo Almonte District SQM has continued its long standing support for the Pintados community school, implementing and conducting a number of courses with the students.

As part of its commitment to neighbouring communities, in 2013 SQM began a number of initiatives that aim to foster the area's natural and historic heritage, with a focus on care and preservation of the surroundings by providing the community with tools that help them to understand and study the environment. As part of this line of action, the Pampa del Tamarugal Environmental Education Center (CEDAM) is an innovative project that came from a joint project by state environmental body CONAF and SQM, seeing the center as part of a strategy to promote sustainable development and environmental education for the very youngest, as a way of valuing and preserving Tarapacá Region's natural and cultural heritage.

Social Development

Every year SQM partners with the local governments of San Pedro de Atacama and María Elena, and the Incuba2 group, to provide funds for selected small



scale business start-ups.

This initiative, which began in 2007 in the district of San Pedro de Atacama and expanded to María Elena three years ago, has now benefited 73 local start-ups in a wide range of sectors, including handicrafts, tourism, cultural heritage, and production development.

SQM also pressed on with its highly successful agricultural development program, “Atacama Tierra Fértil”, which supports means of boosting the fertility of lands in the Salar de Atacama areas as a means of improving the economic outlook for local farmers and helping them to attain sustainability without turning their backs on their cultures and traditions. The project consists of actions showcasing technology transfer for participating farmers, and strengthening the education process for those specializing in agriculture at the Lickan Antay School in San Pedro de Atacama. The program’s achievements during 2013 included a major advance in improving local farmers’ wine production, under the label “Ayllu” - a wine that has received accolades from experts impressed with its unique qualities as a vintage produced at

an elevation of 2400 meters above sea level. This success has seen Ayllu take its place in the cellars and wine lists of hotels and restaurants in San Pedro de Atacama, bringing direct benefits to the local producers.

In 2013, the Company saw the development of the program’s 11th vineyard, and the incorporation of 9 wine makers growing new grape varieties, such as Pinot Noir, Malbec, Petit Verdot, Chardonnay, and Syrah, in areas around the towns of San Pedro de Atacama, Celeste, Zapar, Toconao, Talabre, and Socaire. The initiative has included the installation of modern irrigation systems that rely on solar powered water pumps.

The positive impact achieved through this agricultural development program has inspired SQM to stand by the project, with increased investment and a greater number of participants, extending the area to Quillagua, in Maria Elena District. 2013 also saw the completion of a number of activities in Quillagua, including the preliminary results of an experimental program to grow alfalfa using modern irrigation techniques powered by solar cells to move water. Another major



SUSTAINABLE DEVELOPMENT

project implemented in the year consisted of the construction and installation of a semi-automated hydroponic greenhouse powered by solar cells, able to produce 10,000 lettuces each month in an area of 1000 m². All of these actions have been conducted in association with the community of Quillagua, where residents have also received relevant training.

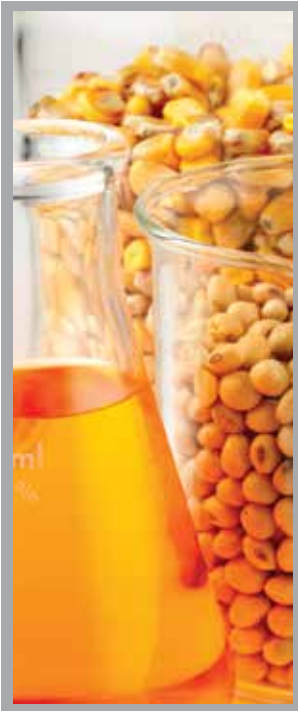
In a separate initiative based at the settlement of Pintados in Tarapacá Region, SQM is playing an ongoing role in a program to improve agricultural production and marketing amongst local farmers

in a joint project alongside INDAP, the local government of Pozo Almonte District, and the Teck Quebrada Blanca mining company, with the goal of strengthening agricultural activity in the area and links between production and sales.

SQM recognizes the importance of working in harmony with the communities located close to its production facilities, so we always strive to make major contributions founded on responsibility to a commitment to improve communities' quality of life, in equilibrium with local culture and the environment.







3
BUSINESS
LINES

5
BUSINESS
LINES



1

SPECIALTY PLANT
NUTRITION

48% of the World
global market share of
KNO₃

Volumes 2013:

848k MT

Revenues 2013:

31% of the total
(US\$688mm)



2

POTASSIUM

Strategically
located in South
America

Volumes 2013:

1.435k MT

Revenues 2013:

28% of the total
(US\$606mm)



3

LITHIUM AND DERIVATIVES

27% of the global market share

Volumes 2013:

36,1k MT

Revenues 2013:

9% of the total (US\$197mm)



4

YODO Y DERIVADOS

28% of the global market share

Volumes 2013:

9,3k MT

Revenues 2013:

21% of the total (US\$461mm)



5

INDUSTRIAL CHEMICALS

50% of the global market share of industrial sodium

Volumes 2013:

176k MT

Revenues 2013:

7% of the total (US\$154mm)



SPECIALTY PLANT NUTRITION

SPECIALTY PLANT NUTRITION

SQM has been active in the specialty fertilizer sector for over 20 years, and today is the global leader in the potassium nitrate market. Today, the specialty plant nutrition business line has become one of the company's principal areas, accounting for 31% of revenues in 2013.

Ever since it entered this market, SQM has focused its efforts on becoming not only the world's largest producer but also the producer with the greatest potential for future development, mainly through its long term strategy of pursuing projects, partnerships, mergers and acquisitions.

An analysis of our markets over the course of 2013 shows that demand for potassium nitrate remained stable at around one million metric tons (considering only agricultural usage, and not including domestic production and consumption in China). Our sales volumes increased 9% in 2013 compared to 2012, mostly because of increased sales in Asia and Latin America.

Specialty Plant Nutrition is a niche market that supplies ground breaking solutions to the challenges facing agriculture today. By producing specialty plant nutrients, SQM offers farmers some of the tools they need to meet these challenges.

The need for sophisticated fertilizers goes hand in hand with these advanced technologies. SQM's specialty nutrition solutions meet the requirements that farmers demand, and provide the tools needed to avoid wasting scarce resources such as water and land. What is more, commodity fertilizers are unable to provide the yield necessary to obtain a sufficient return on investments made on these cutting edge systems. This situation leads to a fundamental need for nutrients with specific technical characteristics.

Specialty Plant Nutrition is a concept that combines products with unique physical and chemical characteristics, along with knowledge of the proportional balance and best time to apply them. In harmony with other measures and techniques, these products allow

crops to reach the yield and quality requirements demanded in the marketplace.

SQM's specialty nutrients are: potassium nitrate, potassium sulfate, sodium nitrate, and sodium potassium nitrate. The features that make these products unique include:

- **Nitrate nitrogen:** Plants' preferred nitrogen source, which can be absorbed without any prior transformations.
- **High solubility:** Permits fast nutrient absorption, particularly during growth phases with high requirements.
- **Chlorine-free products:** A number of crops are chlorine-sensitive, including tobacco, potatoes, citrus fruits, and avocados, with yields and/or quality being damaged when products are used that contain this ion.

Depending on the systems used to apply specialty nutrients, fertilizers can be classified as specialty field fertilizers (SFF) or water-soluble fertilizers (WSF).

The former are applied directly to the soil, manually or in a mechanized fashion; their high solubility levels, lack of harmful chlorine, and absence of acidic reactions make them particularly advantageous for tobacco, potatoes, coffee, cotton, and a wide range of fruits and vegetables.

Additionally, water-soluble fertilizers are specialty nutrients that are delivered to the crops using modern irrigation systems. As these systems feature refined technology, the products used in them must be highly soluble, rich in nutrients, free of impurities and insoluble substances, and with a low salinity index. The leading nutrient in this field is potassium nitrate, which is an indispensable source of nutrition for irrigated crops in view of its optimal balance of nitric nitrogen and chlorine-free potassium (the two macronutrients most needed by plants).

What is more, potassium nitrate is widely known to be a vital component in foliar feeding applications, where usage is recommended to stave off nutritional deficiencies before the first symptoms appear, to correct any deficiencies that arise, and to prevent physiological stress. This nutrient also helps promote a suitable balance between fruit production and/or growth, and plant development - particularly in crops suffering from physiological disorders.

SQM
is the largest
global producer of
potassium nitrate.



Foliar feeding with KNO₃ can have beneficial effects:

- When soil chemistry limits nutrient solubility and availability (pH, organic matter, type and percentage of clay).
- When nutrient absorption through the roots is limited as a result of conditions that hamper root growth (temperature, moisture, oxygen, and loss of soil structure).
- When the plant's local internal demand may surpass real internal nutrient redistribution capacity, leaving the demand unsatisfied.
- When nutrient mobility is limited, when plants flower before the leaf growth phase, imposing limiting factors on xylem nutrient transport.
- To promote rapid recovery from leaf stress caused by climatic conditions, soil conditions, and irrigation management.

In light of these significant agricultural considerations and the product's development potential in a number of markets around the world, SQM has launched the global Speedfol™ Crop SP project to promote a range of soluble NPK formulations (fundamentally based on potassium nitrate) that are locally produced and focused on specific crops for foliar feeding. This project will be

in course for five years, addressing a wide range of crops such as grains, citrus fruits, mangoes, cotton, soya beans, and coffee, in countries such as Brazil, China, India, Mexico, South Africa, and the USA. The application of Speedfol™ Crop SP has been scientifically proven to increase crop yield, improve quality (larger fruits), and reduce losses (lower levels of fruit drop and crop spoilage in cereals).

In addition to these products, SQM has consolidated a product portfolio of over 200 specialty fertilizer blends, including top brands such as Ultrasol™, for fertigation; Qrop™, for application to the soil; Speedfol™, for foliar feeding; and Allganic™, focusing on organic crops.

We have been developing our potassium nitrate business in the Chinese tobacco industry since 1980. During recent years, the company has fine-tuned its soluble fertilizer activities in this vast Asian market, with clear results. SQM's potassium nitrate agricultural products hold a market share of around 80% in terms of combined volume used directly for crops (except tobacco), and our market share in high-value water-soluble NPK products has also seen sustained growth. SQM is the leading supplier of agricultural potassium nitrate, and the leading producer and distributor of high-value water-soluble NPK products in the market. SQM's soluble fertilizers are highly competitive in the cotton, potato, and banana industries, where integrated fertilization-irrigation systems are widespread.



In 2013, SQM (Beijing) continued to sell potassium nitrate for agricultural use throughout China, while also making some changes in the joint venture of the company located in Qingdao, Shandong Province: The soluble fertilizers produced under the joint venture will be sold through SQM (Beijing), with a marketing team integrated with SQM (Beijing).

Farmers currently face the challenge of producing increasing amounts of agricultural products with better quality. The need to optimize scarce resources such as arable land and water has been generating incentives for development of new technologies associated with the use of fertilizers and water, such as fertigation (in the open field, hydroponics, greenhouses, etc.) and foliar application of fertilizer, which allow the use of significantly lower amounts of water per square meter as compared with traditional watering systems. Essentially these techniques help achieve greater yields with lower water consumption.

In this regard it should be noted that the irrigated areas in the world have grown at an average annual rate of 1.5% during the past twenty years, situated at the level of 300 million hectares. However, micro-irrigation has increased at a much higher rate, going from 1.6 million hectares to 10 million hectares in the same period (the micro-irrigation is the most efficient method of irrigation technology). Asia is the region with the lowest ratio [micro-irrigation/total irrigated hectares] in the world, reaching about 3%. This represents a high potential for this

technology, which is reflected in the high growth rates in recent years. For example, it is estimated that China has 1.6 million hectares under micro-irrigation and it has been growing at a rate of 14% in recent years.

Consistent with the above, SQM changed its development strategy in the business of soluble fertilizer in China during 2013 focusing on increasing its market share and in contributing to the organic development of the industry. SQM is the market leader in soluble fertilizers both internationally and in China.

Our Company has developed the potassium nitrate business for the tobacco industry in China since 1980. In recent years, the Company has strengthened the soluble fertilizer business and the results are evident: SQM-Migao's agricultural potassium nitrate has a market share of about 80% (except for tobacco) and an increasing share in water soluble NPK products. SQM soluble fertilizers are highly competitive in cotton, potato, and banana crops, where integrated irrigation and fertilization systems are used.

In 2013, SQM (Beijing) made some changes in the Joint Venture of the Company located in Qingdao, Shandong Province: The soluble fertilizers produced by the JV will be sold through SQM (Beijing) and the JV marketing team will be integrated into SQM (Beijing). This change is mainly aimed at improving efficiency in the distribution



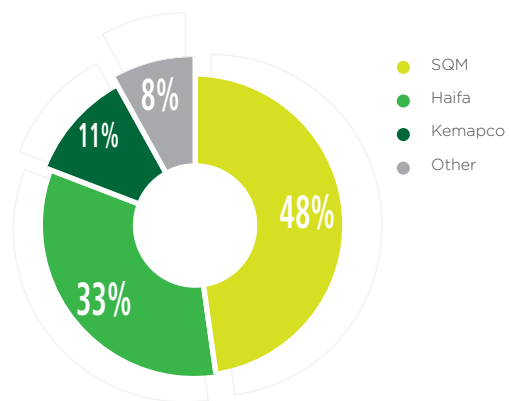


of products. The objective of SQM (Beijing) is to increase the production of soluble fertilizers and to extend the application technologies to popularize and expand their use.

In 2013, SQM significantly increased its efforts to promote its products in China, cooperating with other distributors of agricultural potassium nitrate to expand the use of soluble fertilizers and intensify their technical and agronomic services in order to share their knowledge with Chinese farmers.

We hope that this market's solid fundamentals can boost growth in demand for potassium nitrate in coming years, positioning SQM as the leading supplier. The company is well positioned to ride the wave of growth in this market, not only through its access to unparalleled natural resources but also on account of our wide global distribution network, allowing us to be close to our end-user clients and thus understand and meet their needs. In harmony with this network, and supporting its goals, the company is party to a number of commercial agreements, joint ventures, and strategic partnerships that we have established over the course of time.

Potassium Nitrate Market Share (2013)





VEGETABLE NUTRITION SPECIALTY

Specialty Plant Nutrition Graphic: Timeline of joint ventures and acquisitions 2008 – 2013

2008	2009	2010	2011	2012	2013
<p>SQM Migao Joint Venture Capacity: 40,000 MT/year Production: Potassium Nitrate</p>	<p>SQM VITAS Dubai Joint Venture Acquisition of urea phosphate plant</p>	<p>SQM Star Joint Venture Capacity: 15,000 MT/year Production: Soluble NPK products</p>	<p>SQM VITAS Brasil Joint Venture Operations start-up: Soluble NPK products 18,000 MT/year NPK mixing plant 65,000 MT/year</p>	<p>SQM Migao Plant opening and expansion Further 20,000 MT</p>	<p>SQM VITAS Opening of production facilities Port of Cadiz, Spain 24.000 m2 area covered Packaging and cargo wharves</p>
	<p>Coromandel SQM Joint Venture Capacity: 15,000 MT/year Production: Soluble NPK products</p>	<p>SQM VITAS Dubai Joint Venture MAP production</p>	<p>SQM VITAS Perú Joint Venture Operations start-up</p>		<p>Plantacote SQM VITAS acquires Plantacote B.V. Production of controlled release fertilizers</p>
			<p>SQM VITAS Southern Africa Joint Venture Operations start-up</p>		



IODINE AND DERIVATIVES

SQM is the leading producer of iodine in the world, with a market share of 28% in 2013.

IODINE AND DERIVATIVES

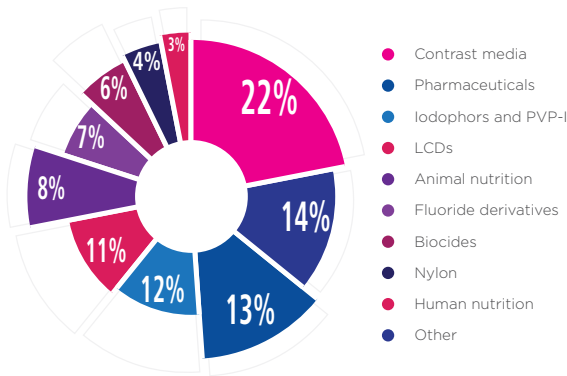
SQM is the world's leading iodine producer, with a global market share of approximately 28% in 2013. During the year, iodine and derivatives represented some 21% of the company's total revenue, making this one of our most important business sectors. In the wake of increased supply and a weaker growth in demand than had been expected, sales revenue from iodine and derivatives dropped as against figures from 2012.

SQM has been active in the iodine and derivatives market since the early 1990s through a joint venture with Ajay Chemicals, a US company. With production plants in Chile, the United States of America and France, Ajay-SQM has become the leading producer and supplier of iodine derivatives on the planet.

In line with our long-term commitment to this business sector, we shall continue to expand production capacity in order to meet the industry's growing future needs.

Iodine is an element found widely distributed in nature, but generally in relatively small quantities. Very few resources are known that contain iodine in significant concentrations. The Caliche deposits found in Northern Chile, where SQM extracts this element, are the world's only iodine ore sources. Iodine can also be found in commercially usable quantities in seaweeds and in the underground water extracted from some oil and natural gas wells.

PRINCIPAL USES OF IODINE



Iodine has a number of other major applications in the health sector. For example, this element is present in the active ingredient in medicines such as antispasmodics and coronary vasodilators. It is also used in the synthesis of some antibiotics and corticosteroids.

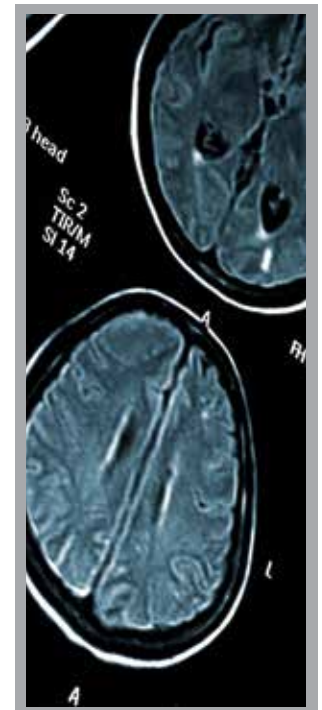
Clinical studies have shown that a healthy adult's body contains between 20 and 50 milligrams of iodine. This small quantity is necessary for the functioning of the thyroid gland. Therefore, in order to ensure adequate nutrition, potassium iodide is added to salt sold for human consumption. Iodine is also necessary for animal nutrition, preventing illnesses and increasing the yield of animal products such as milk and eggs.

Principal uses of iodine

Iodine and its derivatives are most commonly used in the fields of health and nutrition, industrial applications, and technology. It is a non-metallic element from the halogen group, used in a variety of industries. Almost 50% of iodine production is used in the human and animal health and nutrition sectors.

In the health sector, iodine is used as a contrast medium for X-ray imaging. Its high atomic number and density make it ideally suited for this application, as its presence in the body can help to increase contrast between tissues, organs, and blood vessels with similar X-ray densities. Indeed, this is the leading application for iodine, and has been the driving force behind demand over recent years.

Iodine is also an extremely effective disinfectant, used as the active ingredient in biocides, disinfectants, bactericides, fungicides, and germicides, as well as in iodophors - compounds with wide-ranging applications in industrial health and safety.



Iodine has a number of major applications in the industrial and technology sectors, including its usage in the production of LCD, LED and OLED screens. In particular, iodine is used in producing polarizing filter films, which are needed to produce TVs, laptops, monitors, and other imaging devices.

Finally, iodine is also an important element in a variety of industrial applications, being used as a catalyst for organic chemical reactions, in colourings, soil fumigants, herbicides, and thermal stabilizers for nylon fibres, as well as a number of other uses.

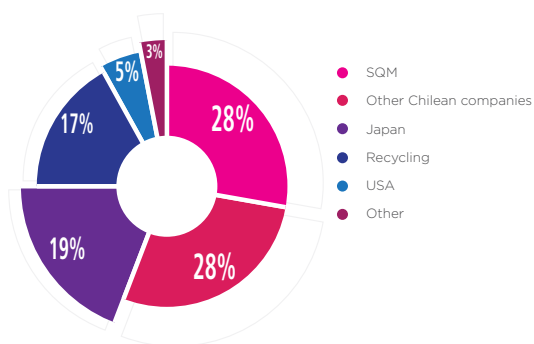
Trends in Demand

Over the past decade, the iodine market has gone through major changes. New high tech applications have emerged, such as liquid crystal displays (LCDs), spurring on a growth in demand. The iodine market has also been bolstered by a major increase in demand for x-ray contrast media. All in all, the 2003-2013 period saw a compound annual growth rate of 3% for global demand. Other applications also showed interesting growth dynamics.

However, demand remained almost unchanged in 2013 as a result of the high prices quoted on the market during 2012 and 2013, creating a demand for technologies to replace iodine in price-sensitive industries, and pushing clients to optimize their inventories. Overall, global demand for iodine reached close to 31,000 tons during 2013.



MARKET SHARE



BETWEEN 2003 - 2013 THE CAGR OF GLOBAL DEMAND OF IODINE WAS

3%

Use of Iodine in Iodophors

Close to 12% of iodine production is used to produce antiseptics and disinfectants, known as iodophors. Antiseptics are used on living tissues, while disinfectants are applied to inanimate surfaces. In both cases, the main purpose is to eliminate microorganisms and thus prevent infections.

The principal use of iodine in iodophors, accounting for approximately 25% of the total, is in the production of povidone-iodine (PVP-I) - an antiseptic that is widely used in the human and animal health industries.

Iodophors are also heavily used in the dairy industry, where they are a popular antiseptic for cows' udders. The antiseptics are applied in two stages, before and after milking, to prevent infections such as mastitis.

Iodophors are also used as disinfectants for industrial cleaning.

Although other products that can be used as substitutes for iodophors have shown growth in demand in the wake of recent high iodine prices, iodine-based antiseptics and disinfectants continue to hold a privileged position, resulting from their higher effectiveness.





LITHIUM AND DERIVATIVES

LITHIUM AND DERIVATIVES

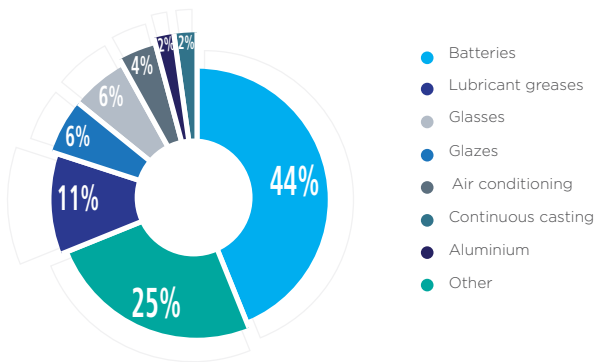
SQM began producing lithium carbonate in 1996 as a sub-product of potassium chloride production. The production process starts with lithium chloride solutions obtained from the Salar de Atacama. These are then processed to extract lithium carbonate and lithium hydroxide in plants located in the Salar del Carmen, near Antofagasta.

Since entering the lithium industry, SQM has consolidated its market leadership, holding a 27% share in the lithium chemical sector in 2013. During the year, lithium and derivatives accounted for 9% of the company's revenues.

Lithium is a metal found widely distributed in nature. Its high level of reactivity means that it is never found as a pure element, but rather in relatively stable salts and ores.

For example, commercially viable sources of lithium include the concentrated salt solutions or brines found in salt flats and salt lakes, where the most common lithium compound is lithium chloride. Lithium can also be extracted from hard rock mines, where it is found in the mineral spodumene - in chemical terms, lithium aluminium inosilicate.

USES OF LITHIUM (LITHIUM CHEMICALS)



Principal Uses of Lithium

Lithium has unique characteristics and properties. In its pure state it is a silver-grey metal, but combined with other metals such as magnesium or aluminium it can form extremely resistant alloys. It is also the lightest of the highly reactive alkali metals, with a density of just 0.534 g/cm³, barely more than half the density of water.

The principal properties of this element are:

- The lightest solid element at room temperature
- Low coefficient of thermal expansion
- High electrochemical potential and low density
- The solid with the highest specific heat capacity

Lithium is mainly marketed as lithium carbonate. The next most traded compound is lithium hydroxide. Both of these compounds are used to produce the cathodes for rechargeable batteries, taking advantage of lithium's extreme electrochemical potential and low density. As a pure metal, lithium is

also used as an anode in non-rechargeable batteries. It is also present in battery electrolytes.

As the solid with the highest specific heat capacity, lithium is an excellent substance to use in applications that involve thermal energy transfer, such as glass ceramic stove tops. One of the key advantages of using lithium carbonate in this type of glass is that it improves both the hardness and the appearance of the final product.

Lithium ore is marketed directly, concentrated in glass, ceramics, and metallurgy, and mainly sourced from spodumene and petalite. SQM is not active in this sector.

Lithium's low coefficient of thermal expansion makes it well suited for making glasses and frits (ceramic glazes) more resistant to high temperature and thermal shock. This metal also reduces the melting points of other materials during their production processes, resulting in energy savings and lower production costs for manufacturers. Lithium carbonate can also be used as an additive to improve the physical and mechanical properties of other substances, enhancing hardness, luster, and resistance to chemical attack.

Apart from these traditional uses, lithium shows fascinating potential in the aeronautics and space industries, as the lightest of all metallic elements. For example, lithium-aluminium alloys can be used to reduce aircraft weight, thus increasing efficiency.

Lithium ion batteries have been under development for some years for the auto industry. Car companies are continuing to make progress in developing hybrid and electric vehicles that use lithium batteries. Companies such as Nissan, Mitsubishi, General Motors and Tesla are already selling vehicles that use lithium ion batteries to store energy, and these developments are expected to show major growth dynamics during coming years.



Trends in Demand

Global demand for lithium stood at some 155,000 to 160,000 metric tons of lithium carbonate in 2013, slightly more than 3% higher than figures from the previous year.

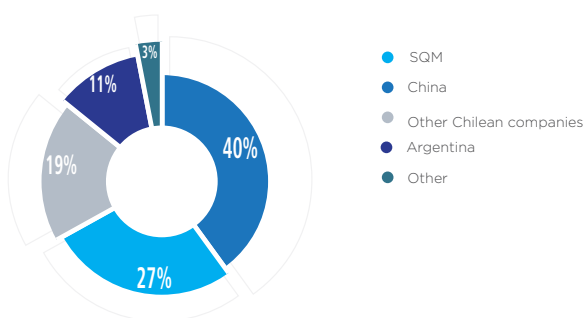
Excluding the direct market for lithium ore, sales of lithium compounds grew by approximately 4% from 2012 to 2013. This level of growth represents a slowing down in growth from the previous year, which saw an increase of some 8%, mainly as a result of a severe drop in demand in the aluminium industry, where plant closures saw a reduction in sales by approximately 20%. Thus, demand for lithium in 2013 is estimated to have totalled approximately 130,000 metric tons of lithium chemicals.

The lithium market is remarkably dynamic, as this highly versatile element is finding uses in new technologies developed over recent years. The 2003-2013 period saw an average increase in global demand for lithium of some 7% each year, powered by the development of rechargeable lithium batteries - an industry that saw an annual growth rate of almost 25% over the period. Other applications saw more moderate but still healthy growth rates.

Lithium consumption for applications other than batteries is largely linked to industries producing products such as lubricant greases, specialty glasses, ceramic glazes, aluminium, steel, and industrial air conditioning equipment.

Supply

2013 LITHIUM CHEMICALS MARKET SHARE



The 40% of lithium production conducted in China can be broken down as:

- 8% Chinese brines
- 7% Chinese ores
- 25% Australian ores

SQM

PARTICIPATION IN THE LITHIUM MARKET REACHED 27% DURING 2013



LITHIUM AND DERIVATIVES

Lithium Usage in Lubricant Greases

Mankind's development of greases can be traced back to 1450 BC, when the Ancient Egyptians used plant oils and other components such as lime, iron, quartz, and animal fat to create the first biodegradable greases.

Since that time, the technology and constituents used to produce lubricant greases remained largely unchanged until the industrial revolution, when new and improved substances were linked to new production technologies using mineral oil as a base.

Lubricant greases comprise approximately 85% base oil, 10% thickeners, and 5% additives, with these percentages varying between different products used. The principal characteristic of lubricant greases is their consistency, making them more solid than oils and thus preventing them from moving away from the site of application.

The thickener is the key constituent in creating a stable grease that will enable long-term usage, while also providing the substance with resistance to pressure. Other characteristics, such as water resistance, depend on the selection of a suitable thickener.

Lithium is used in one of the many thickeners used in modern greases, here in the form of lithium hydroxide. This compound was first used in the 1930s, in greases for the aeronautical industry. Lithium-based greases brought with them major advances, as these were the first truly multi-purpose greases.



Lithium greases feature good thermal stability, good shear stability, good water resistance, and also good load capacity. These greases are also renowned for their good response to the inclusion of a number of additives, allowing them to be tailored to specific application.

In the late 20th century, lithium greases replaced other products in almost all applications. Over the course of time, more complex and mixed greases have been developed, using lithium alongside other thickeners to improve particular characteristics.

In 2013, the grease sector accounted for approximately 11% of the global lithium market, and this sector is expected to show healthy growth over coming years.



Industrial Chemicals

SQM's industrial chemical portfolio includes a wide range of products: sodium nitrate, potassium nitrate, potassium chloride, and boric acid. These compounds find uses in many different production processes. The company has been active in this sector for over 30 years, and together these products made up 7% of its revenue in 2013.

Industrial Nitrates: Sodium Nitrate and Potassium Nitrate

Industrial nitrates make up the bulk of our industrial chemical sales, and are produced by refining sodium nitrate and potassium nitrate.

They are used in a varied range of applications, from daily processes such as the production of glass and ceramic glazes, to mining and engineering explosives and metal treatment. Sodium nitrate is also used to produce charcoal briquettes, and potassium nitrate is used in the pyrotechnics and specialty glass industries, as well as many other applications.

This variety of different uses and the presence of clients spread across multiple continents have allowed SQM to further diversify its sales. SQM is the world's leading supplier of industrial sodium nitrate, with a global market share of around 50% (excluding the internal Chinese market, which supplies itself). This product is sold in four purity grades: standard, industrial, technical, and refined. The company also has a 28% market share in the industrial potassium nitrate sector, marketing three purity grades (industrial, technical, and refined).



INDUSTRIAL CHEMICALS

Solar Thermal Salts

One of the most dynamic emerging sectors in the industrial chemical market is the use of a mix of sodium nitrate and potassium nitrate to store thermal energy in solar plants. These products are known as solar thermal salts.

Unlike traditional solar power plants, these new plants use a “battery” or tank that contains molten nitrate salts, which store energy as heat. The salts are kept hot during the day, and release the solar energy that they have captured during the night, allowing the plant to operate even during hours of darkness.

This simple innovation allows solar power plants to operate 24-hours per day, increasing their operational efficiency. Plants that use this new technology also have no need for a traditional energy backup such as coal or diesel, making them more environmentally friendly.

Other Industrial Chemicals

In addition to our industrial nitrate products, SQM’s portfolio also includes boric acid and potassium chloride, which are extracted from the Salar de Atacama brines.

Given its highly purity grade than other borates, boric acid has been adopted as a major raw material for a number of industrial applications. It can be used to improve resistance to chemical attack and resistance to heat in the glass industry. Boric acid is also used as a fire retardant in the production of wood pulp insulating materials, while in the LCD manufacturing industry it is used to improve chemical resistance.

The main industrial application of potassium chloride is as a clay inhibitor in drilling fluids, thus improving the stability of oil wells and exploration boreholes. It is also used in some metal treatment processes.



Potassium chloride demand increased 6% during 2013 compared to 2012.

POTASSIUM

SQM began a new field of operations in the Salar de Atacama in the 1990s, as a way of obtaining the potassium chloride that it uses in the production of potassium nitrate. The initial investment covered the construction of a plant to produce potassium chloride and potassium sulfate. The potassium business line currently includes sales of these two potassium fertilizers. In 2013, this line represented approximately 28% of SQM's total revenue.

Although the Company's market share is less than 3%, this business area has had a major impact on the results of the Company.

The principal potassium sources available on the fertilizer market are: potassium chloride (KCl), potassium sulfate (SOP) and potassium nitrate (KNO₃). Of these, potassium chloride is without doubt the most significant, on a global scale. SQM is the only company that produces all three of these potassium sources.

Potassium, nitrogen and phosphorus are the three principal macro-nutrients that plants need for their development. Potassium is a primary and essential macro-nutrient, which despite not forming part of the structure of the plant is vital for its basic physiological functions. Potassium cannot be replaced with any other macro-nutrient, as each nutrient plays a different role in plant development. Therefore, in order to achieve an effective balance between crops' levels of different nutrients, it is vital that potassium is applied correctly.

POTASSIUM

Potassium is a strategic nutrient that has a number of important functions in plant development, including:

- Ensuring crop quality, prolonging post-harvest freshness, and improving flavour, vitamin content, and appearance.
- Increasing crop yield through processes that include boosting photosynthesis, accelerating nutrient flow, improving nitrogen uptake and efficient use of water.
- Improving crops' resistance to stress caused by diseases and pests, high and low temperatures, drought, etc.

Potassium plays a role in activating more than 60 enzymatic systems in cells, taking part in synthesizing proteins, vitamins, starch, and cellulose, ensuring suitable metabolism and tissue formation. It also acts to regulate the level of water in plants.

In addition, potassium plays a role in the transport and accumulation of sugars in fruits and plant energy storage organs. This is an extremely important process in crops that store carbohydrates, such as potatoes, sugar cane, sugar beet, and the great majority of fruits and vegetables, but also in extensive crops such as grains, where potassium can increase the weight of seeds and boost protein and carbohydrate levels.

The potassium market features substantial barriers to entry, leading to stable supply in the long term and relatively stable prices. The basics of the demand side, with a growing global population and changes in eating habits, will underpin long term growth in the potassium fertilizer sector.

Trends in Demand

Demand for potassium chloride rose between 2012 and 2013. Our estimate for total demand stands at 53 million tons of KCl during 2013, up almost 6% against the previous year. This growth stems from demand in the markets that consume most potassium chloride: China and India. Following difficult growing conditions experienced in certain countries during 2012, production had to be ramped up to meet demand for food during a year with historically low inventory levels. We expect the potassium chloride market to continue to grow, reaching levels between 55-57 million metric tons in 2014.

Our sales volumes in this line of business grew 17% as compared to figures from 2012, mainly driven by our capacity expansion project for potassium products produced from the resources at the Salar de Atacama, in combination with our highly developed distribution network. Average prices in the global potassium market dropped significantly over the course of the year, in the wake of remarkable events. Uralkali, a global leader in the potassium chloride export market, abandoned its commercial agreement with Belaruskali in Belarus, generating uncertainty in the market and affecting commodity price levels.







4
FINANCIAL
ANALYSIS



FINANCIAL ANALYSIS

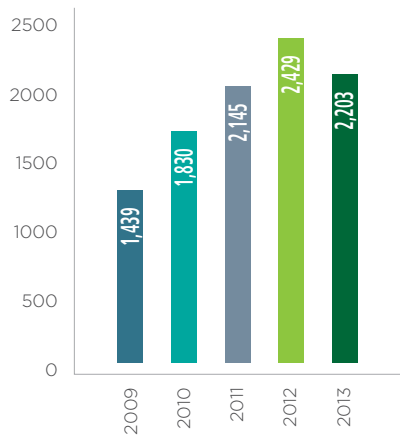
FINANCIAL ANALYSIS

SQM reported earnings for the twelve months ended December 31, 2013 of US\$467.1 million (US\$1.77 per ADR), a decrease from US\$649.2 million (US\$2.47 per ADR) for the twelve months ended December 31, 2012. Gross Margin reached US\$721.5 million (32.7% of revenues) for the twelve months ended December 31, 2013; a decrease compared to US\$1,028.6 million (42.3% of revenues) for the twelve months ended December 31, 2012. Revenues totaled US\$2,203.1 million for the twelve months ended December 31, 2013, representing a decrease compared to US\$2,429.2 million reported for the twelve months ended December 31, 2012.

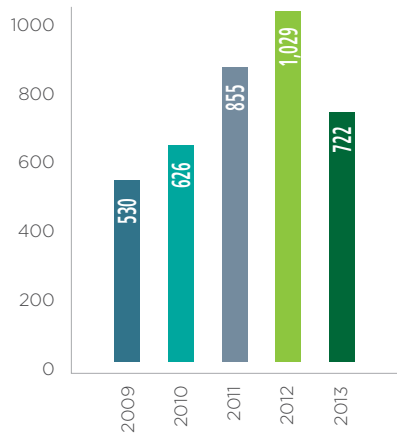
SQM faced important commercial challenges during 2013; pricing was more difficult in the potassium chloride market when compared to 2012. Increased volumes in the potassium chloride business line helped us to partially offset these lower prices, but our margins were impacted. As we have stated before, we believe that global market demand is the most important indicator when assessing pricing and the overall future of the potash market. We remain confident that total potash demand levels in 2014 will surpass levels recorded during 2013, which could lead to a positive change in the pricing situation we have seen in recent months.

As anticipated, and following the positive trends in recent years, we saw market demand growth in both lithium and iodine during 2013. However, new supply in excess of market growth was added by existing competitors, which ultimately had a negative impact on our sales volumes in both business lines during 2013 when compared to 2012. As we stated in an announcement in December, during the end of 2013 iodine prices decreased as a result of market conditions. Throughout 2014, we will continue to face challenges considering the uncertainty related to the production and sales volumes of our competitors in the iodine market, but we remain confident in our long-term position in the market as the largest producer with significant cost advantages.

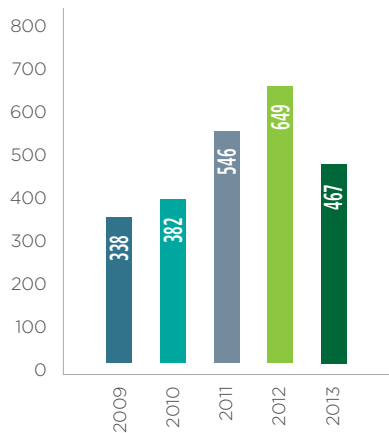
REVENUES (US\$ MILLIONS)



GROSS MARGIN (US\$ MILLIONS)



NET INCOME (US\$ MILLIONS)



REVENUES TOTALED

US\$2.2

BILLION IN 2013



SPECIALTY PLANT NUTRITION (“SPN”)

Revenues from the SPN business line for 2013 totaled US\$687.5 million, an increase of 1.8% compared to \$675.3 million for 2012.

Fourth quarter 2013 revenues reached US\$154.1 million, 3.3% lower than the US\$159.5 million reported in the fourth quarter of 2012.

Specialty Plant Nutrition Volumes and Revenues:

		2013	2012	2013/2012	
Sodium Nitrate	Th. MT	26.2	24.4	1.8	7%
Potassium Nitrate and Sodium Potassium Nitrate	Th. MT	512.6	469.3	43.3	9%
Specialty Blends	Th. MT	208.1	197.5	10.6	5%
Other specialty plant nutrients (*)	Th. MT	100.8	89.0	11.8	13%
Specialty Plant Nutrition Revenues	MUS\$	687.5	675.3	12.1	2%

*Includes trading of other specialty fertilizers.

The SPN market experienced stable demand growth during 2013 when compared to 2012. We have not seen any curtailment of supply, and do not expect any new supply from any of the three main players, including SQM, in the market.

Our sales volumes in the specialty plant nutrition business line in 2013 increased 8.6% compared to 2012. In general, potassium nitrate prices are less volatile than other commodity fertilizers such as potassium chloride; we saw prices in the business line fall approximately 6% during 2013 when compared to 2012.

We feel confident in specialty plant nutrient market as food quality requirements increase, and land and fresh water scarcity impacts some of the world. The market growth will be led primarily by potassium nitrate.

Gross profit for the SPN segment accounted for approximately 21% of SQM’s consolidated gross margin for the twelve months ended December 31, 2013.



FINANCIAL ANALYSIS

IODINE AND DERIVATIVES

Revenues from sales of iodine and derivatives during 2013 were US\$461.0 million, a decrease of 20.3% compared to US\$578.1 million generated during 2012.

Iodine and derivatives revenues for the fourth quarter of 2013 amounted to US\$102.6 million, a decrease of 20.5% compared to US\$129.0 million achieved during the fourth quarter of 2012.

Iodine and Derivatives Volumes and Revenues:

		2013	2012	2013/2012	
Iodine and Derivatives	Th. MT	9.3	11.0	(1.7)	-15%
Iodine and Derivatives Revenues	MUS\$	461.0	578.1	(117.1)	-20%

Iodine market growth was approximately 2% during 2013, slightly lower than the growth rates we have seen in previous years. We believe this is related to inventory optimization from our customers. Based on our analysis, consumption continued to grow in the range of 2-4% during 2013, slightly higher than demand growth. As we have seen in recent years, demand was led primarily by x-ray contrast media and LCD and LED applications.

Our sales volumes decreased approximately 15% in 2013 when compared to 2012. Average prices for 2013 were just under US\$50/kg, almost 6% less than prices reported during 2012. These price decreases were in line with market conditions and our expectations.

We are the world leader in the iodine market, with the largest capacity, the best natural resources, and a significant cost advantage. We believe that total demand will grow between 3-4% during 2014. Despite these positive signals, we believe our sales volumes could decrease during 2014 as uncertainty surrounding the production and sales volumes of our competitors continues. We have also seen pressure on pricing in recent months, as announced at the end of 2013. It is possible that this pressure will continue through 2014.

In the future, we will maintain our efforts to assure that world iodine needs are met, and remain attentive to all strategic options in managing our position in the iodine market; we are prepared to fight for long-term market share.

Gross profit for the Iodine and Derivatives segment accounted for approximately 36% of SQM's consolidated gross margin for the twelve months ended December 31, 2013.



LITIO Y DERIVADOS

Revenues from lithium and derivatives totaled US\$196.5 million during 2013, a decrease of 11.6% compared to the US\$222.2 million for 2012.

Lithium and derivatives revenues decreased 16.1% during the fourth quarter of 2013 compared to the fourth quarter of 2012. Total revenues amounted to US\$48.1 million during the fourth quarter of 2013, compared to US\$57.4 million in the fourth quarter of 2012.

Lithium and Derivatives Volumes and Revenues:

		2013	2012	2013/2012	
Lithium and Derivatives	Th. MT	36.1	45.7	(9.6)	-21%
Lithium and Derivatives Revenues	MUS\$	196.5	222.2	(25.7)	-12%

The lithium market continued to grow in 2013, attributed primarily to growth in the rechargeable battery sector. Demand growth reached 4%, while demand growth in batteries grew well over 10%.

Our sales volumes in the lithium segment decreased approximately 21% in 2013, when compared to 2012. This resulted from increased supply from various competitors. We believe our market share totaled 27% in 2013. Prices remained strong in the lithium market, and our average price in the lithium business line was almost 12% higher in 2013 than prices seen in 2012.

We believe the lithium market is positioned to grow in the short and long term resulting from the development of new technologies, as well as due to the strong growth in industrial applications. Lithium market demand should grow between 8-10% in 2014.

Gross profit for the Lithium and Derivatives segment accounted for approximately 13% of SQM's consolidated gross margin for the twelve months ended December 31, 2013.



FINANCIAL ANALYSIS

POTASSIUM CHLORIDE & POTASSIUM SULFATE (MOP & SOP)

Potassium chloride and potassium sulfate revenues for 2013 totaled US\$606.3 million, a 0.2% increase compared to the US\$605.1 million reported for 2012.

Potassium chloride and potassium sulfate revenues decreased 9.7% in the fourth quarter of 2013, reaching US\$134.0 million compared to the US\$148.5 million reported for the fourth quarter of 2012.

Potassium Chloride (MOP) & Potassium Sulfate (SOP) Volumes and Revenues:

	2013	2012	2013/2012		
Potassium Chloride and Potassium Sulfate	Th. MT	1,434.9	1,209.5	225.4	19%
Potassium Chloride and Potassium Sulfate Revenues	MUS\$	606.3	605.1	1.3	0%

As anticipated, the potassium chloride market demand increased in 2013; we estimate that demand reached levels close to 53 million metric tons for MOP during 2013, an increase of about 6% when compared to 2012. The prices in the potassium chloride market have decreased as a result of the unexpected announcement made by the Russian company, Uralkali, on July 30th, 2013 that it was terminating its participation in the Belarus Potash Corporation export company.

Amidst all of the announcements and information published surrounding the potassium market in 2013, we saw our sales volumes in this business line increase over 18% compared to 2012 - this was in line with our expectations. As mentioned above, pricing for the second half of 2013 remained volatile, and we were not immune to impacts. Our average price for the potassium chloride and potassium sulfate business line 2013 was approximately 16% lower than average prices reported during 2012.

We continued to take advantage of our developed distribution network, and distributed potassium chloride to customers all over the world; our biggest market continued to be Brazil, which, in 2013, accounted for approximately one-third of our potassium chloride sales. Moving forward, we expect demand to grow in 2014 to above 55 million tons. Additionally, we expect our sales volumes of potassium chloride and potassium sulfate to increase over 10% when compared to sales volumes seen in 2013. As we have stated in the past, we believe that market demand is the most important indicator when evaluating the potash market, and specifically future potassium chloride prices.

Gross profit for the potassium chloride and potassium sulfate segment accounted for approximately 23% of SQM's consolidated gross margin for the twelve months ended December 31, 2013.



INDUSTRIAL CHEMICALS

Industrial chemicals revenues for the twelve months ended December 31, 2013 reached US\$154.0 million, a 37.2% decrease compared to US\$245.2 million for the twelve months ended December 31, 2012.

Revenues for the fourth quarter of 2013 totaled US\$24.6 million, a decrease of 67.6% compared to US\$75.9 million for the fourth quarter of 2012.

Industrial Chemicals Volumes and Revenues:

		2013	2012	2013/2012	
Industrial Nitrates	Th. MT	173.5	277.7	(104.2)	-38%
Boric Acid	Th. MT	2.0	1.8	0.1	6%
Industrial Chemicals Revenues	MUS\$	154.0	245.2	(91.2)	-37%

Industrial chemical demand for traditional applications such as detergents and glass has remained relatively stable when compared to 2012.

Average prices for industrial chemicals business line in 2013 remained virtually unchanged compared to 2012. As expected, volumes during 2013 decreased significantly compared to sales volumes reported during 2012. This is a direct result of a reduction in the sale of solar salts, products used for alternative energy sources. This decrease in sales volumes was particularly relevant during the second half of 2013 when sales volumes in solar salts were irrelevant.



FINANCIAL ANALYSIS

Sales volumes in this business line in 2014 are expected to be lower than sales volumes seen in 2013. However, we do see a peaked interest in the market, and expect sales volumes to return in 2015; these estimations are based on current negotiations. The long-term prospects in the solar salt market remain positive.

Gross profit for the Industrial Chemicals segment accounted for approximately 6% of SQM's consolidated gross margin for the twelve months ended December 31, 2013.

Other Commodity Fertilizers & Other Income

Revenues from sales of other commodity fertilizers and other income reached US\$97.9 million for the twelve months ended December 31, 2013, a decrease compared to US\$103.3 million for the twelve months ended December 31, 2012.







5
ADDITIONAL
INFORMATION



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DESCRIPTION OF BUSINESS LINES

Identification of entity (See Section 1)

Industrial Sector or Area

SQM is an integrated producer and seller of specialty plant nutrients, iodine, lithium, potassium fertilizers, and industrial chemicals. Its products are based on the development of high quality natural resources that make it a cost leader, supported by an international trading network specialized in sales in over 115 countries. SQM's development strategy aims to maintain and enhance its global leadership in all of its business lines.

The company faces competition in all sectors in which it operates. The following section presents details on each business line and the company's different competitors and market shares.

Activities and Business

Principal Lines of Business:

Specialty Plant Nutrition

We believe that we are the world's largest producer of potassium nitrate. We estimate that our sales made up 48% of the total volume of potassium nitrate sold worldwide in 2013. This estimate does not include domestic potassium nitrate produced and sold in China, only net imports. In 2013, the potassium nitrate market remained stable at around 1 million metric tons. We also produce the following specialty plant nutrients: sodium nitrate, sodium potassium nitrate, and specialty blends (which contain varying proportions of nitrogen, phosphate, and potassium, commonly known as "NPK Blends").

These specialty plant nutrients feature particular characteristics that increase productivity and improve quality when used with specific crops growing on specific soil types. Our specialty plant nutrients offer significant advantages over nitrogen

and potassium based fertilizers such as urea and potassium chloride in certain applications.

In particular, our specialty plant nutrients:

- are totally water soluble, allowing them to be used in hydroponics, fertigation, foliar feeding, and other advanced agricultural techniques;
- improve crop water usage efficiency and save water;
- are chlorine-free, preventing chlorine toxicity that can affect some crops when fertilizers with high chloride levels are applied.
- provide nitric nitrogen, allowing crops to absorb nutrients more quickly than is possible with fertilizers based on urea or ammonium;
- do not release hydrogen after application, thus avoiding a build-up in soil acidity;
- contain trace elements that promote disease resistance in plants; and
- are particularly attractive to clients who prefer products of natural origin.

Revenue from specialty plant nutrients during 2013 amounted to US\$687.5 million, making up 31% of our total sales for the year and representing a 1.8% increase as against the US\$675.3 million in sales achieved the previous year. Improved economic conditions drove increased demand for premium fruits and vegetables, in turn bolstering consumption of specialty fertilizers.

Specialty Plant Nutrition: Our Market

The target market for our specialty plant nutrients is based on the cultivation of high quality crops such as vegetables, fruits, industrial crops, flowers, cotton, and other high value crop products. We also sell specialty plant nutrients to producers of chlorine-sensitive crops. Since 1990, the specialty plant nutrient market has grown faster than the international market for commodity fertilizers. This growth is mainly a result of: (i) the application of new agricultural technologies such as fertigation and hydroponics, and increasing use of greenhouses; (ii) increasing land prices and

water scarcity, forcing farmers to increase yields and optimize water usage; and (iii) increases in demand for higher quality crops such as fruits and vegetables.

Over the past ten years, per capita vegetable production has shown a combined annual growth rate of 3%, while the global population has only grown at an average of 1.5% each year.

Global scarcity of water and cultivable land has led to the development of new agricultural technologies to maximize resource efficiency. Irrigation has grown at an average rate of 1.5% over each of the past 20 years (the same as the population growth rate). However, micro-irrigation has been growing at 10% per year over the same period. Micro-irrigation systems, which include drip irrigation and micro-spraying, are the most efficient modern irrigation systems. It is estimated that 10 million hectares of the planet's land surface have micro-irrigation systems installed, making up some 3% of the total area irrigated. These applications require the use of totally water soluble nutrients. Our nitrate-based specialty plant nutrients provide nitrogen in the form of the nitrate ion, allowing crops to absorb nutrients faster than when urea or ammonium are used as a nitrogen source. This enhances the plants' nutrient consumption efficiency, thus boosting yield and quality.

Specialty Plant Nutrition: Our Products

Potassium nitrate, sodium potassium nitrate, and specialty blends are products with a higher margin, consisting of or produced from sodium nitrate. All of these products are sold as crystals or prilled. Specialty blends are produced using our own specialty plant nutrients, mixed with other components at mixing plants owned and operated by SQM or its subsidiaries and related companies in Chile, the United States of America, Mexico, the United Arab Emirates, South Africa, Turkey, China, India, Thailand, Brazil, and Peru.

The following table shows sales volumes and revenue generated from specialty plant nutrients in 2012 and 2013.

Sales Volume (thousands of metric tons)	2013	2012
Sodium Nitrate	26.2	24.4
Potassium nitrate and sodium potassium nitrate	512.6	469.3
Blended nutrients and other specialty plant nutrients ⁽¹⁾	208.1	286.5
Total Revenue (in millions of US\$)	687.5	675.3

(1) Includes trading of other specialty fertilizers.

Specialty Plant Nutrition: Marketing and clients

In 2013 we sold our specialty plant nutrients in 93 countries. During the year, the company's specialty plant nutrients were exported to the following regions: 14% were sold to clients in Central and South America (not including Chile), 25% to clients in Chile, 25% to clients in North America, 16% to clients in Europe, and 20% to clients in other regions. No single client accounted for more than 7% of SQM's specialty plant nutrients sales during 2013. Also, no supplier accounted for more than 9% of the costs in this business line.

Sales Breakdown	2013	2012
Central and South America (not including Chile)	14%	18%
North America	25%	27%
Europe	16%	18%
Chile	25%	19%
Other	20%	18%

We sell our specialty plant nutrient products outside Chile mainly through our global network of representatives and our distribution partners.

We maintain stocks of our specialty plant nutrients in the main markets of the Americas, Asia, Europe, the Middle East, and Africa in order to streamline delivery to our clients. We also sell specialty plant nutrients directly to some of our largest clients. Sales are made based on purchase orders payable directly or on short-term contracts.

As part of our marketing strategy, we provide technical and agronomic assistance and support to some of our clients. By working closely with our clients, we are able to identify new products and markets with high added value. Our specialty plant nutrient products are used on a wide range of crops, and particularly on high value added crops where they allow our clients to increase yields and obtain premium prices for their harvests.

Our clients are located in both hemispheres of the planet. Therefore, we do not consider sales of our specialty plant nutrient products to be affected by any seasonal or cyclical factors.

From time to time, we evaluate opportunities to expand our current core business activities, including our specialty plant nutrient sector, or to expand in new business areas where we may be able to leverage sustainable competitive advantages, both in Chile and abroad. We evaluate potential acquisitions, joint ventures and partnerships in line with our business strategy, with an open approach to enhancing our core business activities outside Chile and Latin America, including in emerging markets.

Specialty Plant Nutrition: Fertilizer Sales in Chile

We market specialty plant nutrients in Chile through Soquimich Comercial S.A., which sells the products either on their own or mixed with imported products - mainly triple superphosphate (TSP) and diammonium phosphate (DAP).

Soquimich Comercial S.A. sells imported fertilizers to Chilean farmers, mainly for use in producing sugar beet, cereals, industrial crops, potatoes, grapes, and other fruits. Most of the fertilizers imported by Soquimich Comercial S.A. are purchased on the open market when needed, and sourced from a number of countries around the world, including China, Mexico, and Venezuela.

We believe that all contracts and agreements between Soquimich Comercial S.A. and its imported fertilizer suppliers generally contain commercial terms and conditions that are standard in the industry. Over the past ten years, Soquimich Comercial S.A. has not experienced any material difficulties in obtaining a sufficient and suitable supply of these fertilizers at satisfactory prices.

Soquimich Comercial S.A.'s sales of fertilizers represented approximately 30% of total fertilizer sales in Chile during 2013. Only one customer represented more than 10% of Soquimich Comercial S.A.'s total fertilizer sales revenues, representing 12% of the total revenue of Soquimich Comercial. Soquimich Comercial S.A.'s consolidated revenues were approximately US\$230 million and US\$256 million in 2013 and 2012, respectively.

Specialty Plant Nutrition: Competition

We believe that we are the world's largest producer of sodium nitrate and potassium nitrate for agricultural use. Our sodium nitrate products compete indirectly with specialty, and substitute non-specialty products, which may be used by some clients in place of sodium nitrate depending on the soil type and crop on which the product is to be applied. These substitute products include calcium nitrate, ammonium nitrate, and calcium ammonium nitrate.

Our largest competitor in the potassium nitrate market is Haifa Chemicals Ltd. ("Haifa") in Israel, which is a subsidiary of Trans Resources International Inc. We estimate that Haifa's potassium nitrate sales represented approximately 33% of total global sales in 2013 (excluding the

domestic trade entirely within China), compared to our market share of approximately 48% during 2013.

ACF, another Chilean producer that concentrates more on the iodine industry, began producing potassium nitrate from caliche and potassium chloride in 2005. Kemapco, a Jordanian producer owned by Arab Potash, produces potassium nitrate at a facility located near to the Port of Aqaba in Jordan. A number of companies also produce potassium nitrate in China, the largest being Wentong and Migao. Most Chinese production is consumed domestically.

The main competitive factors in the potassium nitrate market are product quality, client service, location, logistics, agricultural expertise, and price. Within Chile, our products compete mainly with imported blended fertilizers that use calcium ammonium nitrate or potassium magnesium sulfate. Our specialty plant nutrients also compete indirectly with lower-priced synthetic commodity fertilizers such as ammonia and urea, which are produced by a large number of companies in a market that features substantial price competition. Our products garner a competitive edge from the advantages that make them more suitable for certain applications, as described above.

Iodine and Derivatives

We believe that we are the world's largest iodine producer. In 2013 our revenue from iodine and derivatives amounted to approximately US\$ 461.0 million, making up some 21% of our total annual revenue. We estimate that our sales made up 28% of the total volume of iodine sold worldwide in 2013.

Iodine: Market

Iodine and its derivatives are used in a wide spectrum of medical, agricultural, and industrial applications, as well as in human and animal nutrition products. Iodine and its derivatives are used as raw

materials or catalysts in the manufacture of products such as x-ray contrast media, biocides, antiseptics and disinfectants, pharmaceutical intermediates, polarizing films for LCD screens, chemical products, herbicides, organic compounds, and pigments. Iodine is also added to table salt in the form of potassium iodate or potassium iodide, in order to prevent iodine deficiency conditions. We have seen significant growth in the iodine market, mainly driven by increased demand in the contrast media and pharmaceuticals sectors, over each of the past ten years with the sole exception of 2009, in the depths of the global financial crisis. The iodine market experienced more moderate growth in 2013 than in 2012 in the wake of increased prices and supply-side optimization. We estimate that the global market in 2013 consumed approximately 31,000 metric tons, with almost 60% sourced from Chilean suppliers - primarily SQM.

Iodine: Our products

We produce iodine and, through a joint venture with US-based company Ajay North America L.L.C. (“Ajay”), we also produce organic and inorganic iodine derivatives. The Ajay-SQM Group (“ASG”), which was formed in the mid-1990s, operates production plants in the United States of America, Chile, and France, and is the worldwide leader in the production of organic and inorganic iodine derivatives.

In line with our commercial strategy, we work ceaselessly to develop new applications for our iodine-based products, working towards continuous expansion of our lines of business and seeking to protect our market leadership.

We produce our iodine and derivatives in accordance with international quality standards. Our production processes and facilities are certified under the ISO-9001:2008 standard, and we provide third parties with certification in quality management systems and international quality control standards that we have implemented.

The following table shows our total iodine and derivatives sales and revenues for 2012 and 2013

Iodine and derivatives		2013	2012
Iodine and derivatives revenue	Th. MT	9.3	11.0
	MUS\$	461.0	578.1

Sales revenues in 2013 were lower than in 2012, dropping from US\$578.1 million to US\$461.0 million.

Iodine: Marketing and clients

In 2013, we sold our iodine products to around 300 clients in 72 countries. That year, most of our iodine production was exported: 37% was sold to clients in Europe, the Middle East, and Africa, 36% to clients in North America, 11% to clients in Central and South America, and 16% to clients in other Asia, Oceania, and other regions. Only two customers represented more than 10% of sales in the iodine and derivatives business line. These two clients together totalled approximately 40% of our sales. No supplier totalled more than 10% of our costs of in this business line.

The following table presents a geographic breakdown of our sales in 2013 and 2012.

Sales Breakdown	2013	2012
Europe, Middle East, and Africa	37%	31%
North America	36%	36%
Central and South America	11%	3%
Other	16%	30%

We sell iodine through our global network of representatives and our sales, support, and distribution partners. We hold inventories of iodine at a number of facilities around the world to streamline quick delivery to clients. Iodine is sold using immediate purchase orders or under supply contracts. The contracts generally specify minimum and maximum agreed purchasing quantities, and prices are adjusted on a periodic basis in accordance with current market prices.

Iodine: Competition

The world's largest iodine producers are located in Chile, Japan, and the United States of America. Smaller quantities are also produced in Russia, Turkmenistan, Indonesia, and China.

In Chile, iodine production starts from a unique mineral known as caliche, while in Japan, the United States of America, Russia, Turkmenistan, and Indonesia the raw material consists of underground brine resources extracted from wells that also produce natural gas and crude oil. In China, the element is extracted from seaweed.

Approximately 56% of iodine sold in the world is produced by six Chilean companies - 28% by SQM, and the other 28% by the remaining five: Atacama Chemical S.A., Cosayach, controlled by Chilean holding company Inverraz S.A.; ACF Minera S.A., which is owned by the Chilean Urruticoechea family; Algorta Norte S.A., which is a joint venture between ACF Minera S.A. and Toyota Tsusho; SCM Bullmine, and Sirocco Mining Inc. (a Canadian company formerly known as Atacama Minerals).

We estimate that eight Japanese companies produced approximately 31% of the total sales volume of iodine sold worldwide in 2013, including recycled iodine.

We estimate that the United States of America iodine industry (including the Japanese company Ise Chemicals Ltd) represented 0.5% of global sales in 2013.

Iodine recycling is a growing global trend. A number of Japanese companies own and operate recycling facilities where they recover iodine and derivatives from iodine-rich waste materials. This recycling sector is linked mainly to LCD screen consumption, and has grown over recent years to its current level, producing approximately 17% of iodine sold worldwide. It is estimated that 70-75% of global iodine recycling during the year was conducted by Japanese companies.

SQM, acting individually or as part of ASG, is an active participant in the iodine recycling industry, using secondary iodine sources derived from a number of chemical processes in Europe, the United States of America, and Asia.

Prices for iodine and derivatives depend on market conditions. Global iodine prices can be affected by the relationship between supply and demand at a given time. Iodine supply depends mainly on the production and business strategies of a small number of large producers, of which SQM is probably the largest. Our average sale price for iodine dropped to close to US\$50 per kilogram in 2013, in the wake of supply surpassing demand.

Demand for iodine varies depending on general levels of economic activity and demand in the medical, pharmaceuticals, and industrial sectors, as well as other areas that are major consumers of iodine and derivatives. Iodine can be replaced with other substances in some applications, for instance in the antiseptics and disinfectants market, where other products may offer cost-effective alternatives while iodine prices remain stable. We believe that a number of end users have replaced iodine with other alternatives during 2012 and 2013.

The principal competition factors in the iodine and derivatives market are reliability, price, quality, client service, and the price and availability

of alternatives. We believe that we possess competitive advantages that set us apart from other producers, due to the size and quality of our ore reserves and our available production capacity. We believe that our iodine is competitive with the products produced by other companies using advanced industrial processes. We also believe that we garner a competitive edge from the long term relationships that we have developed with our largest clients. Although iodine alternatives exist for some applications, such as antiseptics and disinfectants, few cost-effective replacements are currently available for the element in its nutrition, pharmaceuticals, animal nutrition, and main chemical sector applications - industries that make up the majority of iodine sales.

Lithium and derivatives

We believe that we are the world's largest producer of lithium carbonate, and one of the largest producers of lithium hydroxide. In 2013 our revenue from sales of lithium and derivatives amounted to approximately US\$ 196.5 million, making up some 9% of our total annual revenue. We estimate that our sales made up 27% of the total volume of lithium compounds sold worldwide in 2013.

Lithium: Markets

Lithium carbonate is used in a wide variety of applications, including the production of electrochemical materials for batteries, ceramics glazes and frits, heat resistant glass (ceramic glass), primary aluminium smelting processes, air conditioning chemicals, continuous casting powder for steel extrusion, and the synthesis of pharmaceuticals and lithium derivatives.

Lithium hydroxide is primarily used as a raw material in the lubricating grease industry, as well as in the dye and battery sectors.

In 2013, demand for lithium compounds grew by approximately 4% to some 130,000 tons, with close to 50% of global supply produced in Chile.

Lithium: Our products

We produce lithium carbonate at our Salar del Carmen facility near Antofagasta, Chile, by processing lithium chloride-rich salt solutions derived from the potassium chloride production process in the Salar de Atacama. The plant has sufficient installed capacity to produce 48,000 metric tons of lithium carbonate per year. We believe that our production costs are among the lowest in the world, made possible by the technologies that we use and the high lithium concentrations and unique characteristics of the Salar de Atacama resource, such as high rates of evaporation and concentration of other minerals.

We also produce lithium hydroxide at our Salar del Carmen plant, near to the lithium carbonate facilities. The lithium hydroxide plant has sufficient installed capacity to produce 6000 metric tons per year, making it one of the largest facilities in the world.

The following table shows our total sales volumes and revenues from lithium carbonate and derivatives during 2013 and 2012.

Sales Volume (thousands of metric tons)	2013	2012
Lithium and derivatives	36.1	45.7
Total Revenue (in millions of US\$)	196.5	222.2

Sales revenues in 2013 were lower than in 2012, dropping from US\$222.2 million to US\$196.5 million.

Lithium: Marketing and Clients

In 2013, we sold our lithium products to over 300 clients in approximately 50 countries. Virtually all of our lithium products are exported for sale outside Chile: 30% to clients in Europe, the Middle East, and Africa, 13% to clients in North America, 56% to clients in Asia, and 1% to clients in other regions. Only one client represented more than 10% of our total sales, this client represented 12% of SQM's lithium and derivatives sales. One supplier represented more than 10% of our costs in this business line, approximately 25%.

The following table presents a geographic breakdown of our sales in 2013 and 2012.

Sales Breakdown	2013	2012
Europe, Middle East, and Africa	30%	24%
North America	13%	10%
Asia and Oceania	56%	64%
Other	1%	2%

We sell lithium carbonate and lithium hydroxide through our global network of representatives and our sales, support, and distribution partners. We hold these products in stock at facilities that we own and operate around the world to streamline quick delivery to clients. Lithium carbonate and lithium hydroxide are sold using immediate purchase orders or under supply contracts. The contracts generally specify minimum and maximum agreed purchasing quantities, and prices are adjusted on a periodic basis in accordance with current market prices.

Lithium: Competition

Our principal competitors in the lithium carbonate and lithium hydroxide markets are Rockwood Lithium (“Rockwood”), a subsidiary of Rockwood Specialties Group Inc. and FMC Corporation (“FMC”). A large number of Chinese producers jointly made up approximately 40% of the 2013 global market in terms of volume. Rockwood produces lithium carbonate in its facilities located in Chile, through the company *Sociedad Chilena del Litio Limitada*, and in Nevada, United States of America. Most manufacturing of products that use lithium compounds as raw materials is carried out in the United States of America, Germany, and Taiwan. FMC owns and operates production facilities in Argentina, through the company *Minera del Altiplano S.A.*, producing lithium chloride and lithium carbonate. It produces products that use lithium compounds as raw materials; production is mainly in the USA and the UK.

We believe that lithium production is set to increase in the near future. A large number of new projects to develop lithium ore lodes have recently been announced. Some of these projects are now at an advanced stage in development and may become fully operational in the medium term.

Potassium

We extract potassium chloride and potassium sulfate from the brines of the Salar de Atacama, which are rich in potassium chloride and other salts.

Since 2009, our capacity to produce finished products has increased to almost 2 million metric tons per year, allowing for improvements in market coverage and flexibility.

Our revenue from sales of potassium chloride and potassium sulfate totalled US\$606.3 million in 2013, representing 28% of total revenue and a 0.2% increase as against 2012. We are currently engaged in a program of investment in our potassium products, which will allow us to increase production and sales.

Potassium is one of the three macro-nutrients that plants need in order to develop. Although potassium does not form part of the structure of the plant, it is vital for basic physiological functions. Potassium chloride is the most commonly used potassium fertilizer, and is used to fertilize chloride-tolerant crops or crops that are grown in rainy conditions or with agricultural techniques to prevent excessive chloride build-up in the roots.

Potassium offers a wide range of benefits, including:

- improved yield and quality;
- increased protein production;
- increased photosynthesis;
- intensified nutrient transport and storage;
- longer and more intense nutrient assimilation period;
- improved water efficiency;
- regulated opening and closing of stomata; and
- lycopene synthesis.

Potassium chloride is also a major component in our specialty plant nutrient line of business, where it is used as a raw material for potassium nitrate production.

Potassium: Market

The potassium chloride market has experienced rapid growth over the past decade as a result of key factors such as global population growth, higher demand for protein-based diets, and usage of less suitable land for crop production. All of

these factors have boosted demand for fertilizers, and particularly for potassium chloride, as ongoing efforts are made to maximize crop yields and resource efficiency. Over the past ten years, the potassium market has grown at an average rate of approximately 1.6% per year.

Demand grew in the potassium chloride market in 2013. Our estimate for total demand stands at 53 million tons of potassium chloride during 2013, up approximately 6% against the previous year. Although economic conditions were favourable for major crops, demand was mainly affected by economic uncertainty. We expect the potassium chloride market to grow further, reaching 55-57 million metric tons in 2013.

Potassium: Our products

Potassium chloride differs from our other specialty plant nutrient products, as it is a commodity fertilizer and contains chlorine. SQM offers potassium chloride in two grades: standard and compacted. Potassium sulfate is thought of as a specialty fertilizer, and SQM offers three grades: standard, compacted, and soluble.

The following table shows sales volumes and revenue for potassium chloride and potassium sulfate in 2013 and 2012.

Sales Volume (thousands of metric tons)	2013	2012
Potassium chloride and potassium sulfate	1,434.9	1,209.5
Total Revenue (in millions of US\$)	606.3	605.1

Potassium: Marketing and Clients

In 2013 we sold potassium chloride and potassium sulfate in over 70 countries. 4% was sold to clients in Chile, 41% to clients in the rest of Central and South America, 14% to clients in Africa and the Middle East, 17% to clients in North America, and 24% to clients in other regions. Only one client represented more than 10% in this business line, it accounted for approximately 20% sales in the potassium business line. One supplier represented more than 10% of our costs; representing 11% of our total costs in the potassium business line.

The following table presents a geographic breakdown of our sales in 2013 and 2012.

Sales Breakdown	2013	2012
Chile	4%	5%
Central and South America	41%	42%
Africa and the Middle East	14%	11%
North America	15%	15%
Others	26%	27%

Potassium: Competition

Prices in the potassium chloride market dropped in the wake of an unexpected announcement by Russian company Uralkali, which revealed on July 30, 2013 that it was to pull out of its distribution contract BPC. We believe that global demand represents the most valid indicator of price levels in the potassium sector. We remain confident that 2014 will see further growth in demand, which could lead to an increase in prices.

We estimate that SQM is responsible for less than 3% of global potassium chloride sales. The largest competitors are Uralkali, PCS, BPC and Mosaic. We expect Uralkali to make close to 18% of global sales, with some 15% from PCS, around 14% from Mosaic, and only 13% of global sales being made by BPC.

We face a number of competitors in the potassium sulfate sector, the most significant being K+S KALI GmbH (Germany), Tessenderlo Chemie (Belgium) and the Great Salt Lake Minerals Corp. (United States of America). We expect these three companies to account for approximately 40% of global potassium sulfate production.

Industrial Chemicals

As well as producing sodium nitrate for agricultural use, we offer three grades of the chemical for industrial applications: industrial, technical, and refined grades. The main difference between the grades is the level of purity. We are able to take advantage of a degree of operational flexibility when we produce industrial sodium nitrate, as the production process is the same as for the equivalent grade offered to the agriculture sector, with the addition of a further purification step. Within certain limitations, we are able to change production from one grade to another, depending on market conditions. This flexibility allows us to maximize output while also reducing exposure to commercial risk.

Industrial nitrates are not the only chemical products we sell to the industry sector: we also supply substances such as boric acid, which is a co-product of potassium sulfate production, as well as industrial grade potassium chloride. Both of these products are sold as crystals.

Industrial chemicals: market

Industrial sodium nitrate and potassium nitrate are used in a wide range of applications, including the production of glass, ceramics, charcoal briquettes, and metals, in which the metals are used in a number of chemical processes. The area with most significant growth potential in this line of business is solar thermal energy storage. The solar thermal salts used in this sector consist of a blend of 60% sodium nitrate and 40% potassium nitrate, by weight.

Boric acid is mainly used in the glass, fiberglass, and ceramic glaze industry, and in the manufacturing of LCD screens.

Industrial grade potassium chloride is also sold for use as an additive in oil and gas drilling fluids, and in carrageenan production.

Industrial chemicals: our products

The following table shows sales volumes and revenue for industrial chemicals in 2013 and 2012.

Sales Volume (thousands of metric tons)	2013	2012
Industrial nitrates	173.5	277.7
Boric Acid	2.0	1.8
Total Revenue (in millions of US\$)	154.0	245.2

Industrial chemical sales dropped from US\$245.2 million in 2012 to US\$154.0 million in 2013, mainly as a result of a reduction in solar salt sales volumes.

Industrial Chemicals: Marketing and Clients

We sold industrial chemicals to clients in over 55 countries during 2013; 47% to clients in North America, 35% to clients in Europe, 12% to clients in Central and South America, and 6% to clients in other regions. Two clients accounted for more than 10 of the Company's sales of industrial chemicals, representing about 39% of SQM's sales in this business line 2013. No supplier represented more than 10% of our cost of sales.

The following table presents a geographic breakdown of our sales in 2013 and 2012.

Sales Breakdown	2013	2012
Europe	35%	37%
North America	47%	49%
Central and South America	12%	7%
Other	6%	7%

We sell our industrial chemical products mainly through our network of representatives and our sales and distribution partners. We maintain inventories of our different grades of sodium nitrate and potassium nitrate at our facilities in Europe, North America, South Africa, and South America in order to streamline deliveries to clients. Our research and development department works together with our foreign affiliates to provide our clients with technical support, working together with them at all times to develop new products and new applications for existing products.

Industrial Chemicals: Competition

We believe that we are the world's largest producer of industrial sodium nitrate and potassium nitrate. We estimate that our industrial sodium nitrate sales represented 50% of the global market in 2013 (excluding internal markets in China and India, for which we believe no reliable estimates are available). Our competitors are mainly located in Europe and Asia, producing sodium nitrate as a co-product of other processes. In the refined grade sodium nitrate sector, German company BASF AG and a number of producers in China and Eastern Europe are highly competitive in the European and Asian markets. Our industrial sodium nitrate products also compete indirectly with other chemicals that can be used as a substitute in the same applications, including sodium carbonate, sodium hydroxide, sodium sulfate, calcium nitrate, and ammonium nitrate - products available from a large number of producers around the world.

Our main competitor in the industrial nitrates sector, including sodium nitrate and potassium nitrate, is Haifa, with an estimated market share of 23%. We estimate that our market share was 28% in 2013.

Competing suppliers in the industrial sodium nitrate and potassium nitrate market are set apart based on reliability, product quality, price, and client service. We believe that we are a low cost supplier for both nitrates, and that we are able to produce high quality products.

In the potassium chloride and boric acid markets, we are a relatively small supplier, mainly meeting regional demand.

Other Products

Much of our other revenue is related to the sales of fertilizers, normally commodity fertilizers. These fertilizers are sold in large quantities around the world. SQM has developed a supply, inventory, and trade management business area that allows us

to respond to changing conditions in the fertilizer markets in which we operate, generating earnings from these transactions.

Licenses, franchises, and royalties do not form a part of any of our lines of business. The following section provides information on our concessions.

Property and Facilities

The company's main current production facilities are located at Pedro de Valdivia, Maria Elena, Pampa Blanca Nueva Victoria, Coya Sur, the Salar de Atacama, and the Salar del Carmen. All of our facilities are fully owned, either directly by SQM or indirectly through subsidiaries, free of any material pledge, encumbrance, or restriction, and we believe that they are suitable and adequate for the business activities that we conduct at those sites.

The following table provides a classification of our main facilities, broken down by business line:

Business Line	Site
Specialty Plant	Coya Sur
Nutrition	María Elena Nueva Victoria Pampa Blanca Pedro de Valdivia
Iodine	Coya Sur María Elena Nueva Victoria Pampa Blanca Pedro de Valdivia
Lithium	Salar de Atacama Salar del Carmen
Potassium	Salar de Atacama
Industrial Chemicals	Coya Sur María Elena Nueva Victoria Pampa Blanca Pedro de Valdivia Salar de Atacama

1 Activities at the Pampa Blanca site were suspended in 2010

The main characteristics of SQM's principal properties are specified below:

Pedro de Valdivia

Address: Edificio Administración, Pedro de Valdivia s/n

The mine and facilities that we operate at Pedro de Valdivia are located 170 kilometres northeast of Antofagasta, with road access to the site. These facilities have been in use for approximately 78 years, formerly operated by Anglo Lautaro. The areas currently being used for resource extraction are located approximately 17 kilometres southeast and 20 kilometres west of the Pedro de Valdivia production facilities. The installations cover a total area of some 236 hectares, and have a book value of US\$118.5 million. Our Pedro de Valdivia mining installation assets have a weighted average age of 10.1 years. The main energy sources used at the site are electricity and diesel fuel. This facility mainly produces nitrates and iodine.

María Elena

Address: Edificio Administración, María Elena s/n

We operated mining facilities at María Elena until March 2010, and heap leach mining activities were resumed in November 2010. The María Elena and associated facilities, known as El Toco, are located 220 kilometres northeast of Antofagasta, with road access to the site. The main energy sources used at the site are electricity and diesel fuel. The installations cover a total area of some 98 hectares, and have a book value of US\$143.2 million. The company's María Elena mining installation assets have a weighted average age of approximately 13.5 years. This facility mainly produces nitrates and iodine.

Pampa Blanca

Address: 100 Km al norte de Antofagasta en el Km 1.462.2 Ruta 5

We operated mining facilities at Pampa Blanca, located 100 kilometres northeast of Antofagasta, until activities there were suspended in March 2010. The ore is transported on trucks to leach heaps, where it is used to produce iodine and nitrates. The installations cover a total area of some 129

hectares, and have a book value of US\$16.5 million. The company's Pampa Blanca caliche recovery installation assets have a weighted average age of approximately 14.8 years. The main source of energy is electricity.

Nueva Victoria

Address: Kilómetro 1.760 Ruta 5 Norte, Pozo Almonte

The company is currently engaged in caliche ore operations at Nueva Victoria, located 180 kilometres north of María Elena. Since 2007 the Nueva Victoria mine includes the Soronal, Mapocho, and Iris properties, the latter having been acquired from DSM Minera S.A. in 2006. The ore extracted at Nueva Victoria is transported on trucks to leach heaps, where it is used to produce iodine and nitrate salts. The installations cover a total area of some 537 hectares, and have a book value of US\$316.9 million. Our Nueva Victoria mining installation assets have a weighted average age of approximately 7.2 years.

Coya Sur

Address: Planta Coya Sur, s/n, María Elena

The Coya Sur site is located approximately 15 kilometres south of María Elena, and production activities undertaken there are mainly associated with the production of potassium nitrate and finished products. This is the site of SQM's new nitrate plant, with an installed capacity of 300,000 tons per year. The installations cover a total area of some 251 hectares, and have a book value of US\$339.5 million. The company's Coya Sur mining installation assets have a weighted average age of approximately 3.5 years.

Salar de Atacama

Address: Planta Cloruro de Potasio Salar de Atacama s/n, San Pedro de Atacama

SQM owns and operates facilities at the Salar de Atacama that produce potassium chloride, potassium sulfate, boric acid, magnesium chloride salts, and lithium solutions, which are then dispatched to the Salar del Carmen lithium carbonate plant. The installations cover a total area of some 4,122 hectares, and have a book value of US\$786.4 million. SQM began production of

potassium chloride at the Salar de Atacama in 1995, and today the assets at this site have a weighted average age of approximately 6.8 years.

Salar del Carmen

Address: Kilómetro 1.378 Ruta 5 Norte, Antofagasta

These SQM facilities near the city of Antofagasta are dedicated to the production of lithium carbonate and lithium hydroxide. The company began producing lithium carbonate at this site in 1997, and today the plant has a production capacity of 48,000 tons per year, as well as 6,000 tons of lithium hydroxide. The installations cover a total area of some 63 hectares, and have a book value of US\$212.4 million. Our Salar del Carmen mining installation assets have a weighted average age of approximately 9.6 years.

Transport, storage and other facilities

We own and operate railway lines and equipment, as well as port installation and facilities for the transport and handling of consumables and finished products.

Our main center for production and storage of raw materials consists of the nucleus comprising the Coya Sur, Pedro de Valdivia, and Salar de Atacama facilities. Other facilities include Nueva Victoria and the lithium carbonate and lithium hydroxide finishing plants. The port terminal at Tocopilla, which we own, is the principal facility for storage and dispatching of our products.

The Tocopilla Port facilities are located 186 kilometres to the north of Antofagasta and approximately 124 kilometres west of Pedro de Valdivia, 84 kilometres west of María Elena and Coya Sur, and 372 kilometres west of Salar de Atacama. Our subsidiary Servicios Integrales de Tránsitos y Transferencias S.A. (SIT) operates the facility under shipping concessions granted in

conformity with applicable Chilean legislation. The port also complies with the International Ship and Port Facility Security (ISPS) Code. The installations at Tocopilla cover a total area of some 22 hectares, and have a book value of US\$89.7 million, and a weighted average age of 11.04 years.

Bulk carriers are generally loaded at the Port of Tocopilla to transport products to our centers around the world or for shipping directly to clients, which occasionally charter vessels for these purposes.

The company maintains a presence in countries such as Belgium, the United States of America, Mexico, China, and South Africa. We also operate mixing plants and joint ventures in countries such as Turkey, Thailand, South Africa, Brazil, and Spain.

Description of the Salar de Atacama Brines

Salar de Atacama Brines

As of December 31, 2013, SQM Salar S.A. held exclusive rights in an area covering approximately 140,000 hectares of land in the Salar de Atacama in northern Chile, of which SQM Salar S.A. is entitled to exploit the mineral resources of 81,920 hectares. These rights are owned by Corfo and leased to SQM Salar S.A. (the "Agreement"). Corfo may not unilaterally amend the Agreement, and the rights to exploit the resources cannot be transferred. The Agreement establishes that SQM Salar S.A. is responsible for maintaining Corfo's exploitation rights and for annual payments to the Chilean government, and it expires on December 31, 2030. Furthermore, the same Agreement allows the Chilean Nuclear Energy Commission ("CCHEN") to establish a total accumulated extraction limit set at 180,100 tons of lithium. SQM Salar S.A. is required to make rental payments to Corfo, as specified in the Agreement, related to the sales of products exploited in the Salar

de Atacama. SQM Salar S.A. holds an additional 297,688 hectares of constituted exploitation rights in the Salar de Atacama.

In addition, as of December 31, 2013, we held constituted exploration rights covering approximately 70,100 hectares, and we had applied for additional exploration rights covering approximately 55,800 hectares. Exploration rights are valid for a period of two years, after which we can (i) request an exploitation concession, (ii) request an extension of the exploration rights for an additional two years (the extension only applies to a reduced surface area equal to 50% of the initial area), or (iii) cease exploration of the zone covered by the rights. Solar energy is the primary source of power used by the Salar de Atacama operation.

Under the terms of the Salar de Atacama project agreement between Corfo and SQM Salar S.A., (the "Project Agreement"), Corfo has agreed that it will not permit any other person to explore, exploit or mine any mineral resources in approximately 147,000 hectares of the Salar de Atacama (which include the 140,000 hectares) mentioned above. The Project Agreement expires on December 31, 2030.

Concessions, Extraction Yields and Reserves for the Caliche Ore Mines and Salar Brines

General Concessions

Caliche ore. We hold our mineral rights corresponding to one of two types of exclusive concessions granted in accordance with Chilean law:

(1) "Exploitation Concessions" These are concessions whereby we are legally entitled to use the land in order to exploit the mineral resources contained therein on a perpetual basis subject to annual payments to the Chilean government; or

(2) "Exploration Concessions" These are concessions whereby we are legally entitled to use the land in order to explore for mineral resources for a period of two years, at the expiration of which the concession may be extended one time only for two additional years if the area covered by the concession is reduced by half.

An Exploration Concession is generally obtained for purposes of evaluating the mineral resources in an area. Generally, after the holder of the Exploration Concession has determined that the area contains exploitable mineral resources, such holder will apply for an Exploitation Concession for the area. Such application will give the holder absolute priority with respect to such Exploitation Concession against third parties. If the holder of the Exploration Concession determines that the area does not contain commercially exploitable mineral resources, the concession is usually allowed to lapse. An application can also be made for an Exploitation Concession without first having obtained an Exploration Concession for the area involved.

Concessions for the Caliche Ore Mines and Salar Brines

As of December 31, 2013, approximately 93% of our total mining concessions were held corresponding to exploitation concessions and 7% correspond to exploration concessions. Of the exploitation concessions, approximately 88% already have been granted pursuant to applicable Chilean law, and approximately 12% are in the process of being granted. Of the exploration concessions, approximately 70% already have been granted pursuant to applicable Chilean law, and approximately 30% are in the process of being granted.

We made payments to the Chilean government for our exploration and exploitation concessions of approximately US\$9.7 million in 2013.

The following table sets forth our constituted exploitation and exploration concessions as of December 31, 2013:

Mines	Exploration Concessions		Exploration Concessions		Total	
	Total Number	Hectares	Total Number	Hectares	Total Number	Hectares
Pedro de Valdivia	565	144,737	16	4,500	581	149,237
Maria Elena El Toco	647	190,352	42	10,600	689	200,952
Pampa Blanca	469	137,662	21	5,900	490	143,562
Nueva Victoria	306	78,667	1	600	307	79,267
Subtotal de minas de mineral Caliche	1,987	551,418	80	21,600	2,067	573,018
Salar de Atacama(1)	1,025	444,808	112	70,100	1,137	514,908
Subtotal Minas	3,012	996,226	192	91,700	3,204	1,087,926
Subtotal other Areas	7,931	1,763,668	251	62,800	8,182	1,826,468
Total	10,943	2,759,894	443	154,500	11,386	2,914,394

Extraction Yields

The following table shows key operational data related to each of our mines, for 2013 and 2012:

(in thousands, unless otherwise stated)	2013	2012	2011
Pedro de Valdivia			
Metric tons of ore mined		12,027	12,151
Average grade nitrate (% by weight)		7.3	7.2
Iodine (parts per million (ppm))		406	417
Metric tons of crystallized nitrate produced		466	454
Metric tons of iodine produced		3.2	3.1
Maria Elena(1)			
Metric tons of ore mined		6,787	6,787
Average grade nitrate (% by weight)		6.2	6.2
Iodine (ppm)		454	454
Metric tons of crystallized nitrate produced		-	-
Metric tons of iodine produced		1.7	1.7
Coya Sur(2)			
Metric tons of crystallized nitrate produced	441	491	395
Pampa Blanca(1)			
Metric tons of ore mined		-	-
Iodine (ppm)		-	-
Metric tons of iodine produced		-	-
Nueva Victoria			
Metric tons of ore mined		23,937	18,418
Iodine (ppm)		465	457
Metric tons of iodine produced		6.0	5.2
Salar de Atacama (3)			
Metric tons of lithium carbonate produced		41	38
Metric tons of potassium chloride and potassium sulfate produced		1,977	1,448

(1) Operations at the El Toco and Pampa Blanca mines were temporarily suspended in November 2013 and March 2010 respectively. Operations at the Iris Iodine Plant were temporarily suspended in October 2013.

(2) Includes production at Coya Sur from treatment of nitrates solutions from María Elena and fines from Pedro de Valdivia, nitrates from pile treatment at Nueva Victoria and net production from NPT, or technical (grade) potassium nitrate, plants.

(3) Lithium carbonate is extracted at the Salar de Atacama and processed at our facilities in the Salar del Carmen.

Reserves

Reserves for the Caliche Ore Deposits

Our in-house staff of geologists and mining engineers prepare our estimates of caliche ore reserves. The proven and probable reserve figures presented below are estimates, and no assurance can be given that the indicated levels of recovery of nitrates and iodine will be realized.

We estimate ore reserves based on engineering evaluations of asset values derived from sampling of drill-holes and other openings. Drill-holes have been made at different space intervals in order to identify mining resources. Normally, we start with 400x400 meters and then we reduce spacing to 200x200 meters, 100x100 meters and 50x50 meters. The geological occurrence of caliche mineral is unique and different from other metallic and non-metallic minerals. Caliche ore is found in large horizontal layers at depths ranging from one to four meters and has an overburden of between zero and two meters. This horizontal layering is a natural geological condition and allows the Company to estimate the continuity of the caliche bed based on surface geological reconnaissance and analysis of samples and trenches. Mining resources can be calculated using the information from the drill-hole sampling.

According to our experience with caliche ore, the grid pattern drill-holes with spacing equal to or less than 100 meters produce data on the caliche resources that is sufficient to consider them measured resources and then, adjusting for technical, economic and legal aspects, as proven reserves. These reserves are obtained using the Kriging Method and the application of operating parameters to obtain economically profitable reserves. Similarly, the information obtained from detailed geologic work and samples taken from grid pattern drill-holes with spacing equal to or less than 200 meters can be used to determine indicated resources. By adjusting such indicated resources to account for technical, economic and legal factors, it is possible to calculate probable reserves. This is done by evaluating polygons, the uncertainty, or margin of error is greater than that of proven reserves. However, the degree of certainty of probable reserves is high enough to assume continuity between points of observation.

Probable reserves are the economically mineable part of an "Indicated Mineral Resource" and, in some circumstances, a "Measured Mineral Resource." An indicated mineral resource is the part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. The calculation is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings, and drill holes. A measured mineral resource is the part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings, and drill holes.

Proven reserves are the economically mineable part of a measured mineral resource. The calculation of the reserves includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified.

The calculation of the reserves includes diluting of materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors.

Proven and probable reserves are determined using extensive drilling, sampling and mine modeling, in order to estimate potential restrictions on production yields, including cut-off grades, ore type, dilution, waste-to-ore ratio and ore depth. Economic feasibility is determined on the basis of this information.

Las estimaciones de las reservas probadas de caliche en cada una de nuestras minas son las siguientes:

Mine	Proven Reserves (1) (millions of metric tons)	Nitrate Average Grade (percentage by weight)	Iodine Average Grade (parts per million)
Pedro de Valdivia	194.4	7.1%	369
Maria Elena	134.1	7.2%	416
Pampa Blanca	71.4	5.6%	544
Nueva Victoria	336.7	5.7%	442

In addition, the updated estimates of our probable reserves of caliche ore at each of our principal mines as of December 31, 2012, are as follows:

Mine	Probable Reserves (1) (2) (millions of metric tons)	Nitrate Average Grade (percentage by weight)	Iodine Average Grade (parts per million)
Pedro de Valdivia (3)	118.7	6.9%	444
Maria Elena	98.0	7.3%	380
Pampa Blanca	447.8	5.8%	538
Nueva Victoria	59.1	7.6%	362

Notes on Reserves:

(1) The proven and probable reserves set forth in the tables above are shown before losses related to exploitation and mineral treatment. Proven and probable reserves are affected by mining exploitation methods, which result in differences between the estimated reserves that are available for exploitation in the mining plan and the recoverable material that is finally transferred to the leaching vats or heaps. The average mining exploitation factor for our different mines ranges between 80% and 90%, whereas the average global metallurgical recoveries of processes for nitrate and iodine contained in the recovered material vary between 55% and 65%.

(2) Probable reserves can be expressed as proven reserves using a conversion factor. On average, this conversion factor is higher than 60%. This factor depends on geological conditions and caliche ore continuity, which vary from mine to mine. The difference between the probable reserve amounts and the converted probable reserve amounts is the result of the lower degree of certainty pertaining to probable reserves compared with proven reserves.

(3) The increase in probable reserves of Pedro de Valdivia, from 78.5 MMTons to 118.7 MMTons is the product of a recognition program in unexplored areas of Lynch.

(4) Information set forth in the table above was validated in January 2014, by Mrs. Marta Aguilera, a geologist with over 20 years of experience in the field. She is currently employed by SQM in the Exploration and Mining Development Department. Mrs. Aguilera is a Competent Person ("*Persona Competente*"), as the term is defined under Chilean Law Number 20,235.

The proven and probable reserves shown above are the result of exploration and evaluation of approximately 19.4% of the total caliche-related mining property of our Company. However, we have explored those areas in which we believe there is a higher potential of finding high-grade caliche ore minerals. The remaining 80.6% of this area has not been explored yet or has had limited reconnaissance to determine hypothetical resources. Reserves shown in these tables are calculated based on mining properties that are not involved in any legal disputes between SQM and other parties.

We maintain an ongoing program of exploration and resource evaluation on the land surrounding the mines at Nueva Victoria, Pedro de Valdivia, María Elena and Pampa Blanca and at other sites for which we have the appropriate concessions. In 2013, we continued a basic reconnaissance program on new mining properties including a geological mapping of the surface and spaced drill-hole campaign covering approximately 7,143 hectares. Additionally, we conducted general explorations based on a closer grid pattern of drill-holes over a total area of approximately 3,920 hectares and, in addition, carried out in-depth sampling of approximately 1,239 hectares (1,113. hectares at Pedro de Valdivia,126.hectares at Nueva Victoria).

Reserves in the Salar de Atacama

Our in-house staff of hydro-geologists and mining engineers prepares our estimates of potassium, sulfate, lithium and boron reserves at the Salar de Atacama. We have exploitation concessions of approximately 819.2 square kilometers where we have carried out geological exploration, brine sampling and geostastical analysis. We estimate that our proven and probable reserves, based on economic restrictions, geological exploration, brine sampling and geostatistical analysis up to a depth of 100 meters of our total exploitation concessions, and additionally, up to a depth of 500 meters over approximately 47% of the same total area, are as follows:

	Proven Reserves (1) (millions of metric tons)	Probable Reserves (1) (millions of metric tons)	Total Reserves (millions of metric tons)
Potassium (K+) (2)	52.8	18.6	71.4
Sulfate (SO4-2) (3)	31.0	10.3	41.3
Lithium (Li+) (4)	3.0	3.1	6.1
Boron (B3+) (5)	0.9	0.3	1.2

Notes on Reserves:

(1) Metric tons of potassium, sulfate, lithium and boron considered in the proven and probable reserves are shown before losses from evaporation processes and metallurgical treatment. The recoveries of each ion depend on both brine composition, and the process applied to produce the desired commercial products.

(2) Recoveries for potassium vary from 47% to 77%.

(3) Recoveries for sulfate vary from 27% to 45%.

(4) Recoveries for lithium vary from 28% to 40%.

(5) Recoveries for boron vary from 28% to 32%.

The proven and probable reserves are based on drilling, brine sampling and geo-statistic reservoir modeling in order to estimate brine volumes and their composition. To evaluate reserves, we conduct a geostatistical study using the Kriging Method in 2D and 3D. We calculate the volume of brine effectively drainable or exploitable in each evaluation unit. We consider chemical parameters to determine the process to be applied to the brines. Based on the chemical characteristics, the volume of brine and drainable porosity, we determine the number of metric tons for each of the chemical ions. Proven reserves are defined as geographical blocks that comply with a Kriging method estimation error of up to 15%. In the case of probable reserves, the selected blocks must comply with an estimation error between 15% and 35%. Blocks with an error greater than 35% are not considered in the evaluation of reserves and remain as an indicated resource until further exploration is performed. This procedure is used to estimate potential restrictions on production yields and the economic feasibility of producing commercial products such as potassium chloride, potassium sulfate, lithium carbonate and boric acid, is determined on the basis of the evaluation.

Ports and Water Rights

We operate port installations at Tocopilla, in Northern Chile, to dispatch products and deliver certain raw materials related to renewable concessions granted by Chilean regulatory authorities, permitting usage of the facilities in accordance with the parameters stipulated by those bodies, subject to the payment of annual concession amounts. We also hold water rights granting permits to extract and use water from rivers and wells located close to our production facilities in quantities sufficient to meet our current operational needs.

Risk Factors

Our business, financial condition or results of operations could be materially affected by any of the following these risks.

Risks Relating to our Business

Our sales to emerging markets and expansion strategy expose us to risks related to economic conditions and trends in those countries

We sell our products in more than 115 countries around the world. In 2013, approximately 48% of our sales were made in emerging market countries: 17% in Central and South America (excluding Chile); 8% to Africa and the Middle East; 12% in Chile; and 12% in Asia and Oceania (excluding Japan). We expect to expand our sales in these and other emerging markets in the future. In addition, we may carry out acquisitions or joint ventures in jurisdictions in which we currently do not operate, relating to any of our businesses or to new businesses in which we believe we could have sustainable competitive advantages. The results of our operations and our prospects in other countries in which we establish operations will depend, in part, on the general level of political stability and economic activity and policies in those countries. Future developments in the political systems or economies of these countries or the implementation of future governmental policies

in those countries, including the imposition of withholding and other taxes, restrictions on the payment of dividends or repatriation of capital, the imposition of import duties or other restrictions, the imposition of new environmental regulations or price controls or changes in relevant laws or regulations, could have a material adverse effect on our business, financial condition and results of operations in those countries.

Volatility of world fertilizer and chemical prices and changes in production capacities could affect our business, financial condition and results of operations

The prices of our products, specifically potassium chloride, are determined principally by world prices, which, in some cases, have been subject to substantial volatility in recent years. World fertilizer and chemical prices vary depending upon the relationship between supply and demand at any given time. Supply and demand dynamics for our products are tied to a certain extent to global economic cycles, and have been impacted by current global economic conditions. Furthermore, the supply of certain fertilizers or chemical products, including certain products that we provide, varies principally depending on the production of the major producers, including SQM, and its respective business strategies.

Since 2008, world prices of potassium-based fertilizers (including some of our specialty plant nutrients and potassium chloride) have increased and decreased as a result of the broader global economic and financial situation. Although prices of potassium-based fertilizers stabilized in 2009 after the conclusion of important contract negotiations between major producers and buyers, during the second half of 2013 potassium prices declined as a result of an unexpected announcement made by the Russian company Uralkali, that it was terminating its participation in the BPC export company. In addition, during the second half of 2013, we observed lower pricing in contracts between Chinese purchasers and major potash producers, which has increased volatility in

the price of fertilizers. We cannot assure you that potassium based fertilizer prices and sales volumes will not decline in the future.

Iodine prices followed an upward trend since late 2003 through 2012, reaching an average price of approximately US\$53 per kilogram in 2012, over 40% higher than average prices in 2011. During 2013, although iodine demand reached record highs, demand growth softened, and supply increased, causing a slight decline in iodine prices. The average price of iodine seen by SQM was approximately US\$50 per kilogram in 2013, approximately 6% less than average prices seen by the Company in 2012. We cannot assure you that iodine prices or sales volumes will not decline in the future.

In 2010, we observed demand recovery in the lithium market, which continued in 2011 and 2012. In 2013, we continued to see strong market growth, driven mostly by an increase in demand related to battery use. Nevertheless, demand growth was accompanied by an increase in supply from various competitors. The average price of lithium carbonate in 2013 was US\$5,400 per ton. We cannot assure you that this positive demand trend will continue in the future. We cannot assure you that lithium prices and sales volumes will not decline in the future.

We expect that prices for the products we manufacture will continue to be influenced, among other things, by global supply and demand and the business strategies of major producers. Some of the major producers, including SQM, have increased or have the ability to increase production. As a result, the prices of our products may be subject to substantial volatility. High volatility or a substantial decline in the prices, or in volume demand, of one or more of our products could have a material adverse effect on our business, financial condition and results of operations.

Our inventory levels may increase because of the global economic slowdown

In general, inventories may be impacted by global

economic conditions. At the end of 2013, our inventories were relatively high. Higher inventories carry a financial risk due to increased need for cash to fund working capital. Higher inventory levels could also imply increased risk of loss of product. We cannot assure you that inventory levels will not continue to remain high in 2014, or increase further, in the future. These factors could have a material adverse effect on our business, financial condition and results of operations.

Our level of and exposure to unrecoverable accounts receivable may significantly increase

Potentially negative effects of the global economic slowdown on the financial condition of our customers may include the extension of the payment terms of our accounts receivable and may increase our exposure to bad debt. While we have implemented measures, such as using credit insurance, letters of credits and prepayment for a portion of sales, to minimize this risk, the increase in our accounts receivable coupled with the financial condition of customers may result in losses that could have a material adverse effect on our business, financial condition and results of operations.

New production of iodine or lithium carbonate from current or new competitors

During 2013, supply of iodine and lithium carbonate increased due to new competition entering the market and increases in production from some of our current competitors, which affected prices for both products. Potential new production of iodine and lithium carbonate from current or new competitors in the markets in which we operate could adversely affect prices. There is limited information on the status of new iodine or lithium carbonate production capacity expansion projects being developed by current and potential competitors and, as such, we cannot make accurate projections regarding the capacities of possible new entrants into the market and the dates on which they could become operational. If these potential projects are completed in the short term, they could adversely affect market prices and our market share, which, in turn, could have a material adverse effect on our business, financial condition

and results of operations.

We have an ambitious capital expenditure program that is subject to significant risks and uncertainties

Our business is capital intensive. Specifically, the exploration and exploitation of reserves, mining and processing costs, the maintenance of machinery and equipment and compliance with applicable laws and regulations require substantial capital expenditures. We must continue to invest capital to maintain or to increase our exploitation levels and the amount of finished products we produce. We require environmental permits for our new projects. Obtaining permits in certain cases may cause significant delays in the execution and implementation of new projects and, consequently, may require us to reassess the related risks and economic incentives. We cannot assure you that we will be able to maintain our production levels or generate sufficient cash flow, or that we will have access to sufficient investments, loans or other financing alternatives, to continue our activities at or above present levels, or that we will be able to implement our projects or receive the necessary permits required for them in time. Any or all of these factors may have a material adverse effect on our business, financial condition and results of operations.

Currency fluctuations may have a negative effect on our financial performance

We transact a significant portion of our business in U.S. dollars, and the U.S. dollar is the currency of the primary economic environment in which we operate. In addition, the U.S. dollar is our functional currency for financial statement reporting purposes. A significant portion of our costs, however, is related to the Chilean peso. Therefore, an increase or decrease in the exchange rate between the Chilean peso and the U.S. dollar would affect our costs of production. The Chilean peso has been subject to large devaluations and revaluations in the past and may be subject to significant fluctuations in the future. As of December 31, 2013, the Chilean peso exchange rate was Ch\$523.96 per U.S. dollar, while as of December 31, 2012, the Chilean peso

exchange rate was Ch\$479.96 per U.S. dollar. The Chilean peso depreciated compared against the U.S. dollar by 9% in 2013. As of March 17, 2014, the Observed Exchange Rate was Ch\$570.56 per U.S. dollar.

As an international company operating in several other countries, we also transact business and have assets and liabilities in other non-U.S. dollar currencies, such as, among others, the euro, the South African rand, the Mexican peso, the Chinese yuan and the Brazilian real. As a result, fluctuations in the exchange rates of such foreign currencies to the U.S. dollar may have a material adverse effect on our business, financial condition and results of operations.

Interest rate fluctuations may have a material impact on our financial performance

We have outstanding short and long-term debt that bears interest based on the London Interbank Offered Rate (“LIBOR”), plus a spread. Since we are currently hedging only a portion of these liabilities into fixed rates, we are exposed to interest rate risk relating to LIBOR fluctuations. As of December 31, 2013, approximately 16% our financial debt had LIBOR-based pricing that was not hedged into fixed rates. A relative increase in the rate could materially impact our business, financial condition and results of operations.

High raw materials and energy prices could increase our production costs and cost of sales, and energy may become unavailable at any price

We rely on certain raw materials and various sources of energy (diesel, electricity, natural gas, including LNG, fuel oil and others) to manufacture our products. Purchases of raw materials that we do not produce and energy constitute an important part of our cost of sales, approximately 16% in 2013. In addition, we may not be able to obtain energy at any price if supplies of our sources of energy are curtailed or otherwise become unavailable. To the extent that we are unable to pass on increases in raw materials and energy prices to our customers or we are unable to obtain energy, our business,

financial condition and results of operations could be materially adversely affected.

Our reserves estimates could be subject to significant changes

Our mining reserves estimates are prepared by our own geologists, and were validated in January 2014, by Mrs. Marta Aguilera, a geologist with over 20 years of experience in the field. She is currently employed by SQM in the Exploration and Mining Development Department. Mrs. Aguilera is a Competent Person (Persona Competente), as the term is defined under Chilean Law No. 20,235 that Regulates the Position of Competent Person and Creates the Qualifying Committee for Competencies in Mining Resources and Reserves (Ley que Regula la Figura de las Personas Competentes y Crea la Comisión Calificadora de Competencias de Recursos y Reservas Mineras or “Competent Person Law”). Estimation methods involve numerous uncertainties as to the quantity and quality of the reserves, and reserve estimates could change upwards or downwards. In addition, our reserve estimates are not subject to review by external geologists or an external auditing firm. A downward change in the quantity and/or quality of our reserves could affect future volumes and costs of production and therefore have a material adverse effect on our business, financial condition and results of operations.

Quality standards in markets in which we sell our products could become stricter over time

In the markets in which we do business, customers may impose quality standards on our products and/or governments may enact or are enacting stricter regulations for the distribution and/or use of our products. As a result, if we cannot meet such new standards or regulations, we may not be able to sell our products. In addition, our cost of production may increase in order to meet any such newly imposed or enacted standards. Failure to sell our products in one or more markets or to important customers could materially adversely affect our business, financial condition and results of operations.

Chemical and physical properties of our products could adversely affect their commercialization

Since our products are derived from natural resources, they contain inorganic impurities that may not meet certain customer or government standards. As a result, we may not be able to sell our products if we cannot meet such requirements. In addition, our cost of production may increase in order to meet such standards. Failure to meet such standards could materially adversely affect our business, financial condition and results of operations.

Our business is subject to many operating and other risks for which we may not be fully covered under our insurance policies

Our facilities and business operations in Chile and abroad are insured against losses, damages or other risks by insurance policies that are standard for the industry and that would reasonably be expected to be sufficient by prudent and experienced persons engaged in businesses similar to ours.

We may be subject to certain events that may not be covered under our insurance policies, which could have a material adverse effect on our business, financial condition and results of operations. Additionally, as a result of the major earthquake in Chile in February 2010 and other natural disasters worldwide since then, conditions in the insurance market have changed and may continue to change in the future, and as a result, we may face higher premiums and reduced coverage.

Changes in technology or other developments could result in preferences for substitute products

Our products, particularly iodine, lithium and their derivatives, are preferred raw materials for certain industrial applications, such as rechargeable batteries and LCD screens. Changes in technology, the development of substitute raw materials or other developments could adversely affect demand for these and other products which we produce.

We are exposed to labor strikes and labor liabilities that could impact our production levels and costs

Over 95% of our employees are employed in Chile, of which approximately 71% were represented by 25 labor unions as of December 31, 2013. As in previous years, during 2013, we renegotiated collective labor contracts with individual unions one year before the expiration of such contracts. As of December 31, 2013, we had concluded advanced negotiations with four labor unions, which represent 8.5% of our total unionized workers, signing new agreements with each for durations of three years. We are in the process of negotiating collective labor contracts with the 21 remaining unions. We are exposed to labor strikes that could impact our production levels. If a strike occurs and continues for a sustained period of time, we could be faced with increased costs and even disruption in our production cycle that could have a material adverse effect on our business, financial condition and results of operations.

Chilean Law No. 20,123, known as the Law on Work Related Accidents and Professional Illnesses (Ley de Accidentes de Trabajo y Enfermedades Profesionales or the “Labor Accidents Law”), provides that when a serious accident in the workplace occurs, a company must halt work at the site where the accident took place until authorities from either the National Geology and Mining Service (Servicio Nacional de Geología y Minería or “SERNAGEOMIN”) or the Labor Board (Dirección del Trabajo or “Labor Board”) or the National Health Service (Servicio Nacional de Salud or “SNA”), inspect the site and prescribe the measures such company must take to prevent future risks. Work may not be resumed until such company has taken the prescribed measures, and the period of time before work may be resumed may last for a number of hours, days, or longer. The effects of this law could have a material adverse effect on our business, financial condition and results of operations.

Lawsuits and arbitrations could adversely impact us

We are party to a range of lawsuits and arbitrations involving different matters as described in Note 19.1

of our Consolidated Financial Statements. Although we intend to defend our positions vigorously, our defense of these actions may not be successful. Judgments or settlements in these lawsuits may have a material adverse effect on our business, financial condition and results of operations. In particular, Corfo has started arbitration proceedings against us for the calculation of payments due under the lease agreement in connection to the exploitation of lithium and potassium in the Salar de Atacama.

In addition, our strategy of being a world leader includes entering into commercial and productive alliances, joint ventures and acquisitions in order to improve our global competitive position. As these operations increase in complexity and are carried out in different jurisdictions, we might be subject to legal proceedings that, if settled against us, could have a material adverse effect on our business, financial condition and results of operations.

The Chilean labor code (*Código del Trabajo* or “Labor Code”) has recently established new procedures for labor matters which include oral trials conducted by specialized judges. The majority of these oral trials have found in favor of the employee. These new procedures could increase the probability of adverse judgments in labor lawsuits which could have a material adverse effect on our business, financial condition and results of operations.

We have operations in multiple jurisdictions with differing regulatory, tax and other regimes

We operate in multiple jurisdictions with complex regulatory environments subject to different interpretations by companies and respective governmental authorities. These jurisdictions may each have their own tax codes, environmental regulations, labor codes and legal framework, which could complicate efforts to comply with these regulations, which could have, in turn, a material adverse effect on our business, financial condition and results of operations.

SQM employs its best efforts to ensure such compliance. For example, the second deadline for the registration of chemical substances under the European REACH regulations (Registration, Evaluation, Authorisation, and Restriction of Chemicals) expired in May 2013 and, prior to that, SQM managed to enroll 10 new substances that it can export to the European market with a tonnage limit equivalent to 100-1000 MT/year. The European Commission's Directorate General for Health and Consumers (DG Sanco) also issued, in July 2013, a statement on the presence of perchlorate in foods and, based on that, established provisional limits for their presence in the latter, including fruits and vegetables and indicating, at the same time, that the soil, water, and fertilizers are considered potential sources of perchlorate contamination in food. SQM Fertilizers, currently marketed in the European market, contain less than 100 ppm of perchlorate. The industry is currently conducting studies of absorption in some target crops to demonstrate that the use of fertilizers, including those of SQM, allows compliance with the values set by DG Sanco. In turn, those provisional values could be ratified or modified by DG Sanco after issuing a risk assessment report which is currently being prepared by the European Food Safety Authority (EFSA) and is expected to be available in September of this year.

In 2012, the Occupational Health and Safety Administration ("OSHA") aligned its Hazard Communication Standard to comply with the Globally Harmonized System ("GHS"), which requires companies to review hazard information for all chemicals imported into the US, classify chemicals according to the new classification criteria, and update labels and safety data sheets by June 2015. We are already working on a program which aims to comply with the requirements of this new regulation in line with the stages and deadlines established by OSHA. The updating of the Safety Data Sheets ("SDS") for all products sold in the US has been finished, and the update of labels is in progress and will be completed the first quarter of 2015.

We could be adversely affected by the negative outcome of pending proceedings against our Chairman of the Board and certain other named defendants

On September 10, 2013, the SVS issued a press release disclosing that it had instituted certain administrative proceedings against Mr. Julio Ponce (in his capacity as chairman and "controller" of entities with direct or indirect share ownership interests in the Company (the "Cascading Companies")) and other named defendants, including the son of the Company's Chief Executive Officer, alleging violations of Chilean corporate and securities laws (the "Cascading Companies Proceedings"). SQM has been informed that Mr. Ponce, Chairman of the Board of the Company, and related persons, beneficially own 29.92% of SQM's total shares. See Item 6.E. Share Ownership. On January 31, 2014, the SVS added a number of financial institutions and asset managers, and some of their controlling persons, executives or other principals, as named defendants to the Cascading Companies Proceedings.

The SVS alleges the existence of a scheme involving the named defendants, whereby, through a number of transactions occurring between 2009 and 2011, the Cascading Companies sold securities of various companies, including securities of the Company, at below-market prices to companies related to Mr. Ponce and to other named defendants, which subsequently after a lapse of time, sold such securities, in most instances back to the Cascading Companies, at prices higher than those at which they were purchased. The SVS alleges violation by the defendants of a number of corporate and securities laws in furtherance of the alleged scheme.

In response to the Cascading Companies Proceedings, Mr. Ponce has filed a criminal complaint against the superintendent of the SVS alleging, among other things, malfeasance in public office and abuse of power against private citizens. The High Complexity Crimes Unit (Unidad de

Delitos de Alta Complejidad) of the Metropolitan District Attorney's Office (Fiscalía Metropolitana Centro Norte) is also investigating various criminal complaints filed by and against various parties to the Cascading Companies Proceedings.

In addition, the Chilean IRS (Servicio de Impuestos Internos) announced that it is currently investigating the nature and characteristics of the transactions alleged to have occurred in the Cascading Companies Proceedings in order to determine whether the individuals or companies involved violated Chilean tax laws or filed false returns with the purpose of evading taxes.

The allegations made in connection with the Cascading Companies Proceedings do not relate to any acts or omissions of the Company or of any of its directors, officers or employees in their capacities as such. If any such claim were made by the SVS or by any other claimant, including the Chilean IRS, it could have a material adverse effect on the Company. In addition, a final disposition of claims in connection with the current Cascading Companies Proceedings that is adverse to Mr. Ponce or other named defendants could have a material adverse effect on the Company's market reputation and commercial dealings, even if no claim is asserted against the Company or any of its directors, officers or employees in their capacities as such.

Risks Relating to Chile

As we are a company based in Chile, we are exposed to Chilean political risks

Our business, results of operations, financial condition and prospects could be affected by changes in policies of the Chilean government, other political developments in or affecting Chile, and regulatory and legal changes or administrative practices of Chilean authorities, over which we have no control.

Changes in regulations regarding, or any revocation or suspension of our concessions or agreements related to our exploitation rights could negatively affect our business

Any changes to regulations to which we are subject or adverse changes to our mining, water, or environmental rights, among others, or a revocation or suspension of our rights, could have a material adverse effect on our business, financial condition and results of operations.

Our production rights to the Salar de Atacama are pursuant to a lease agreement with CORFO. Any changes to regulations to which CORFO is subject, adverse changes to its concession rights, or our rights under the lease agreement, or a revocation or suspension of its concessions, could have an impact on our lease agreement with CORFO, which could have a material adverse effect on our business, financial condition and result of operations.

Changes in mining or port concessions could affect our operating costs

We conduct our mining (including brine extraction) operations under exploitation and exploration concessions granted in accordance with provisions of the Chilean constitution and related laws and statutes. Our exploitation concessions essentially grant a perpetual right to conduct mining operations in the areas covered by the concessions, provided that we pay annual concession fees. Our exploration concessions permit us to explore for mineral resources on the land covered thereby for a specified period of time and to subsequently request a corresponding exploitation concession. Furthermore, our production rights to the Salar de Atacama are pursuant to a lease agreement with CORFO, which permits the Chilean Nuclear and Energy Commission (Comisión Chilena de Energía y Nuclear or "CCHEN"), to establish a total accumulated extraction limit of 180,100 tons of total lithium in the aggregate for all periods. More than halfway through the term of the lease

agreement, we have extracted less than half of the total accumulated extraction limit of lithium. However, there can be no assurance that we will not reach the lithium extraction limit prior to the term of the lease agreement.

We also operate port facilities at Tocopilla, Chile for the shipment of our products and the delivery of certain raw materials, pursuant to concessions granted by Chilean regulatory authorities. These concessions are renewable provided that we use such facilities as authorized and pay annual concession fees.

Any significant changes to any of these concessions could have a material adverse effect on our business, financial condition and results of operations.

Changes in water rights laws could affect our operating costs

We hold water rights that are key to our operations. These rights were obtained from the Chilean Water Authority (Dirección General de Aguas) for supply of water from rivers and wells near our production facilities, which we believe are sufficient to meet current operating requirements. However, the Chilean water rights code (Código de Aguas or the “Water Code”) may be subject to changes, which could have a material adverse impact on our business, financial condition and results of operations. For example, an amendment published on June 16, 2005 modified the Water Code, allowing, under certain conditions, the granting of permanent water rights of up to two liters per second for each well built prior to June 30, 2004, in the locations where we conduct our mining operations, without considering the availability of water, or how the new rights may affect holders of existing rights. Therefore, the amount of water we can effectively extract based on our existing rights could be reduced if these additional rights are exercised. In addition, we must pay annual concession fees to maintain water rights we are not exercising. These and potential future changes to the Water Code could have a material adverse effect on our business, financial condition and results of operations.

Our water supply could be affected by geological changes

Our access to water may be impacted by changes in geology or other natural factors, such as wells drying up, that we cannot control, and which may have a material adverse effect on our business, financial condition and results of operations.

The Chilean government could levy additional taxes on corporations operating in Chile

In 2005, the Chilean Congress approved Law No. 20,026 that Establishes a Specific Tax on Mining Activity (*Ley que Establece un Impuesto Específico a la Actividad Minera* or the “Royalty Law”), establishing a royalty tax to be applied to mining activities developed in Chile.

As a result of the earthquake and tsunami in February 2010, the Chilean government raised the corporate income tax rate in order to pay for reconstruction following the earthquake and tsunami. Such legislation increased the general corporate tax rate from its historic rate of 17.0% to 20.0% for the income accrued in 2011, which was declared and paid in 2012. On September 27, 2012, Law No. 20,630 introduced new amendments to existing tax legislation. Among the amendments introduced, the corporate income tax was maintained at 20% for the 2012 calendar year. No additional amendments have been introduced in 2013, and the corporate income tax has remained at 20%.

We cannot assure you that the manner in which the Royalty Law or the corporate tax rate are interpreted and applied will not change in the future. In addition, the Chilean government may decide to levy additional taxes on mining companies or other corporations in Chile. Such changes could have a material adverse effect on our business, financial condition and results of operations.

Environmental laws and regulations could expose us to higher costs, liabilities, claims and failure to meet current and future production targets

Our operations in Chile are subject to national

and local regulations relating to environmental protection. We are required to conduct environmental impact studies or statements of any future projects or activities (or significant modifications thereto) that may affect the environment and we are required to obtain an environmental license for certain projects and activities. The environmental assessment service (Servicio de Evaluación Ambiental or “Environmental Assessment Service”) currently evaluates environmental impact studies submitted for its approval, and private citizens, public agencies or local authorities may challenge projects that may adversely affect the environment, either before these projects are executed or once they are already operating, if they fail to comply with applicable regulations. Enforcement remedies available include fines up to approximately US\$10 million and temporary or permanent closure of facilities and revocation of the environmental license.

Chilean environmental regulations have become increasingly stringent in recent years, both with respect to the approval of new projects and in connection with the implementation and development of projects already approved, and we believe that this trend is likely to continue. Given public interest in environmental enforcement matters, these regulations or their application may also be subject to political considerations that are beyond our control.

We continuously monitor the impact of our operations on the environment and have, from time to time, made modifications to our facilities to minimize any adverse environmental impacts. We believe we are currently in compliance in all material respects with applicable environmental regulations in Chile. Future developments in the creation or implementation of environmental requirements, or in their interpretation, could result in substantially increased capital, operation or compliance costs or otherwise adversely affect our business, financial condition and results of operations. In connection with our investments at the Salar de Atacama and Nueva Victoria, the success of these investments is dependent on the behavior of the ecosystem variables being monitored over time. If the behavior of these variables in future years does not meet environmental requirements, our operation may be

subject to important restrictions by the authorities on the maximum allowable amounts of brine and water extraction.

Our future development depends on our ability to sustain future production levels, which requires additional investments and the submission of the corresponding environmental impact studies or statements. If we fail to obtain the required approvals or environmental licenses, our ability to maintain production at specified levels will be seriously impaired, thus having a material adverse effect on our business, financial condition and results of operations.

In addition, our worldwide operations are subject to international and other local environmental regulations. Since environmental laws and regulations in the different jurisdictions in which we operate may change, we cannot guarantee that future environmental laws, or changes to existing environmental laws, will not materially adversely impact our business, financial condition and results of operations.

Ratification of the International Labor Organization's Convention 169 concerning indigenous and tribal peoples might affect our development plans

Chile, a member of the International Labor Organization (“ILO”), has ratified the ILO’s Convention 169 (the “Indigenous Rights Convention”) concerning indigenous and tribal peoples. The Indigenous Rights Convention established several rights for indigenous individuals and communities. Among other rights, the Indigenous Rights Convention outlines that (i) indigenous groups be notified of and consulted prior to the development of any project on land deemed indigenous (without any veto or approval right) and of any legislative or administrative measure that may affect them directly; and (ii) indigenous groups have, to the extent possible, a stake in benefits resulting from the exploitation of natural resources in alleged indigenous land. The extent of these benefits has not been defined by the Chilean government. The new rights outlined in the Indigenous Rights Convention could affect the development of our investment projects in alleged indigenous lands which could have a material

adverse effect on our business, financial condition and results of operations.

Chile is located in a seismically active region

Chile is prone to earthquakes because it is located along major fault lines. The most recent major earthquake in Chile occurred in February 2010 and caused substantial damage to major areas of the country. Chile has also experienced volcanic activity. A major earthquake or a volcano eruption could have significant negative consequences for our operations and for the general infrastructure, such as roads, rail, and access to goods, in Chile. Although we maintain insurance policies standard for this industry with earthquake coverage, we cannot assure you that a future seismic event will not have a material adverse effect on our business, financial condition and results of operations.

Investment Plans

We are permanently engaged in reviewing opportunities to improve our production methods, to increase production capacity for our current product lines and to develop new products and markets. Capital expenditure must also be maintained each year to backstop our production capacity. We focus on developing new products in response to the client demands that we identify, and researching new products that can be produced as part of our existing activities, or other products that fit with our long term development strategy. Most of our capital expenditure over the past five years has been related to acquiring new assets, building new facilities, and renovating plant and equipment.

Our capital expenditure includes investments focused on maintaining, improving, and enhancing production levels, including acquisitions and investment in related companies.

The following table shows our capital expenditure for the years ending on December 31, 2013, 2012, and 2011:

(In millions of US\$)	2013	2012	2011
Capital Expenditure		446.0	501.1

Capital expenditure totalled US\$501.1 million in 2011, mainly related to:

- increasing potassium-based product production capacity at the Salar de Atacama, with the on-going construction and completion of the potassium chloride and granulated potassium chloride facilities at the Salar de Atacama;
- increasing the capacity and efficiency of the nitrate and iodine plants;
- optimizing our railway system; and
- a number of projects designed to maintain production capacity, increase yields, and reduce costs.

Capital expenditure totalled US\$446.0 million in 2012, mainly related to:

- projects to increase the efficiency and capacity of our iodine and nitrate plants in Tarapacá Region;
- continuing investment to increase production capacity for potassium-based products at the Salar de Atacama, including a number of projects related to the production of finished products; and a number of projects designed to maintain production capacity, increase yields, and reduce costs.

Capital expenditure totalled US\$371.7 million in 2013, mainly related to continuing improvement of nitrate-based products at Coya Sur;

- investment relating to increasing production capacity for potassium-based products at the Salar de Atacama;
- on-going investment relating to increasing production capacity and efficiency in our nitrate and iodine facilities;
- optimization of our potassium chloride facility at the Salar de Atacama.
- projects to increase the efficiency of our human resources and logistics departments;
- various projects designed to maintain production capacity, increase yield, and reduce costs.

The Board of Directors has approved a capital expenditures plan for 2014 of US\$150 million in connection with investments to be made in Chile. The 2014 capital investment program is primarily focused on the maintenance of our production facilities. Our 2014 capital investment program will not require any external financing; however, we reserve the right to turn to capital markets in order to optimize our financial position.

Ownership and shares

The following information is included in Part 01 of the Annual Report:

Ownership Control Situation
 Identification of majority shareholders
 Identification of the 12 largest shareholders
 Number of Shareholders
 Change in ownership

Shares: characteristics and associated rights

Dividends are annually distributed to the Series A and Series B shareholders of record on the fifth business day prior to the date for payment of the dividends. The By-laws do not specify a time limit after which dividend entitlement elapses but Chilean regulations establish that after 5 years, unclaimed dividends are to be donated to the Fire Department.

Article 5 of the Company's By-laws establishes that Series B shares may in no case exceed fifty percent of the issued, outstanding and paid shares of SQM. Series B shares have a restricted right to vote as they can only elect one Director of the Company, regardless of their capital stock's share. Series B shares have the right to call for an Ordinary or Extraordinary Shareholders' Meeting when the shareholders of at least 5% of the Series B issued shares request so and for an Extraordinary Board of Directors Meeting without the Chairman's authorization when it is requested by the Director elected by the shareholders of the Series B shares. Series A shares have the option to exclude the Director elected by Series B shareholders from the voting process in which the Chairman of the Board is to be elected, if there is a tie in the first voting process. However, articles 31 and 31 bis of the Company's By-laws establish that in General Shareholders' Meetings each shareholder will have a right to one vote for each share he owns or represents and (a) that no shareholder will have the right to vote for himself or on behalf of other shareholders of the same Series A or Series B shares representing more than 37.5% of the total outstanding shares with right to vote of each Series and (b) that no shareholder will have the right to vote for himself or on behalf of other

shareholders representing more than 32% of the total outstanding shares with a right to vote. In calculating a single shareholder's ownership of Series A or B shares, the shareholder's stock and those pertaining to third parties related to them are to be added.

Article 5 bis of the Company's By-laws establishes that no person may directly or by means of related third persons concentrate more than 32% of the Company's total shares with right to vote.

Each Series A share and Series B share is entitled to share equally in the Company's profits, i.e., they have the same rights on any dividends declared on the outstanding shares of SQM.

The Company By-laws do not contain any provision relating to (a) redemption provisions (b) sinking funds or (c) liability to capital calls by the Company.

As established in article 103 of Law No. 18,046, a company subject to the supervision of the Superintendency of Securities and Insurance (SVS) may be liquidated in the following cases:

- (a) Expiration of the duration term, if any, as established in its By-laws;
- (b) All the shares end up in the possession of one individual for more than ten continuous days;
- (c) By agreement of an Extraordinary Shareholders Meeting;
- (d) By abolition, pursuant to applicable laws, of the decree that authorized its existence;
- (e) Any other reason contemplated in its By-laws.

Article 40 of the Company's By-laws states that in the event of liquidation, the Shareholders' Meeting will appoint a three-member receiver committee that will have the authority to carry out the liquidation process. Any surplus will be distributed equally among the shareholders.

The only way to change the rights of the holders of the SQM shares is by modifying its By-laws, which can only be carried out by an Extraordinary Shareholders' Meeting, as established in article 28 of the Company By-laws.

Total number of shares:
 Series A: 142,819,552
 Series B: 120,376,972

Dividend policy

SQM's dividend policy for 2013, which was approved at the General Ordinary Shareholders Meeting on April 25, 2013, states that the Company will pay and distribute to its shareholders 50% of the net income obtained during the 2013 fiscal year.

Statistical information

Dividends

All series A and series B shares carry equal rights to share in any dividend declared on SQM's shareholder capital in circulation. During the past three years, the company has paid out the following dividends:

Payout year	US\$ Total (in millions)	US\$/Share
2011	US\$81.1	0.30798
2011 (Provisional)	US\$193.0	0.73329
2012	US\$79.9	0.30350
2012 (Provisional)	US\$250.0	0.94986
2013	US\$74.6	0.28337
2013 (Provisional)	US\$199.0	0.75609

Information on SQM shares on the Santiago Stock Exchange and New York Stock Exchange

Santiago Stock Exchange *

	Average Price (Ch\$/Share)		Number of Shares Traded		Amount Traded (MCh\$)	
	SQM A	SQM B	SQM A	SQM B	SQM A	SQM B
2011						
I Quarter	27,568.14	26,236.98	15,016,367	28,441,048	413,973	748,338
II Quarter	28,652.88	27,840.27	66,741	15,717,583	1,912	437,158
III Quarter	27,389.38	28,226.08	95,167	24,782,375	2,620	675,388
IV Quarter	27,775.66	28,067.11	10,022,605	23,372,890	277,623	653,499
2012						
I Quarter	27,220.6	28,349.5	18,256	12,806,955	491	362,226
II Quarter	27,622.7	27,519.2	17,994	13,974,466	501	381,870
III Quarter	28,823.8	28,958.8	113,626	15,279,934	3,346	446,620
IV Quarter	28,603.1	27,666.9	91,538	14,502,171	2,589	400,085
2013						
I Quarter	26,904.2	26,689.7	76,387	15,702,209	2,055	419,087
II Quarter	22,707.7	22,843.0	10,506	17,121,263	239	391,101
III Quarter	17,960.0	16,610.4	194,979	24,919,516	3,502	413,922
IV Quarter	187,924.8	13,645.0	15,663,149	13,267,894	280,759	181,040

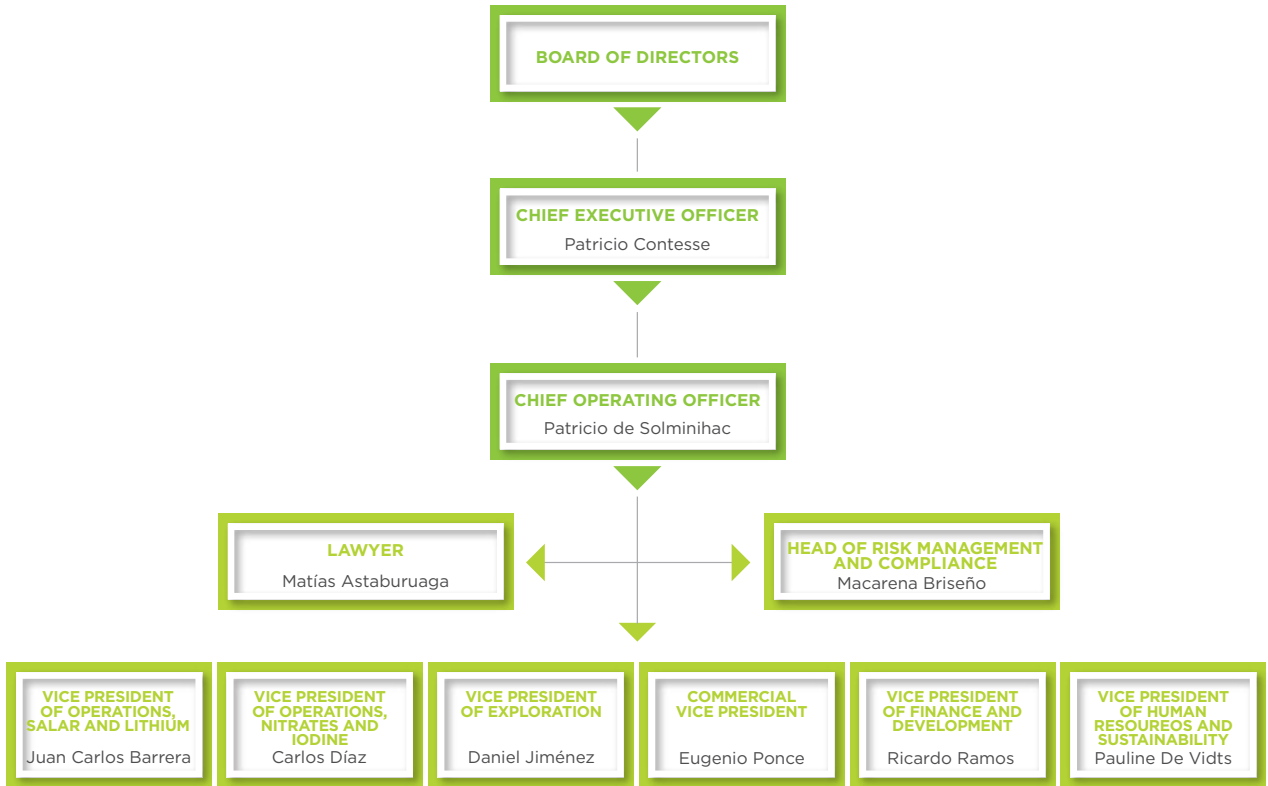
Bolsa de Nueva York*

	Average Price (USD/ ADR)	Number of Shares	Amount Traded (MUS\$)
	SQM B	SQM B	SQM B
2011			
I Quarter	54.43	37,232,337	2,024
II Quarter	59.39	33,916,583	2,019
III Quarter	59.84	46,050,972	2,667
IV Quarter	54.88	39,913,164	2,176
2012			
I Quarter	58.03	22,559,886	1,303
II Quarter	55.50	22,891,125	1,260
III Quarter	60.26	27,450,076	1,672
IV Quarter	57.85	20,718,423	1,195
2013			
I Quarter	56.47	25,898,128	1,462
II Quarter	46.39	38,173,920	1,771
III Quarter	30.80	72,002,917	2,218
IV Quarter	26.34	46,257,192	1,218

*Source: Bloomberg, Composite Exchange

Management and Personnel

Organizational Chart



Information relating to the Board of Directors can be found in Part 1 of the Annual Report Board Remunerations

Summary of compensation paid to the Board of Directors January-December 2012 (Ch\$)

Board Members	SQM S.A.				SQMC S.A.			
	Fixed	Variable	Expenses Committee	Total	Board	Committee	Total	
Julio Ponce Lerou	67,687,456	929,327,151	0	997,014,607	73,102,445		73,102,445	
Hernán Büchi Buc	13,544,082	106,208,776	39,123,095	158,875,953			0	
Eduardo Novoa Castellón	13,571,419	106,208,776	39,132,389	158,912,584			0	
José María Eyzaguirre Baeza	14,654,757	106,208,776	0	120,863,533			0	
Daniel Yarur Elsaca	14,686,119	106,208,776	0	120,894,895			0	
Wolf Von Appen Behrmann	4,499,795	106,208,776	40,964,854	151,673,425			0	
Kendrick T. Wallace	4,499,795	106,208,776	0	110,708,571			0	
Wayne R. Brownlee	4,499,795	106,208,776	0	110,708,571			0	
Juan Antonio Guzmán Molinari	0	0	0	0			0	
Patricio Contesse Fica	0	0	0	0			0	
Alejandro Montero Purviance	0	0	0	0			0	
	137,643,218	1,672,788,583	0	119,220,338	1,929,652,139	73,102,445	0	73,102,445

Summary of compensation paid to the Board of Directors January-December 2013 (Ch\$)

Board Members	SQM S.A.				SQMC S.A.			
	Fixed	Variable	Expenses Committee	Total	Board	Committee	Total	
Julio Ponce Lerou	96,518,550	1,078,877,316	0	1,175,395,866	82,791,807		82,791,807	
Hernán Büchi Buc	13,003,357	123,300,278	43,973,524	180,277,159			-	
Eduardo Novoa Castellón	4,572,771	123,300,278	41,627,438	169,500,487			-	
José María Eyzaguirre Baeza	13,776,898	123,300,278	0	137,077,176			-	
Daniel Yarur Elsaca	4,572,771	123,300,278	0	127,873,049			-	
Wolf Von Appen Behrmann	21,708,378	123,300,278	43,973,524	188,982,180			-	
Kendrick T. Wallace	13,644,395	123,300,278	0	136,944,673			-	
Wayne R. Brownlee	21,706,484	123,300,278	0	145,006,762			-	
Juan Antonio Guzmán Molinari	8,062,089	0	2,741,109	10,803,198			-	
Patricio Contesse Fica	9,227,566	0	0	9,227,566			-	
Alejandro Montero Purviance	8,062,089	0	0	8,062,089			-	
	214,855,348	1,941,979,262	-	132,315,595	2,289,150,205	82,791,807	-	82,791,807

During 2013 the company incurred audit expenses amounting to 31,000 UF (a Chilean index-linked to inflation). As of December 31, 2013, this sum was equivalent to approximately US\$1.4 million.

Directors' Committee

The Directors' Committee complied with the functions established under Article 50, part two, of Law 18,046.

As of December 31, 2013, the company's Directors' Committee comprised Hernán Büchi B., Juan Antonio Guzmán and Wolf von Appen B. Under the bylaws in force as of December 31, 2013, Juan Antonio Guzmán held the position of Independent Director and Chairman of the Directors' Committee.

The member of this Directors' Committee were elected at the shareholder's meeting held on April 25, 2013. Juan Antonio Guzmán M was elected as a new member of the Directors' Committee, replacing Eduardo Novoa C. The Directors' Committee had previously remained unchanged since April 28, 2011.

On April 25, 2013, it was agreed at the SQM S.A. Ordinary Shareholders' Meeting that each Director sitting on the Directors' Committee would receive monthly remunerations of 17 UF units, and annual remunerations equivalent to 0.013% of the company's liquid net earnings for the 2013 financial year. This compensation package is fixed regardless of the number of sessions held by the Committee during the period, and separate to the remunerations received by the members in their capacity as members of the company's Board of Directors. At the same Shareholders' Meeting, an operating budget for the Directors' Committee equivalent to the sum of the aforementioned remunerations was agreed.

On April 26, 2012, it was agreed at the SQM S.A. Ordinary Shareholders' Meeting that each Director sitting on the Directors' Committee would receive monthly remunerations of 17 UF units, and annual remunerations equivalent to 0.013% of the company's liquid net earnings for the 2013 financial year. This compensation package is fixed regardless of the number of sessions held by the Committee during the period, and separate to the remunerations received by the members in their capacity as members of the company's Board of

Directors. At the same Shareholders' Meeting, an operating budget for the Directors' Committee equivalent to the sum of the aforementioned remunerations was agreed.

The Committee's functions during 2013 included:

- Analysis of unaudited financial statements and reports;
- Analysis of audited financial statements and reports;
- Analysis of the reports and proposals prepared by the External Auditors, Accounts Inspectors, and Risk Classification Experts, and submission of recommendations to the Board regarding the External Auditors and Risk Classification Experts that could be appointed at the corresponding Shareholders' Meeting.
- Analysis of tax and other services, other than those including in audits, provided to the company and its domestic and foreign subsidiaries by its External Auditors.
- Analysis of the functions, objectives, and work programs of the Internal Audit Department.
- Analysis of the remuneration and compensation plans for the company's executive officers.
- Analysis of operational information as stipulated in Title XVI of the Corporations Law (Ley de Sociedades Anónimas).
- Analysis of issues relating to the US Sarbanes-Oxley Act, and in particular to Section 404 thereof.
- Analysis of issues relating to the IFRS standards and the US PCAOB regulations.
- Analysis of the Internal Control Report.

With regard to the operations referred to in Title XVI of Law 18,046, the Directors' Committee of SQM S.A.:

- Analysed the possible signing of a "Supply Contract for Flexibags for Brine Transport for the 2013-2014 Period" between the "SQM Group" and the "Ultramar Group" (linked to Wolf von Appen B., a Director of SQM S.A.) on April 1, 2013, and subsequently recommended that the contract be signed.

- Analysed the possible signing of a “Cabotage Contract” between the “SQM Group” and the “Ultramar Group” (linked to Wolf von Appen B., a Director of SQM S.A.) on April 1, 2013, and subsequently recommended that the contract be signed.
- Analysed the possible signing of a “Subletting Contract for Floors 11 and 13 of the Parking Levels in the Building Located at El Trovador 4285” between the SQM Industrial S.A. y Norte Grande S.A. (which are classed as related parties as they form part of the same “business group”) on April 1, 2013, and subsequently recommended that the contract be signed.
- Analysed the possible signing of a “Marine Tug Service Contract at Tocopilla” between the “SQM Group” and the “Ultramar Group” (linked to Wolf von Appen B., a Director of SQM S.A.) on August 27, 2013, and subsequently recommended that the contract be signed.

Finally, the Directors’ Committee issued the Annual Management Report referred to in Law 18,046.

During 2013 the Directors’ Committee did not incur expenses for advisory services.

Management and Personnel

Information related to the Management can be found in Part 01 of this Annual Report

Remunerations

The 2012 and 2013 remunerations for the management were as follows:

Year	Executives	Fixed Salary	Variable	Total MUS\$
2012	120	10,605	5,180	15,785
2013	117	10,723	1,946	10,725

Executive incentive plans: The organization’s goal is to create value for its interest groups, and to this end SQM S.A. has developed a variable incentives system that recognizes people’s commitment to the organization and its operating results. Directors: The only remunerations assigned to the Board of Directors are as specified under “Directors’ Compensation”. The company has not implemented any incentives plan for its Directors. SQM Executive Officers: The company provides annual and biennial bonus plans for its executives, taking into account achievement of targets and individual contribution to the company’s operating results. These incentives are based on the following variables: a) Short term (annual): the company’s operating results; b) Long term (biennial): the company’s after-tax return on equity. SQM also operates a compensation plan designed to retain its executives by providing bonuses linked to the company’s share price. For more information, see Note 3.35 – Executive compensation plan” in SQM’s Financial Statements

Employees

As of December 31, 2013 SQM and its subsidiaries had 4,792 employees as follows:

Employee Type	Holding	Other Subsidiary	Total
Executives	30	79	109
Professionals	104	919	1,023
Techinicians and operators	274	3,177	3,451
Foreigners		209	209
Total	408	4,384	4,792

Below is the percentage of shares that each Board of Director holds in SQM:

Board Member	Position	Percentage of Shares in SQM
Julio Ponce L.	President	0%
Wayne R. Brownlee	Vice-President	0%
Hernan Büchi B.	Board Member	0%
Patricio Contesse F.	Board Member	0%
Jose María Eyzaguirre B.	Board Member	0%
Juan Antonio Guzmán M.	Board Member	0%
Alejandro Montero P.	Board Member	<1%
Wolf Von Appen B.	Director	0%

Below is the percentage of shares that each Executive holds in SQM:

Executive	Position	Percentage of Shares in SQM
Patricio Contesse G.	CEO	<1%
Patricio de Solminihac T.	COO	0%
Ricardo Ramos R.	CFO	0%
Eugenio Ponce L.	Senior Commercial Vice President	0%
Matias Astaburuaga S.	General Counsel	0%
Juan Carlos Barrera P.	Vice President of Operations, Salar and Lithium	<1%
Carlos Diaz O.	Vice President of Operaciones, Nitrates and Iodine	0%
Pauline de Vidts S.	Vice President HR and Sustainability	0%
Daniel Jimenez Sch.	Vice President of Exploration	0%
Macarena Briseño C.	Manager of Risk and Control	0%

Information on subsidiaries and affiliates and investment in other companies

Filiales Nacionales

	SQM S.A.	Proinsa Ltda.	SQMC Internac.	SQM Potasio S.A.	SQM Salar S.A.	SQM Industrial S.A.	SQMC S.A. (mf. US\$)	Interés minoritario TNR	Total Participación
SQM Nitratos S.A.	99,9999782%			,00000218%				,0%	100,000%
Proinsa Ltda.							99,9%	,1%	100,000%
SQMC Internacional Ltda.		,2577%					99,7423%	,0%	100,000%
SQM Potasio S.A.	99,9999999%							,0000001%	100,000%
Servicios Integrales de Transitos y Transferencias S.A.	,00034%					99,99966%		,0%	100,000%
Isapre Norte Grande Ltda.	1,0%					99,00%		,0%	100,000%
Ajay-SQM Chile S.A.	51,00%							49,00%	100,000%
Almacenes y Depósitos Ltda.	1,0%			99,00%				,0%	100,000%
SQM Salar S.A.	18,18%			81,82%				,0%	100,000%
SQM Industrial S.A.	99,047043%			,952957%				,0%	100,000%
Exploraciones Mineras S.A.	,269103%			99,730897%				,0%	100,000%
Soc. Prestadora de Servicios de Salud Cruz del Norte S.A.				1,0%		99,00%		,0%	100,000%
Soquimich Comercial S.A.	,0000004%					60,6383212%		39,3616784%	100,000%
Comercial Agrorama Ltda.							70,00%	30,00%	100,000%
Comercial Hydro S.A.			,0001%				99,9999%	,0%	100,000%
Agrorama S.A.							99,999%	,001%	100,000%
Orcoma SpA	100,000%							,0%	100,000%
Orcoma Estudio SpA	100,000%							,0%	100,000%
Sales de Magnesio Ltda.					50,00%			,0%	50,00%

Filiales Nacionales

	SQM S.A.	SQM Potasio S.A.	SQM North America	SQM Corporation NV	SQM Brasil Limitada	SQI Corporation NV	Natco	SQM Virginia LLC	SQM Investment	SQM Industrial S.A.	SEH (eff US\$)	Interés minoritario TNR	Total Participación
SQM North America Corporation	40,00%									51,00%	9,0%	,0%	100,000%
RS Agro Chemical Trading A.V.V.	98,3333%	1,6667%										,0%	100,000%
Nitratos Naturais do Chile C.P.S.A.I					,0001%					99,9999%		,0%	100,000%
SQM Corporation NV.	,0002%					,0204%				99,9794%		,0%	100,000%
SQM Perú S.A.	,98%									99,02%		,0%	100,000%
SQM Ecuador S.A.	,004%									99,996%		,0%	100,000%
SQM Brasil P.C.P.G.S Ltda	1,09%									98,91%		,0%	100,000%
SQI Corporation NV.	,01587%	99,98413%										,0%	100,000%
SQMC Holding Corporation	,1%	99,9%										,0%	100,000%
SQM Japan Co. Ltd.	1,0%	99,00%										,0%	100,000%
SQM Europe NV.	,58%										99,42%	,0%	100,000%
SQM Italia SRL											100,000%	,0%	100,000%
SQM Indonesia S.A.											80,00%	20,00%	100,000%
North American Trading Company			100,000%									,0%	100,000%
SQM Virginia LLC			100,000%									,0%	100,000%
SQM Comercial de México S.A. de C.V.	,01%	,05%								99,94%		,0%	100,000%
SQM Investment Corporation NV.	1,0%	99,00%										,0%	100,000%
Royal Seed Trading A.V.V.	1,67%	98,33%										,0%	100,000%
SQM Lithium Specialties LLP							1,0%	99,00%				,0%	100,000%
Soquimich S.L.R. Argentina								99,99906%	,00094%			,0%	100,000%
SQM France US\$											100,000%	,0%	100,000%
Administración y Servicios de Santiago S.A. de C.V.			,002%							99,998%		,0%	100,000%
SQM Nitratos de México S.A. de C.V.			,002%							99,998%		,0%	100,000%
Soquimich European Holding B.V.				100,000%								,0%	100,000%
SQM Iberian S.A.											100,000%	,0%	100,000%
SQM Africa PTY Ltd.											100,000%	,0%	100,000%
SQM Oceania PTY Limited											100,000%	,0%	100,000%
SQM Agro India Pvt. Ltd.											100,000%	,0%	100,000%
SQM(Beijing) Commercial Co. Ltda.										100,000%		,0%	100,000%
SQM (Thailand) Limited											99,996%	,004%	100,000%

Coligadas Internacionales

	SQM S.A.	SQM Corporation NV	SQMC Holding	Doktor Tarsa	SQM Industrial S.A.	SEH (eef US\$)	Interés minoritario TNR	Total Participación
Abu Dhabi Fertilizer Industries Co. W.L.L.		50,00%					,0%	50,00%
Doktor Tarsa Tarim Sanayi A.S.						50,00%	,0%	50,00%
Ajay North América LLC			49,00%				,0%	49,00%
Ajay Europe SARL						50,00%	,0%	50,00%
SQM MED Tarim Sanayi VE Ticaret A.S.						50,00%	,0%	50,00%
Charlee SQM Thailand						40,00%	,0%	40,00%
Sichuan SQM-Migao Chemical Fert. Co. Ltd.					50,00%		,0%	50,00%
Coromandel SQM India P. Ltd.						50,00%	,0%	50,00%
SQM Vitas Fzco	,5%				49,5%		,0%	50,00%
Qingdao SQM-Star Corp Nutrition Co. Ltd.					50,00%		,0%	50,00%
SQM Vitas B.V.						50,00%	,0%	50,00%

SQM NITRATOS S.A.:

Capital:	US\$30.349.981
Ownership:	99,99999782% SQM S.A. 0,00000218% SQM Potasio S.A.
Corporate Purpose:	Production and sale of fertilizers
Board of Directors:	Patricio Contesse G.* Patricio de Solminihac T.* Ricardo Ramos R.* Daniel Jiménez Sch.* Carlos Diaz O.*
CEO:	Patricio Contesse G.*
Relationship with parent company:	Production
Contracts with parent company:	Not Applicable
Address:	El Trovador 4285, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2000
Fax:	(56) 2 2425 2268

Contracts with parent company:	not applicable
Address:	Arturo Prat N° 1060, Tocopilla, Chile
Telephone:	(55) 414452
Fax:	(55) 414488

SOQUIMICH COMERCIAL S.A.:

Capital:	US\$61.745.898
Ownership:	60,6383212% SQM Industrial S.A. 0,0000004% SQM S.A. 39,3616784% other non-related
Corporate Purpose:	Production and marketing of fertilizers
Board of Directors:	Julio Ponce L. Eugenio Ponce L.* Radomiro Blas Tomic E. Patricio de Solminihac T.* Patricio Contesse G.* Julio Ponce P. Ricardo Ramos R.* Claudio Morales*
CEO:	
Relationship with parent company:	Distribution

SERVICIOS INTEGRALES DE TRANSITOS Y TRANSFERENCIAS S.A.:

Capital:	US\$9.873.573
Ownership:	99,99966% SQM Industrial S.A. 0,00034% SQM S.A.
Corporate Purpose:	Transport and storage of merchandise
Board of Directors:	Eugenio Ponce L.* Ricardo Ramos R.* Patricio de Solminihac T.* Daniel Jiménez Sch.* Carlos Diaz O.*
CEO:	Patricio Contesse G.*
Relationship with parent company:	Distribution

Address:	El Trovador 4285, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2525
Fax:	(56) 2 2425 2268
Contracts with parent company:	Supply

AJAY-SQM CHILE S.A.:

Capital:	US \$5.313.794
Ownership:	51% SQM S.A. 49% other non-related
Corporate Purpose:	Iodine processing
Board of Directors:	Eugenio Ponce L.*

CEO: Felipe Smith de A.*
 Alan Shipp
 Charles Pittard
 Patricio Covarrubias G.

Relationship with parent company: Production

Contracts with parent company: Distribution

Address: Avda Pdte. Eduardo Frei N° 4900, Santiago, Chile.

Telephone: (56) 2 2443 7110

Fax: (56) 2 2443 7114

SQM SALAR S.A.:

Capital: US\$38.000.000

Ownership: 81,82% SQM Potasio S.A.
 18,18% SQM S.A.

Corporate Purpose: Exploitation and marketing of potassium, lithium, and other products

Board of Directors: Patricio De Solminihac T.*
 Daniel Jiménez Sch.*
 Ricardo Ramos R.*
 Carlos Diaz O.*
 Patricio Contesse G.*
 Patricio Contesse G.*

CEO: Patricio Contesse G.*

Relationship with parent company: Production

Contracts with parent company: Not Applicable

Address: El Trovador 4285, Las Condes, Santiago, Chile

Telephone: (56) 2 2425 2000

Fax: (56) 2 2425 2268

INSTITUCION DE SALUD PREVISIONAL NORTE GRANDE LTDA.:

Capital: US \$45.300

Ownership: 99% SQM Industrial S.A.
 1% SQM S.A.

Corporate Purpose: Administration of health matters for SQM S.A.

Board of Directors: Not Applicable

CEO: Humberto Riquelme

Relationship with parent company: Support

Contracts with parent company: Support

Address: Anibal Pinto N° 3228, Antofagasta, Chile

Telephone: (55) 412621

Fax: (55) 412632

ALMACENES Y DEPOSITOS LTDA.:

Capital: US\$1.480.685

Ownership: 99% SQM Potasio S.A.
 1% SQM S.A.

Corporate Purpose: General deposit activities

Board of Directors: None

CEO: Patricio Contesse G.*

Dirección: El Trovador 4285, Las Condes, Santiago, Chile

Relationship with parent company: Support

Contracts with parent company: Not Applicable

Telephone: (56) 2 2425 2000

Fax: (56) 2 2425 2268

SQM POTASIO S.A.:

Capital: US\$257.010.492

Ownership: 99,999999% SQM S.A.
 0,000001% other non-related

Corporate Purpose: Extraction of minerals for fertilizer and chemical production

Board of Directors: Patricio de Solminihac T.*
 Ricardo Ramos R.*
 Carlos Diaz O.*
 Patricio Contesse G.*
 Daniel Jiménez Sch.*
 Patricio Contesse G.*

CEO: Patricio Contesse G.*

Relationship with parent company: Productiob

Contracts with parent company: Non Applicable

Address: El Trovador 4285, Las Condes, Santiago, Chile

Telephone: (56) 2 2425 2000

Fax: (56) 2 2425 2268

PROINSA LTDA.:

Capital: US\$78.254

Ownership: 99,9% SQMC S.A.
 0,1% Other non-related

Corporate Purpose: Production and marketing of fertilizers

Board of Directors: None

CEO: Claudio Morales

Relationship with parent company: Support

Contracts with parent company: Non Applicable

Address: El Trovador 4285, Las Condes, Santiago, Chile

Telephone: (56) 2 2425 2525
Fax: (56) 2 2425 2268

SQMC INTERNACIONAL LTDA.:

Capital: US\$1.105.602
Ownership: 99,7423% SQMC S.A.
0,2577% Proinsa Ltda.
Corporate Purpose: Import and marketing of fertilizers importación y exportación
Board of Directors: None
CEO: Claudio Morales
Relationship with parent company: Support
Contracts with parent company: None
Dirección: El Trovador 4285, Las Condes, Santiago, Chile
Teléfono: (56) 2 2425 2525
Fax: (56) 2 2425 2268

COMERCIAL HYDRO S.A.:

Capital: US\$4,818,186
Ownership: 99.9999% SQMC S.A. 0.0001% SQMC Internacional Ltda.
Corporate Purpose: Import and marketing of fertilizers
CEO: Claudio Morales*
Board of Directors: Eugenio Ponce*
Ricardo Ramos*
Claudio Morales*
Relationship with parent company: Support
Contracts with parent company: None
Address: El Trovador 4285, Las Condes, Santiago, Chile
Telephone: 56(2) 2425 2525
Fax: 56(2) 2425 2268

SQM INDUSTRIAL S.A.:

Capital: US\$715,066,287
Ownership: 99.047043% SQM S.A.
0.952957% SQM Potasio S.A.
Corporate Purpose: Operation of extraction plants, holdings, and transport of mineral substances and raw materials

CEO: Patricio Contesse G.*
Board of Directors: Patricio de Solminihac T.*
Ricardo Ramos*
Carlos Diaz O.*

Relationship with parent company: Production
Contracts with parent company: Not Applicable
Address: El Trovador 4285, Las Condes, Santiago, Chile
Telephone: 56(2) 2425 2525
Fax: 56(2) 2425 2268
(56) 2 2425 2268

SALES DE MAGNESIO LTDA.:

Capital: US\$217,284
Ownership: 50% SQM Salar S.A.
50% Others, non-related
Corporate Purpose: Marketing of magnesium salts
Board of Directors: None
CEO: José Tomás Ovalle
Relationship with parent company: Distribution
Contracts with parent company: Office Rental
Address: Sector La Negra Lotes 1 y 2 Antofagasta, Chile
Trading address: El Trovador 4285, Las Condes, Santiago, Chile
Telephone: 56(2) 2425 2428
Fax: 56(2) 2425 2434

EXPLORACIONES MINERAS S.A.:

Capital: US\$30,100,000
Holdings: 0.269103% SQM S.A.
99.730897% SQM Potasio S.A.
Corporate Purpose: Operation of other mines and quarries
Board of Directors: Patricio de Solminihac T.*
Ricardo Ramos R.*
Patricio Contesse G.*
Patricio Contesse G.*
CEO: Patricio Contesse G.*
Relationship with parent company: Support
Contracts with parent company: Not Applicable
Address: El Trovador 4285, Las Condes, Santiago, Chile
Telephone: 56(2) 2425 2000
Fax: 56(2) 2425 2434

SOCIEDAD PRESTADORA DE SERVICIOS DE SALUD CRUZ DEL NORTE S.A.:

Capital: US\$45,300
 Ownership: 99% SQM Industrial S.A.
 1% SQM Potasio S.A.
 Corporate Purpose: Benefits related to health
 Board of Directors: None
 General Manager: None
 Relationship with parent company: Support
 Contracts with parent company: Support
 Address: El Trovador 4285, Las Condes, Santiago, Chile
 Telephone: 56(2) 2425 2000
 Fax: 56(2) 2425 2068

COMERCIAL AGRORAMA LTDA

Capital: US\$1,524,800
 Ownership: 70% SQMC S.A.
 30% Others, non-related
 Corporate Purpose: Sales and distribution of fertilizers and pesticides
 Board of Directors: Carlos Ríos*
 Christian Izarnotegui
 Tullio Callegari
 Alejandro Bitrán
 CEO: Christian Izarnotegui L.
 Relationship with parent company: Distribution
 Contracts with parent company: Not Applicable
 Address: El Trovador 4285, Las Condes, Santiago, Chile
 Telephone: 56(2) 2425 2000
 Fax: 56(2) 2425 2068

AGRORAMA S.A.:

Capital: US\$208,400
 Ownership: 99.999% SQMC S.A.
 0.001% Others, non-related
 Corporate Purpose: Sales and distribution of fertilizers and pesticides
 Board of Directors: Carlos Ríos*
 Christian Izarnotegui
 Claudio Morales
 CEO: Christian Izarnotegui L.
 Relationship with parent company: Distribution
 Contracts with

parent company: Not Applicable
 Address: El Trovador 4285, Las Condes, Santiago, Chile
 Telephone: 56(2) 2425 2000
 Fax: 56(2) 2425 2068

ORCOMA ESTUDIOS SPA

Capital: USD \$1,500
 Ownership: 100% SQM SA
 Corporate Purpose: Exploration, measurement, prospection, and research into mineral deposits for extraction
 Legal Representation: Patricio de Solminihac*
 Ricardo Ramos*
 Relationship with parent company: None
 Contracts with parent company: None to date
 Address: Apoquindo 3721, oficina 131, Las Condes, Santiago, Chile
 Telephone: 56(2) 2367 3000

ORCOMA SPA

Capital: USD \$2,357,731
 Ownership: 100% SQM SA
 Corporate activities: Exploration, measurement, prospection, research, development, and operation of mineral deposits for extraction
 Legal Representation: Patricio de Solminihac*
 Ricardo Ramos*
 Relationship with parent company: None
 Contracts with parent company: None to date
 Address: Apoquindo 3721, oficina 131, Las Condes, Santiago, Chile
 Telephone: 56(2) 2367 3000

International Subsidiaries and Affiliates

SQM INVESTMENT CORPORATION N.V.:

Capital: US\$50,000
 Ownership: 99.00% SQM Potasio S.A.
 1.00% SQM S.A.
 Corporate Purpose: Investment and marketing of movable property and

Board of Directors: real estate
 CEO: TMF Group
 Relationship with parent company: N.V. Interpark
 Contracts with parent company: Support
 Address: Not Applicable
 Pietermaai 123, P.O. Box 897, Willemstad, Curacao, Netherlands Antilles.
 Telephone: (59) (99) 4612544
 Fax: (59) (99) 4612647

SQM CORPORATION N.V.:

Capital: US\$12,939,718
 Ownership: 99.9794% SQM Industrial S.A. 0.0204% SQI Corporation N.V. 0.0002% SQM S.A.
 Corporate Purpose: Investment in movable property and real estate
 Board of Directors: TMF Group
 CEO: N.V. Interpark
 Relationship with parent company: Support
 Contracts with parent company: Not Applicable
 Address: Pietermaai 123, P.O. Box 897, Willemstad, Curacao, Netherlands Antilles.
 Telephone: (59) (99) 4612544
 Fax: (59) (99) 4612647

SQI CORPORATION N.V.:

Capital: US\$6,300
 Ownership: 99.98413% SQM Potasio S.A. 0.01587% SQM S.A.
 Corporate Purpose: Investment in movable property and real estate
 Board of Directors: TMF Group
 CEO: N.V. Interpark
 Relationship with parent company: Support
 Contracts with parent company: Not Applicable
 Address: Pietermaai 123, P.O. Box 897, Willemstad, Curacao, Netherlands Antilles.
 Tel: (59) (99) 4612544
 Fax: (59) (99) 4612647

RS AGRO CHEMICAL TRADING CORP. A.V.V.:

Capital: US\$6,000
 Ownership: 98.3333% SQM S.A. 1.6667% SQM Potasio S.A.
 Corporate Purpose: Investment and marketing of movable property and real estate
 Board of Directors: IM Trust
 CEO: CMS Corporate Management Services N.V.
 Relationship with parent company: Support
 Contracts with parent company: CMS Corporate
 Address: Caya Ernesto O. Petronia 17, Oranjestad, Aruba.
 Fax: 297-8-26548

ROYAL SEED TRADING A.V.V.:

Capital: US\$6,000
 Ownership: 1.67% SQM S.A. 98.33% SQM Potasio S.A.
 Corporate Purpose: Investment and marketing of movable property and real estate
 Board of Directors: IM Trust
 CEO: CMS Corporate Management Services N.V.
 Relationship with parent company: Support
 Contracts with parent company: Not Applicable
 Address: Caya Ernesto O. Petronia 17, Oranjestad, Aruba
 Fax: 297-8-26548

SQM COMERCIAL DE MEXICO S.A. DE C.V.:

Capital: US\$22,044,533
 Ownership: 99.9459% SQM Industrial S.A. 0.0536% SQM Potasio S.A. 0.0005% SQM S.A.
 Corporate activities: Import, export, and marketing of fertilizers
 Board: Christian Luders M*
 Ricardo Ramos R*
 Eugenio Ponce L*
 Gerardo Illanes G*
 Patricio de Solminihac T*
 Enrique Olivares C*
 Francisco Sanchez V*

CEO: Christian Fernando Lüders
Muñoz

Relationship with parent company: Distribution

Contracts with parent company: Not Applicable

Address: Av. Moctezuma 144-4,
Ciudad del Sol. CP 45045,
Zapopan, Jalisco, Mexico.

Telephone: (52 33) 35401100

Fax: (52 33) 35401100

SQM NITRATOS DE MEXICO S.A. DE C.V.:

Capital: US\$5,636

Ownership: 99.998% SQM Industrial
S.A.
0.002% SQM North
America Corporation

Corporate Purpose: Services

Board of Directors: Christian Luders M*
Ricardo Ramos R*
Eugenio Ponce L*
Gerardo Illanes G*
Patricio de Solminihac T*
Enrique Olivares C*
Francisco Sanchez V*

CEO: Christian Fernando Lüders
Muñoz

Relationship with parent company: Support

Contracts with parent company: Not Applicable

Address: Av. Moctezuma 144-4,
Ciudad del Sol. CP 45045,
Zapopan, Jalisco, Mexico.

Telephone: (52 33) 35401100

Fax: (52 33) 35401100

ADMINISTRACION Y SERVICIOS SANTIAGO S.A. DE C.V.:

Capital: US\$6,612

Ownership: 99.998% SQM Industrial
S.A. 0.002% SQM North
America Corporation

Corporate Purpose: Services

Board of Directors: Christian Luders M*
Ricardo Ramos R*
Eugenio Ponce L*
Gerardo Illanes G*
Patricio de Solminihac T*
Enrique Olivares C*
Francisco Sanchez V*

CEO: Christian Fernando Lüders
Muñoz

Relationship with parent company: Support

Contracts with parent company: Not Applicable

Address: Av. Moctezuma 144-4,
Ciudad del Sol. CP 45045,
Zapopan, Jalisco, Mexico.

Telephone: (52 33) 35401100

Fax: (52 33) 35401100

SQM EUROPE N.V.:

Capital: US\$21,736,572

Ownership: 99.42% Soquimich
European Holdings B.V.
0.58% SQM S.A.

Corporate Purpose: Marketing and distribution
of specialty plant
nutrients and industrial
products in Europe,
Northern Africa, and the
Middle and Far East.

Board of Directors: Ricardo Ramos R.*
Eugenio Ponce L.*
Patricio de Solminihac T.*
Daniel Jiménez S.*
Enrique Olivares*
Frank Biot

CEO: Frank Biot

Relationship with parent company: Support

Contracts with parent company: Not Applicable

Address: Sint Pietersvliet 7 bus 8,
2000. Antwerp, Belgium

Telephone: (32 3) 2039700

Fax: (32 3) 2312782

NITRATOS NATURAIS DO CHILE COMERCIO DE PRODUTOS E SERVICIOS AGRICOLAS E INDUSTRIAIS LTDA.:

Capital: US\$202,567

Ownership: 99.9999% SQM Industrial
S.A. 0.0001% SQM Brasil
Ltda.

Corporate Purpose: Marketing of agricultural
or industrial supplies;
Advisory services;
Representation of other
domestic and foreign
companies. Purchasing,
sale, import, and export
of natural sodium nitrates,
sodium sulfate, and other

related products; Advisory and consultancy services; Representation of other domestic and foreign companies.

Board of Directors: None
 Representative: Martin Sampaio de A.
 Relationship with parent company: Support
 Contracts with parent company: Not Applicable
 Address: Al. Tocantins 75, conj. 610, 6º Andar, Edif. West Gate, Alphaville, Barueri, CEP 06455-020, Sao Paulo, Brasil.
 Telephone: (55 11) 4195 6315

SQM AFRICA (PYT) LTDA.:

Capital: US\$70,699 (ZAR663,802)
 Ownership: 100% Soquimich European Holdings B.V.
 Corporate Purpose: Marketing of specialty plant nutrients and industrial products.
 Board of Directors: Frank Biot
 Patrick Vanbeneden
 CEO: Ettianne Strydom
 Relationship with parent company: Distribution
 Contracts with parent company: Not Applicable
 Address: Building 3 Waterford Office Park, Waterford Drive, 2191 Fourways, Johannesburg, South Africa
 Telephone: (27 11) 6588640
 Fax: (27 11) 6581101

SOQUIMICH EUROPEAN HOLDINGS B.V.:

Capital: US\$15,815,547
 Ownership: 100% SQM Corporation N.V.
 Corporate Purpose: Holding Company
 Board of Directors: Frank Biot
 Patrick Vanbeneden
 Paul van Duuren
 Dennis Beets
 Gerardo Illanes G.*
 CEO: None
 Relationship with parent company: Distribution

Contracts with parent company: Not Applicable
 Address: Luna ArenA, Herikerbergweg 238, 1101 CM Amsterdam Zuid-Oost, Netherlands
 Telephone: (31 20) 5755600
 Fax: (31 20) 6730016

SQM JAPAN CO. LTD.:

Capital: US\$87,413
 Ownership: 99% SQM Potasio S.A. 1% SQM S.A.
 Corporate Purpose: Distribution and marketing of products in Asia/Oceania and marketing assistance.
 Board of Directors: Patricio Contesse*
 Eugenio Ponce*
 Mayo Shibazaki
 CEO: Mayo Shibazaki
 Relationship with parent company: Distribution
 Contracts with parent company: Not Applicable
 Address: From 1st Bldg 207, 5-3-10 Minami- Aoyama, Minato-ku, Tokio, Japan 107-0062
 Telephone: (81 3) 5778 3311
 Fax: (81 3) 5778 3312

SQM OCEANIA PTY LIMITED:

Capital: US\$1
 Ownership: 100% Soquimich European Holdings B.V.
 Corporate Purpose: Import, export, and distribution of industrial fertilizers and industrial products
 Board of Directors: Frank Biot
 Patrick Vanbeneden
 Gerardo Illanes*
 Carlos Diaz*
 Geoffrey Walker
 CEO: None
 Relationship with parent company: Distribution
 Contracts with parent company: Not Applicable
 Address: Level 16 201 Elizabeth Street Sydney NSW 2000
 Telephone: (61 412) 558911
 Fax: (61 293) 479221

SQM VITAS FZCO:

Capital: US\$5,434,783
 Ownership: 49.5% SQM Industrial S.A.
 0.5% SQM S.A.
 50% Others, non-related
 Corporate Purpose: Production, distribution,
 and marketing of
 specialty plant nutrients.
 Board of Directors: Patrick Vanbeneden
 Karina Kuzmak-Bourdet
 Vincent Bignon
 CEO: Patrick Vanbeneden

Relationship with
 parent company: Production
 Contracts with
 parent company: Not Applicable
 Address: Jebel Ali Free Zone, PO
 Box 18222, Dubai, United
 Arab Emirates
 Telephone: (971 4) 8838506
 Fax: (971 4) 8838507

ABU DHABI FERTILIZER INDUSTRIES CO. W.L.L.:

Capital: US\$1,440,217
 Ownership: 50% SQM Corporation
 N.V. 50% Others, non-
 related
 Corporate activities: Distribution, and
 marketing of specialty
 plant nutrients in the
 environment.
 Board of Directors: Yousef Al Tawil
 Patrick Vanbeneden
 Frank Biot
 CEO: None

Relationship with
 parent company: Distribution
 Contracts with
 parent company: Not Applicable
 Address: PO Box 71871, Abu Dhabi,
 United Arab Emirates
 Telephone: (971) 25511700
 Fax: (971) 25511702

AJAY EUROPE SARL:

Capital: US\$4,793,178
 Ownership: 50% Soquimich European
 Holdings B.V. 50% Other,
 non-related
 Corporate Purpose: Production and
 distribution of iodine
 Board of Directors: Eugenio Ponce*

Alan Shipp
 Felipe Smith*
 Alec Poitevint
 Alan Shipp

CEO:
 Relationship with
 parent company: Production
 Contracts with
 parent company: Supply
 Address: Z.I. du Grand Verger BP
 22753602, Evron Cedex,
 France
 Telephone: (33 24) 3013535
 Fax: (33 24) 3017618

DOKTOR TARSA TARIM SANAYI A.S.:

Capital: US\$19,210,046
 Ownership: 50% Soquimich European
 Holdings B.V. 50% Other,
 non-related
 Corporate Purpose: Distribution and
 marketing of specialty
 plant nutrients in Turkey.
 Board of Directors: Frank Biot
 Ali B. Ozman
 Fahri Harmansah
 Ali B. Ozman
 CEO:

Relationship with
 parent company: Distribution
 Contracts with
 parent company: Not Applicable
 Address: Organize Sanayi Bolgesi,
 Ikinci Kisim, 22 cadde
 TR07100 Antalya, Turkey.
 Telephone: (90 2) 422494646
 Fax: (90 2) 422494600

SQM ECUADOR S.A.:

Capital: US\$416,900
 Ownership: 99.996% SQM Industrial
 S.A. 0.004% SQM S.A.
 Corporate Purpose: Fertilizer wholesale
 Board: None
 CEO: Andrés Yaksic
 Relationship with
 parent company: Distribution
 Contracts with
 parent company: Not Applicable
 Address: Av. José Orrantia & Av.
 Juan Tanca Marengo
 Edificio Executive Center
 Piso 2 Oficina 211
 Telephone: (593 4) 2158639
 Fax: (593 4) 2158639 ext 11

SQM IBERIAN S.A.

Capital: US \$133,127
 Ownership: 100% Soquimich European Holdings B.V.
 Corporate Purpose: Distribution and marketing of specialty plant nutrients and technical products in Spain.
 Board of Directors: Frank Biot.
 Jorge Lütken.
 Erik Borghys
 Gerardo Illanes*
 Management: José Andrés Cayuela
 Enrique Torras
 Erik Lütken
 Relationship with parent company: Distribution
 Contracts with parent company: Not Applicable
 Address: Provenza 251 Principal
 1a CP 08008 Barcelona, Spain.
 Telephone: (34 93) 4877806
 Fax: (34 93) 4872344

SQM MED TARIM SANAYI VE TICARET A.S.:

Capital: US \$283,906
 Ownership: 50% Soquimich European Holdings B.V. 50% Others, non-related
 Corporate Purpose: Production and marketing of specialty products
 Board of Directors: Patrick Vanbeneden.
 Peter Van Coillie.
 Ali B. Özman.
 Ali Özman.
 CEO:
 Relationship with parent company: Support
 Contracts with parent company: None
 Address: Organize Sanayi Bolgesi,
 İkinci,Kisim, 22 cadde
 TR07100 Antalya,Turkey.
 Telephone: (90 2) 422494646
 Fax: (90 2) 422494600

CHARLEE SQM THAILAND:

Capital: THB 80,000,000
 Ownership: 40% Soquimich European Holdings B.V. 60% Other, non-related

Corporate Purpose: Distribution and marketing of specialty plant nutrients.
 Board of Directors: Patrick Vanbeneden
 Olaf Rietveld
 Chali Arjananont
 Vashirasak Arjananont
 Vashirasak Arjananont
 CEO:
 Relationship with parent company: Distribution
 Contracts with parent company: Not Applicable
 Address: 31 Soi 138 (Meesuk)
 Lapdrawrd, Bangkok, Thailand.
 Telephone: (662) 3778668
 Fax: (662) 3773578

SQM AGRO INDIA PVT LTD:

Capital: IRS \$5,100,000
 Ownership: 100% Soquimich European Holdings B.V.
 Corporate purpose: Agent and distributor for specialty plant nutrients in India
 Board of Directors: Patrick Vanbeneden.
 Alfredo Doberti.*
 Olaf Rietveld.
 Vashirasak Arjananont
 CEO:
 Relationship with parent company: Distribution
 Contracts with parent company: Not Applicable
 Address: C 30 Chiragh Enclave
 New Dehli, 110048 India.
 Telephone: (91 11) 26 44 24 98
 Fax: (91 11) 26 23 82 73

SQM (BEIJING) COMMERCIAL CO. LTDA.:

Capital: US \$1,600,000
 Ownership: 100% SQM Industrial S.A.
 Corporate Purpose: Commission agent and marketing of chemical products
 Board of Directors: Patricio de Solminihac T.*
 Eugenio Ponce L.*
 Ricardo Ramos R.*
 Olaf Rietveld
 CEO:
 Relationship with parent company: Distribution
 Contracts with parent company: Not Applicable
 Address: Room 1502, CBD

International Mansion No.
16 Yong An Dong Li, Jian
Wai Ave Beijing, 100022,
P.R.China.

Tel: (86 10) 6461 8950
Fax: (86 10) 8454 0885

SQM NORTH AMÉRICA CORPORATION:

Capital: US \$30,140,100
Ownership: 51% SQM Industrial S.A.
40% SQM S.A. 9%
Soquimich European
Holdings B.V.
Corporate Purpose: Marketing and sales of
nitrates, fertilizers, iodine,
and lithium in North
America
CEO: Sebastian Sanchez
Patricio Contesse G.*
Board of Directors: Patricio de Solminihac T.*
Eugenio Ponce L.*
Ricardo Ramos R.*
Daniel Jiménez S. *

Relationship with
parent company: Distribution
Contracts with
parent company: Not Applicable
Address: 2727 Paces Ferry Road,
Building Two, Suite 1425,
Atlanta, GA 30339
Telephone: 1(770) 916 9400
Fax: 1(770) 916 9401

SOQUIMICH S.L.R. ARGENTINA:

Capital: US \$1,656,500
Ownership: 99.99906% SQM
Investment Corporation.
0.00094% SQM Industrial
S.A.
Corporate Purpose: Import, export, sales and
marketing of fertilizers,
iodine saltpeter, iodine
salts, sodium sulfate,
potassium nitrates, and
all classes of supplies for
agriculture and industry.

Board of Directors: None
CEO: Carlos Balter.
Contracts with
parent company: Not Applicable
Relationship with
parent company: Support
Address: Espejo 65 - Oficina 6 -

5500 Mendoza, Argentina.
Telephone: (54 261) 434 0301
Fax: (54 261) 434 0301

NORTH AMERICAN TRADING COMPANY:

Capital: US \$338,124
Ownership: 100% SQM North
America Corporation.
Corporate Purpose: Investment Company
Board of Directors: Ricardo Ramos.*
Daniel Jimenez.*
CEO: Sebastian Sanchez
Relationship with
parent company: Support
Contracts with
parent company: Not Applicable
Address: 2727 Paces Ferry Road,
Building Two, Suite 1425,
Atlanta, GA 30339
Telephone: 1(770) 916 9400
Fax: 1(770) 916 9401

SQM VIRGINIA L.L.C.:

Capital: US \$33,375,305
Ownership: 100% SQM North America
Corporation.
Corporate Purpose: Investment Company
Board of Directors: Eugenio Ponce L.*
Gerardo Illanes.*
CEO: Sebastian Sanchez
Relationship with
parent company: Support
Contracts with
parent company: Not Applicable
Address: 2727 Paces Ferry Road,
Building Two,
Suite 1425, Atlanta, GA
30339
Telephone: 1(770) 916 9400
Fax: 1(770) 916 9401

SQMC HOLDING CORPORATION:

Capital: US \$3,000,000
Ownership: 99.9% SQM Potasio S.A.
0.1% SQM S.A.
Corporate Purpose: Investment Company
Board of Directors: Eugenio Ponce L.*
Felipe Smith*
CEO: Sebastian Sanchez
Relationship with
parent company: Support
Contracts with
parent company: Not Applicable

Address: 2727 Paces Ferry Road,
Building Two, Suite 1425,
Atlanta, GA 30339
Telephone: 1(770) 916 9400
Fax: 1(770) 916 9401

**SQM LITHIUM SPECIALTIES LIMITED
PARTNERSHIP, L.L.P.:**

Capital: US \$33,712,430
Ownership: 99% SQM Virginia LLC
1% North American
Trading Co.
Corporate Purpose: Production and marketing
of lithium derivatives
Board of Directors: None
CEO: Sebastian Sanchez
Relationship with
parent company: Support
Contracts with
parent company: Not Applicable
Address: 2727 Paces Ferry Road,
Building Two,
Suite 1425, Atlanta, GA
30339
Telephone: 1(770) 916 9400
Fax: 1(770) 916 9401

AJAY NORTH AMERICA L.L.C.:

Capital: US \$10,383,786
Ownership: 49% SQMC Holding
Corporation. 51% Other,
non-related
Corporate Purpose: Production and marketing
of iodine derivatives
Board of Directors: Eugenio Ponce*
Felipe Smith*
Alan Shipp
Alec Poitevint
CEO: Alan Shipp
Relationship with
parent company: Production
Contracts with
parent company: Supply
Address: 1400 Industry Road,
Power Springs, GA 30129
Tel: 1 (770) 943 6202
Fax: 1 (770) 439 0369

**SQM BRASIL PRODUÇÃO E COMERCIALIZAÇÃO DE
PRODUCTOS QUIMICOS E SERVIÇOS LTDA.**

Capital: US \$2,190,000
Ownership: 98.91% SQM Industrial S.A.

Corporate Purpose: 1.09% SQM S.A.
Purchasing, sales, import,
export, distribution,
industrialization, and
handling of chemical
products and
Board of Directors: None
CEO: None

Relationship with
parent company: Support
Contracts with
parent company: Not Applicable
Address: Al. Tocantins 75, 6° Andar,
Conunto 608 Edif. West
Gate, Alphaville, Barueri,
CEP 06455-020, Sao
Paulo, Brasil
Telephone: (55 11) 4195 6315

SQM PERÚ S.A.:

Capital: US \$17,427
Ownership: 99.02% SQM Industrial
S.A. 0.98% SQM S.A.
Corporate Purpose: Marketing of agricultural
and industrial supplies
Board of Directors: Ricardo Ramos*
Bernard Descaseaux
Eduardo Botinelli
Gerardo Illanes
CEO: Gerardo Illanes
Relationship with
parent company: Support
Contracts with
parent company: Not Applicable
Address: Avenida Camino Real n°
348 of 702, San Isidro,
Lima, Peru
Telephone: (511) 6112121
Fax: (511) 6112122

**SICHUAN SQM-MIGAO CHEMICAL FERTILIZER
CO. LTD.**

Capital: US \$28,000,000
Ownership: 50% SQM Industrial S.A.
50% Migao Corporation
Corporate Purpose: Production and marketing
of fertilizers
Board of Directors: Gerardo Illanes*
Liu Yaqin

CEO: Liu Guocai
Relationship with
parent company: Frank Biot
Liu Guocai

parent company: Production
 Contracts with parent company: Not Applicable
 Address: Huangjin Road, Dawan Town, Qingbaijiang District, Chengdu Municipality, Sichuan Province, China.
 Telephone: (86) 532 809 65 366

Sukhumvit Road, Klongtoey District, Bangkok, Thailand
 Telephone: (66) 2104 9136

QINGDAO SQM- STAR CROP NUTRITION CO. LTD.

Capital: US \$2,000,000
 Ownership: 50% SQM Industrial S.A. 50% QINGDAO STAR PLANT PROTECTION TECHNOLOGY CO., LTD.
 Corporate Purpose: Production and marketing of soluble fertilizers
 Board of Directors: Li Xiang Gerardo Illanes* Wan Taibin Frank Biot Li Xiang
 CEO: Li Xiang
 Relationship with parent company: Production
 Contracts with parent company: Not Applicable
 Address: Longquan Town, Jimo City, Qingdao Municipality, Shangdong Province, China
 Tel: (86) 532 809 65 366

COROMANDEL (SQM INDIA) P LTD

Capital: US\$1,675,042
 Ownership: 50% Soquimich European Holdings NV 50% Others, non related
 Corporate Purpose: Production and marketing of soluble fertilizers
 Board of Directors: Patrick Vanbeneden Olaf Rietvald Gopala Krishna Mr. Sankarasubramanian Mahadev Suvarna
 CEO: Mahadev Suvarna
 Relationship with parent company: Distribution
 Contracts with parent company: Not Applicable
 Address: COROMANDEL HOUSE, 1-2-10, Sardar Patel Road, Secunderabad-500 003, Andhra Pradesh, India 91-40-27842034
 Telephone: 91-40-27842034

SQM (THAILAND) LIMITED

Capital: THB 100,000,000
 Ownership: 99.996% Soquimich European Holdings NV 0.004% Others
 Corporate Purpose: Marketing of fertilizers and industrial chemicals
 Board of Directors: Gerardo Illanes* Patrick Vanbeneden Bert Desmet Pattamakan Suparp Diego Molina Diego Molina
 CEO: Diego Molina
 Relationship with parent company: Distribution
 Contracts with parent company: Not Applicable
 Address: Unit 2962, Level 29, No. 388, Exchange Tower

SQM VITAS B.V.

Capital: US\$100,000
 Ownership: 50% Soquimich European Holdings NV 50% Others, non- related
 Corporate Purpose: Investment Company
 Board: Frank Biot Patrick Vanbeneden Paul van Duuren Dennis Beets Mahadev Suvarna
 CEO: Mahadev Suvarna
 Relationship with parent company: None
 Contracts with parent company: Not Applicable
 Address: Luna Arena, Herlkerbergweg 238, 1101 CM Amsterdam, Zuldoost, Holland
 Telephone: (31 29) 5755600

SQM FRANCE S.A.

Capital: FRF1,500,000
 Ownership: 100% Soquimich

Corporate Purpose: European Holdings NV
 Investment Company
 Legal Representative: Oliver Lecaplain
 CEO: None
 Relationship with parent company: Support
 Contracts with parent company: Not Applicable
 Address: Zac Des Pommiers, 27930 Fauville, France

SQM ITALIA SRL

Capital: €255,000
 Ownership: 100% Soquimich
 European Holdings NV
 Corporate Purpose: Investment Company
 Board: n/a
 CEO: Silvio Maria Parri
 Frank Biot
 Relationship with parent company: Support
 Contracts with parent company: Not Applicable
 Address: Via A Meucci N°5, 50012 – Bagno A Ripoli Florence, Italy
 Telephone: +39 055 644 418

*Indicates employee of SQM

There has not been any change in the structure of the affiliates and subsidiaries.

Information on Relevant or Essential Facts

March 05, 2013: We hereby inform you that the Directors of Sociedad Química y Minera de Chile S.A. (SQM), in its ordinary Board of Directors meeting held on March 5, 2013, unanimously agreed to recommend to the next Annual General Shareholders Meeting to pay by a definitive dividend of 50% of the distributable net income obtained by SQM during the fiscal year 2012.

This recommendation implies maintaining the current “Dividends Policy for Fiscal Year 2012 of SQM” that was approved at the General Annual Shareholders Meeting that took place on April 26, 2012.

Therefore, and subject to the approval of SQM’s shareholders at the next Annual General Shareholders Meeting to be held on April 25th of this year, SQM will pay a definitive dividend

of US\$ 1.23323 per share as a consequence of the distributable net income obtained during the 2012 fiscal year. Nevertheless, the amount of US\$ 0.94986 shall be deducted from the definitive dividend, which was already paid as a provisional dividend, and the balance, in the amount of US\$ 0.28337 per share, shall be paid and distributed to the SQM shareholders who are registered in the respective Registry during the fifth business day prior to the day such payment will be paid.

Said amount will be paid in its equivalent in local currency, Chilean Pesos, based on the “Observed Dollar” or “USA Dollar” published in the “Diario Oficial” on April 25, 2013. This, in favor of the corresponding Shareholders personally or through duly authorized representatives, beginning at 9:00 am on Wednesday, May 8th, of this year.

April 03, 2013: We hereby inform you that Sociedad Química y Minera de Chile S.A. issued today, in international markets, a non-guaranteed bond of US\$300 million aggregate principal amount with a 10 year maturity and with an annual coupon rate of 3.625%, which will be used to refinance existing debt and for general corporate purposes.

We hereby attach the Form with the relevant information in compliance with the Official Notice N°1072 issued by the Chilean Securities and Insurance Commission (Superintendencia de Valores y Seguros or “SVS”).

April 05, 2013: We hereby inform you that Mr. Kendrick T. Wallace has renounced his position as Director of Sociedad Química y Minera de Chile S.A. This took place as of this same date for personal reasons.

May 28, 2013: We hereby inform you that the Board of Directors of Sociedad Química y Minera de Chile S.A. (SQM S.A. or SQM or the Company), who met in an Ordinary Board Meeting on May 28 of this year, unanimously agreed to approve the “General Policy for Habitual-Ordinary Operations of SQM S.A.’s lines of business” as referred to in Article 147 paragraph two letter b) of Chilean Law N° 18,046 and shall enter into force as of this same date. That is: “General Policy for Habitual-Ordinary Operations Of SQM S.A.’s Lines of Business”

SQM’s habitual operations include -i- the supply operations of raw materials, sub-products and

products, and the purchase/sales operations of mining concessions for exploration and exploitation, whether in process or constituted, of groundwater exploration rights and surface water and groundwater use rights, whether in process or constituted, that the company performs with its subsidiary and affiliated companies -ii- the operations of contracting and provision of all types of services performed with its subsidiary and affiliated companies -iii- the operations of leasing- or of other operations that don't transfer ownership - of properties, of mining concessions, and of water rights carried out with its subsidiary and affiliated companies -iv- the operations it performs through companies which are "related parties" to the Company -vi- the operations of contracting maritime shipments performed with companies which are "related parties" to the Company, and -vii- the finance operations that the Company performs with its subsidiary and affiliated companies and which, under any name, it implements to manage its assets, liabilities, and financial resources."

Moreover, we hereby inform you that the Company Directors also unanimously agreed, in said same Meeting, and among other aspects, to annul, as of this same day, the previous "General Policy for Habitual-Ordinary Operations of SQM S.A.'s lines of business" which the Board of Directors of SQM approved in its Meeting held on May 24, 2011.

September 11, 2013: We hereby inform that Sociedad Química y Minera de Chile S.A. (SQM), Antofagasta Minerals S.A. and Minera Antucoya have agreed and signed today an amendment to the original mining rights sales contract for the "Antucoya Mining Project". Such amendment essentially replaces the originally agreed variable annual royalty for a fix amount of US\$84 million, which has been already paid along with the signing of this amendment. SQM expects that the above will contribute with a positive net effect to results of the third quarter of 2013 of approximately US\$67 million. This transaction falls within SQM's systematic metal exploration program.

November 19, 2013: The Directors of Sociedad Química y Minera de Chile S.A. (SQM), who met in an Ordinary Board of Director Meeting today, unanimously agreed to pay and distribute a provisional dividend referred to in the current "SQM's 2013 Dividend Policy " which was reported

to the SQM Annual General Shareholders Meeting held on April 25th of this year. Therefore, SQM shall pay and distribute, as of December 12, 2013, a provisional dividend of US\$ 0.75609 per share, which is approximately equivalent to the total amount of US\$ 199 million and, the latter, to 49.9% of the distributable net income of the fiscal year 2013, accumulated to date at September 30 of this year. This shall be charged against the net income of said fiscal year, in favor of the Shareholders who appear in SQM's Registry of Shareholders on the fifth business day prior to December 12, 2013, and in its equivalent in national currency (Chilean pesos) according to the value of the "Observed Dollar" or "United States of America Dollar" as published in the Official Gazette on December 6, 2013.

Relevant facts pertaining to Soquimich Comercial S.A. and Subsidiaries

On March 2013, SQM's subsidiary Soquimich Comercial informed the Department of the Superintendent of Securities and Insurance of an essential fact, in which the Board of Directors of Soquimich Comercial S.A. unanimously agreed, at a session held on that date, to propose a definitive dividend payment for a sum of Chilean pesos, the national legal tender currency, equivalent at the observed dollar exchange rate on the date of approval at the company's Ordinary General Shareholders Meeting to US\$0.01572 per share, payable to the shareholders registered in the corresponding Registry on the fifth working day in advance of the payment date. This proposition, following approval at the company's Ordinary General Shareholders Meeting held on April 24, 2012, will allow the company to distribute an annual dividend equivalent to 50% of its liquid net earnings from the 2011 commercial period. The corresponding sum shall be paid to eligible shareholders, in person or through duly authorized representatives, starting at 09:00 am on Monday, May 20 of this year.

Summary of comments and proposals by shareholders and the Directors' Committee.

There have been no comments or proposals by shareholders or the Board of Directors Committee related to the Company under the 3rd section of the 74th article of Chilean Law No. 18,046.

(Translation of a document that was executed in Spanish)

CERTIFICATE OF VALIDITY

The Chilean Commission for the Qualification of Competencies in Mining Resources and Reserves¹, hereby certifies that **Ms. Marta Aguilera Mercado**, Chilean ID N° 7.088.338-4, Geologist, is registered under Number 1631 in the Public Registry of Qualified Persons in Mining Resources and Reserves of Chile, in the specialty of Geology, and her competencies and skills as a Competent Person are currently in force in order to inform and report concerning her specialty.

This certificate is issued at the request of the interested party in order to prepare a section of or a full technical report of the project:

“SQM 2013 Annual Report”

Gladys Hernández
Executive Secretary

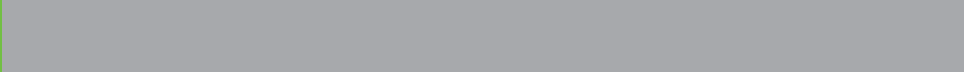
CERTIFICATION OF COMPETENT PERSONS

Santiago, March 12, 2014
CM- 120- 032014

Information:

- a) The **Certificate of Validity** accredits the validity of the competencies of the interested party to inform and report, pursuant to CH Code 20.235 (“Certification Code for Exploration Prospects, Mineral Resources and Ore Reserves”), on subjects or specific topics according to competencies and skills registered and to her experience as a Competent Person.
- b) **Law N° 20.235, Article 18:** “For the preparation of technical and public reports, the Persons Competent in Mining Resources and Ore Reserves must strictly follow the standards, regulations, criteria, and procedures established by the Code, as well as all other technical standards that the Mining Commission dictates in the use of its legal powers”.
- c) **La application of CH Code 20.235** and the use of this certificate is the exclusive responsibility of the interested party, according to the technical criteria and ethical standards indicated in Law N°20.235.

1 The Chilean Commission for the Qualification of Competencies in Mining Resources and Reserves (Republic of Chile Law N° 20,235) is a member of the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) that groups together the organizations of Australia (JORC), Canada (Instrument 43-101), South Africa (SAMREC), USA (Society of Mining Engineers), Europe (PanEuropean Code), Russia (NAEN), which respond to a common international standard to inform and report exploration prospects, mining resources and reserves.







6
FINANCIAL
STATEMENTS

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INDEPENDENT AUDITOR'S REPORT
(Free translation from the original in Spanish)

Santiago, March 4, 2014

To the Board of Directors and Shareholders
Sociedad Química y Minera de Chile S.A.

We have audited the accompanying consolidated financial statements of Sociedad Química y Minera de Chile S.A. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2013 and 2012 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes the design, implementation and maintenance of a relevant internal control for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Chilean generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Consequently, we do not express such an opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





Santiago, March 4, 2014
Sociedad Química y Minera de Chile S.A.
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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sociedad Química y Minera de Chile S.A. and its subsidiaries as at December 31, 2013 and 2012, and the results of operations and cash flows for the years then ended in accordance with International Financial Reporting Standards.

A handwritten signature in blue ink, appearing to read "J. Gatica Menke".

Javier Gatica Menke
RUT: 7.003.684-3

A handwritten signature in blue ink that reads "PricewaterhouseCoopers".

PricewaterhouseCoopers

CONSOLIDATED CLASSIFIED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	As of December 31, 2013 ThUS\$	As of December 31, 2012 ThUS\$
Current assets			
Cash and cash equivalents	7.1	476,622	324,353
Other current financial assets	10.1	460,173	316,103
Other current non-financial assets	25	44,230	67,820
Trade and other receivables, current	10.2	330,992	510,616
Trade receivables due from related parties, current	9.5	128,026	101,372
Current inventories	8	955,530	890,579
Current tax assets	28.1	59,476	30,234
Total current assets		2,455,049	2,241,077
Non-current assets			
Other non-current financial assets	10.1	95	29,492
Other non-current non-financial assets	25	36,505	23,339
Trade receivables, non-current	10.2	1,282	1,311
Investments in associates	11.1	51,075	50,955
Investments in joint ventures	12.3	25,943	19,343
Intangible assets other than goodwill	13.1	104,363	99,754
Goodwill	13.1	38,388	38,388
Property, plant and equipment	14.1	2,054,377	1,912,549
Deferred tax assets	28.4	531	223
Total non-current assets		2,312,559	2,175,354
Total assets		4,767,608	4,416,431

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

CONSOLIDATED CLASSIFIED STATEMENT OF FINANCIAL POSITION

(continued)

Liabilities and Equity	Note	As of December 31, 2013 ThUS\$	As of December 31, 2012 ThUS\$
Liabilities			
Current liabilities			
Other current financial liabilities	10.4	401,426	152,843
Trade and other payables, current	10.5	150,960	207,944
Trade payables due to related parties, current	9.6	-	19
Other current provisions	18.1	17,953	18,489
Current tax liabilities	28.2	31,707	23,624
Provisions for employee benefits, current	15.1	25,236	33,974
Other current non-financial liabilities	18.3	95,353	172,200
Total current liabilities		722,635	609,093
Non-current liabilities			
Other non-current financial liabilities	10.4	1,417,390	1,446,194
Other non-current provisions	18.1	8,633	7,357
Deferred tax liabilities	28.4	154,295	125,445
Provisions for employee benefits, non-current	15.1	32,414	40,896
Total non-current liabilities		1,612,732	1,619,892
Total liabilities		2,335,367	2,228,985
Equity			
	17		
Share capital		477,386	477,386
Retained earnings		1,909,725	1,676,169
Other reserves		(10,491)	(20,772)
Equity attributable to owners of the Parent		2,376,620	2,132,783
Non-controlling interests		55,621	54,663
Total equity		2,432,241	2,187,446
Total liabilities and equity		4,767,608	4,416,431

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

CONSOLIDATED STATEMENT OF INCOME BY FUNCTION

		January to December	
	Note	2013 ThUS\$	2012 ThUS\$
Revenue	20	2,203,140	2,429,160
Cost of sales	27.2	(1,481,690)	(1,400,567)
Gross profit		721,450	1,028,593
Other income	27.3	96,716	12,702
Administrative expenses	27.4	(105,189)	(106,442)
Other expenses by function	27.5	(49,397)	(34,628)
Other gains (losses)	27.6	(11,391)	683
Profit (loss) from operating activities		652,189	900,908
Finance income		12,696	29,068
Finance costs	22	(58,608)	(54,095)
Share of profit of associates and joint ventures accounted for using the equity method		18,786	24,357
Foreign currency translation differences	23	(11,954)	(26,787)
Profit (loss) before taxes		613,109	873,451
Income tax expense, continuing operations	28.4	(138,539)	(216,082)
Profit (loss) from continuing operations		474,570	657,369
Profit for the year		474,570	657,369
Profit attributable to			
Owners of the Parent		467,113	649,167
Non-controlling interests		7,457	8,202
Profit for the year		474,570	657,369

		January to December	
	Note	2013 US\$	2012 US\$
Earnings per share			
Common shares			
Basic earnings per share (US\$ per share)	21	1,7748	2,4665
Basic earnings per share (US\$ per share) from continuing operations		1,7748	2,4665
Diluted common shares			
Diluted earnings per share (US\$ per share)	21	1,7748	2,4665
Diluted earnings per share (US\$ per share) from continuing operations		1,7748	2,4665

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

ESTADO CONSOLIDADOS DE RESULTADOS INTEGRALES

Statement of comprehensive income	January to December	
	2013 ThUS\$	2012 ThUS\$
Profit for the year	474,570	657,369
Components of other comprehensive income before taxes and foreign currency translation differences		
Gain (loss) from foreign currency translation differences, before taxes	(3,559)	982
Other comprehensive income before taxes and foreign currency translation differences	(3,559)	982
Cash flow hedges		
(Gain) loss from cash flow hedges before taxes	15,778	(7,872)
Other comprehensive income before taxes and cash flow hedges	15,778	(7,872)
Other comprehensive income before taxes and actuarial gains (losses) from defined benefit plans	1,012	711
Other miscellaneous reserves	-	-
Other components of other comprehensive income before taxes	13,231	(6,179)
Income taxes associated with components of other comprehensive income		
Income taxes associated with cash flow hedges in other comprehensive income	(3,022)	1,580
Income taxes associated with components of other comprehensive income	(3,022)	1,580
Other comprehensive income	10,209	(4,599)
Total comprehensive income	484,779	652,770
Comprehensive income attributable to		
Owners of the Parent	477,394	644,507
Non-controlling interests	7,385	8,263
Total comprehensive income	484,779	652,770

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Statements of cash flows	Note	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Cash flows from (used in) operating activities			
Types of receipts from operating activities			
Cash receipts from sales of goods and rendering of services		2,392,696	2,387,979
Other cash receipts from operating activities		-	-
Types of payments			
Cash payments to suppliers for the provision of goods and services		(1,496,053)	(1,447,970)
Cash payments to and on behalf of employees		(48,033)	(44,429)
Other payments related to operating activities		(24,774)	(8,396)
Dividends received		16,423	15,126
Interest paid		(87,018)	(59,509)
Interest received		12,696	24,368
Reimbursed (paid) income taxes		(119,107)	(250,201)
Other incomes (outflows) of cash		4,883	33,238
Net cash generated from (used in) operating activities		651,713	650,206
Cash flows from (used in) investing activities			
Cash receipts from the loss of control of subsidiaries and other businesses		-	961
Other cash payments made to acquire interests in joint ventures		(69)	(197)
Proceeds from the sale of property, plant and equipment		216	2,050
Proceeds from sale of intangible assets		86,157	-
Compras de activos intangibles		-	-
Acquisition of property, plant and equipment		(386,495)	(449,984)
Cash advances and loans granted to third parties		528	(623)
Other incomes (outflows) of cash (*)		(187,722)	(115,092)
Net cash generated from (used in) investing activities		(487,385)	(562,885)

(*)Includes other cash receipts (payments), investments and redemptions of time deposits and other financial instruments, which do not qualify as cash and cash equivalents in accordance with IAS 7.7 as they have a maturity date greater than 90 days from their date of origin.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

(continued)

	Note	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Cash flows from (used in) financing activities			
Proceeds from issue of capital instruments		-	-
Proceeds from long-term borrowings		300,000	366,502
Proceeds from short-term borrowings		160,000	-
Total proceeds from borrowings		460,000	366,502
Repayment of borrowings		(176,485)	(220,000)
Dividends paid		(279,668)	(334,762)
Other cash receipts (payments)		(6,132)	(9,437)
Net cash generated from (used in) financing activities		(2,285)	(197,697)
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate		162,043	(110,376)
Effects of exchange rate fluctuations on cash held		(9,774)	(10,263)
Net (decrease) increase in cash and cash equivalents		152,269	(120,639)
Cash and cash equivalents at beginning of period		324,353	444,992
Cash and cash equivalents at end of period		476,622	324,353

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2013	Share capital ThUS\$	Foreign currency translation difference reserves ThUS\$	Cash flow hedge reserves ThUS\$	Actuarial gains (losses) from defined benefit plans ThUS\$	Other miscellaneous reserves ThUS\$	Other reserves ThUS\$	Retained earnings ThUS\$	Equity attributable to owners of the Parent ThUS\$	Non- controlling interests ThUS\$	Total ThUS\$
Equity at beginning of the year	477,386	(330)	(16,522)	(2,243)	(1,677)	(20,772)	1,676,169	2,132,783	54,663	2,187,446
Restated opening balance of equity	477,386	(330)	(16,522)	(2,243)	(1,677)	(20,772)	1,676,169	2,132,783	54,663	2,187,446
Profit for the year	-	-	-	-	-	-	467,113	467,113	7,457	474,570
Other comprehensive income	-	(3,487)	12,756	1,012	-	10,281	-	10,281	(72)	10,209
Comprehensive income	-	(3,487)	12,756	1,012	-	10,281	467,113	477,394	7,385	484,779
Dividends	-	-	-	-	-	-	(233,557)	(233,557)	(6,427)	(239,984)
Increase (decrease) in transfers and other changes	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in equity	-	(3,487)	12,756	1,012	-	10,281	233,556	243,837	958	244,795
Equity As of December 31, 2013	477,386	(3,817)	(3,766)	(1,231)	(1,677)	(10,491)	1,909,725	2,376,620	55,621	2,432,241

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2012	Share capital ThUS\$	Foreign currency translation difference reserves ThUS\$	Cash flow hedge reserves ThUS\$	Actuarial gains (losses) from defined benefit plans ThUS\$	Other miscellaneous reserves ThUS\$	Other reserves ThUS\$	Retained earnings ThUS\$	Equity attributable to owners of the Parent ThUS\$	Non- controlling interests ThUS\$	Total ThUS\$
Equity at beginning of the year	477,386	(1,251)	(10,230)	(2,954)	(1,677)	(16,112)	1,351,560	1,812,834	51,546	1,864,380
Restated opening balance of equity	477,386	(1,251)	(10,230)	(2,954)	(1,677)	(16,112)	1,351,560	1,812,834	51,546	1,864,380
Profit for the year	-	-	-	-	-	-	649,167	649,167	8,202	657,369
Other comprehensive income	-	921	(6,292)	711	-	(4,660)	-	(4,660)	61	(4,599)
Comprehensive income	-	921	(6,292)	711	-	(4,660)	649,167	644,507	8,263	652,770
Dividends	-	-	-	-	-	-	(324,558)	(324,558)	(5,146)	(329,704)
Increase (decrease) in transfers and other changes	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in equity	-	921	(6,292)	711	-	(4,660)	324,609	319,949	3,117	323,066
Equity As of December 31, 2012	477,386	(330)	(16,522)	(2,243)	(1,677)	(20,772)	1,676,169	2,132,783	54,663	2,187,446

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as of December 31, 2013

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

1. IDENTIFICATION AND ACTIVITIES OF THE COMPANY AND SUBSIDIARIES

1.1 Historical background

Sociedad Química y Minera de Chile S.A. "SQM" is an open stock corporation organized under the laws of the Republic of Chile, Tax Identification No.93.007.000-9.

The Company was incorporated through a public deed dated June 17, 1968 by the notary public of Santiago MR. Sergio Rodríguez Garcés. Its existence was approved by Decree No. 1,164 of June 22, 1968 of the Ministry of Finance, and it was registered on June 29, 1968 in the Registry of Commerce of Santiago, on page 4,537 No. 1,992. SQM's headquarters are located at El Trovador 4285, Fl. 6, Las Condes, Santiago, Chile. The Company's telephone number is +56 2 2425-2000.

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 the inspection of the SVS.

1.2 Main domicile where the Company performs its production activities

The Company's main domiciles are: Calle Dos Sur Sitio N° 5 - Antofagasta; Arturo Prat 1060 - Tocopilla; Edificio Administración s/n - María Elena; Edificio Administración s/n Pedro de Valdivia - María Elena, Anibal Pinto 3228 - Antofagasta, Kilómetro 1378 Ruta 5 Norte - Antofagasta, Planta Coya Sur s/n - María Elena, kilómetro 1760 Ruta 5 Norte - Pozo Almonte, Planta Cloruro de Potasio Salar de Atacama s/n - San Pedro de Atacama, Planta Sulfato de Potasio Salar de Atacama s/n - San Pedro de Atacama, Campamento Minsal s/n Planta CL, Potasio - San Pedro de Atacama, Ex Oficina Salitrera Iris S/N, Comuna de Pozo Almonte, Iquique.

1.3 Codes of main activities

The codes of the main activities as established by the Chilean Superintendence of Securities and Insurance are as follows:

- 1700 (Mining)
- 2200 (Chemical products)
- 1300 (Investment)

1.4 Description of the nature of operations and main activities

Our products are mainly derived from mineral deposits found in northern Chile. We mine and process caliche ore and brine deposits. The caliche ore in northern Chile contains the largest known nitrate and iodine deposits in the world and is the world's largest commercially exploited source of natural nitrates. The brine deposits of the Salar de Atacama, a salt-encrusted depression within the Atacama desert in northern Chile, contain high concentrations of lithium and potassium as well as significant concentrations of sulfate and boron.

From our caliche ore deposits located in the north of Chile, we produce a wide range of nitrate-based products used for specialty plant nutrients and industrial applications, as well as iodine and iodine derivatives. At the Salar de Atacama, we extract brines rich in potassium, lithium, sulfate and boron in order to produce potassium chloride, potassium sulfate, lithium solutions, boric acid and bischofite (magnesium chloride). We produce lithium carbonate and lithium hydroxide at our plant near the city of Antofagasta, Chile, from the solutions brought from the Salar de Atacama. We market all of these products through an established worldwide distribution network.

We sell our products in over 100 countries worldwide through our global distribution network and generate our revenue mainly from abroad.

Our products are divided into six categories: specialty plant nutrition, iodine and its derivatives, lithium and its derivatives, industrial chemicals, potassium and other products and services, described as follows:

Specialty plant nutrition: SQM produces and sells four types of specialty plant nutrition in this line of business: potassium nitrate, sodium nitrate, sodium potassium nitrate, and specialty mixes. This business is characterized by maintaining close relations with its customers for which it has specialized staff who provide expert advisory services in best practices for fertilization according to each type of crop, soil and climate. Within this line of business, potassium

derivative products and specialty potassium nitrate have had a leading role given their unique characteristics that allow it, among other things, to ensure an improvement in post-crop life in addition to improving quality, flavor and fruit color. The potassium nitrate, which is sold in multiple forms and as a part of other specialty mixtures, is complemented by sodium nitrate, potassium sodium nitrate, and more than 200 fertilizer mixtures.

Iodine: The Company is a major producer of iodine a global level. Iodine is widely used in the pharmaceutical industry, technology and nutrition. Additionally, iodine is used as an X ray contrast media and as polarizing film for LCD displays.

Lithium: the Company's lithium is mainly used for manufacturing rechargeable batteries for cell phones, cameras and notebooks. Through the manufacturing of lithium-based products, SQM provides significant materials to face great challenges such as the efficient use of energy and raw materials. Lithium is not only used for rechargeable batteries and in new technologies for electric cars, but is also used in industrial applications to lower melting temperature and to help save costs and energy.

Industrial Chemicals: Industrial chemicals are products used as supplies for a large number of production processes. SQM has participated in this line of business for years producing sodium nitrate, potassium nitrate, boric acid and potassium chloride. Industrial nitrates have become increasingly important over the last few years due to their use as storage means for thermal energy at solar energy plants, which are widely used in countries such as Spain and the United States as they look to decrease CO₂ emissions

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

Other products and services: This business line includes revenue from commodities, services, interests, royalties and dividends.

1.5 Other background

Staff

As of December 31, 2013 and December 31, 2012, staff was detailed as follows:

	12/31/2013	12/31/2012
Permanent staff	4,792	5,643

Main shareholders

The table below establishes certain information about the beneficial property of Series A and Series B shares of SQM as of December 31, 2013 and December 31, 2012, in respect to each shareholder which has interest of more than 5% of outstanding Series A or B shares. The information below is taken from our records and reports controlled in the Central Securities Depository and reported to the Superintendence of Securities and Insurance (SVS) and the Chilean Stock Exchange, whose main shareholders are as follows:

Shareholder as of December 31, 2013	No. of Series A with ownership	% of Series A shares	No. of Series B with ownership	% of Series B shares	% of total shares
The Bank of New York Mellon, ADRs	-	-	56,302,367	46,77%	21,39%
Sociedad de Inversiones Pampa Calichera S.A.(*)	44,758,830	31,34%	6,971,799	5,79%	19,65%
Inversiones El Boldo Limitada	29,225,196	20,46%	18,028,676	14,98%	17,95%
Inversiones RAC Chile Limitada	19,200,242	13,44%	2,202,773	1,83%	8,13%
Potasios de Chile S.A.(*)	18,179,147	12,73%	-	-	6,91%
BTG Pactual Chile S.A. C de B	15,593,709	10,92%	797,393	0,66%	6,23%
Inversiones Global Mining (Chile) Limitada (*)	8,798,539	6,16%	-	-	3,34%
Banco Itau on behalf of foreign investors	20,950	0,01%	5,428,234	4,51%	2,07%
Banco de Chile on behalf of non-resident third parties	-	-	5,234,823	4,35%	1,99%
Inversiones La Esperanza Limitada	3,693,977	2,59%	-	-	1,40%

(*) Total Pampa Group 29.9%

Shareholder as of December 31, 2012	No. of Series A with ownership	% of Series A shares	No. of Series B with ownership	% of Series B shares	% of total shares
Inversiones El Boldo Limitada	44.751.196	31,33%	17.571.676	14,60%	23,68%
Sociedad de Inversiones Pampa Calichera S.A.(*)	44.558.830	31,20%	9.003.799	7,48%	20,35%
The Bank of New York	-	-	46.559.106	38,68%	17,69%
Inversiones RAC Chile Limitada	19.200.242	13,44%	2.699.773	2,24%	8,32%
Potasios de Chile S.A.(*)	17.919.147	12,55%	-	-	6,81%
Inversiones Global Mining (Chile) Limitada (*)	8.798.539	6,16%	-	-	3,34%
Banco Itau on behalf of investors	-	-	4.579.293	3,80%	1,74%
Inversiones La Esperanza Limitada	3.693.977	2,59%	-	-	1,40%
Banco Santander on behalf of foreign investors	-	-	3.238.105	2,69%	1,23%
Banco de Chile on behalf of non-resident third parties	-	-	3.082.612	2,56%	1,17%

(*) Total Pampa Group 30.50%

On December 31, 2013 the total number of shareholders had risen to 1,331.

2. BASIS OF PRESENTATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Accounting period

These consolidated financial statements cover the following periods

- Consolidated Statement of Financial Position for the years ended December 31, 2013 and December 31, 2012.
- Consolidated Statement of Changes in Equity for the years ended December 31, 2013 and 2012.
- Consolidated Statement of Comprehensive Income for the years between January 1 and December 31, 2013 and 2012.
- Consolidated Statement of Cash Flows –Direct method for the years ended December 31, 2013 and 2012.

2.2 Financial statements

The consolidated interim financial statements of Sociedad Química y Minera de Chile S.A. and Subsidiaries, have been prepared in accordance with International Financial Reporting Standards (hereinafter “IFRS”) and represent the full, explicit and unreserved application of the aforementioned international standards issued by the International Accounting Oversight Board (IASB).

These annual consolidated financial statements reflect fairly the Company's equity and financial position and the results of its operations, changes in the statement of recognized revenue and expenses and cash flows, which have occurred during the periods then ended.

IFRS establish certain alternatives for their application. Those applied by the Company and its subsidiaries are included in detail in this Note.

The accounting policies used in the preparation of these consolidated annual and interim accounts comply with each IFRS in force at their date of presentation. Certain reclassifications have been made for comparative purposes.

2.3 Basis of measurement

The interim consolidated financial statements have been prepared on the historical cost basis except for the following material items:

- inventories are recorded at the lower of cost and net realizable value;
- other current and non-current asset and financial liabilities at amortized cost;
- financial derivatives at fair value; and
- staff severance indemnities and pension commitments at actuarial value.

2.4 Accounting Standards, Interpretations and Amendments

New accounting pronouncements.

- a) The following standards, interpretations and amendments are mandatory for the first time for the annual periods beginning on January 1, 2013:

Standards and interpretations	Mandatory for annual periods beginning on
Revised IAS 19 Employee Benefits was adopted on January 1, 2013, with retrospective effect. The revision eliminates the use of the corridor method of accounting for actuarial gains and losses and the return on plan assets arising in connection with defined benefit plans and introduces changes to the way in which such plans are accounted for in income and other comprehensive income.	01/01/2013
IAS 27, "Separate Financial Statements" , now contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates only when an entity prepares separate financial statements.	01/01/2013
IFRS 10, "Consolidated Financial Statements" , which replaces parts of IAS 27, "Consolidated and Separate Financial Statements" and all of SIC-12, "Consolidation - Special Purpose Entities", builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.	01/01/2013
IFRS 11 'Joint Arrangements' In May 2011, the IASB issued IFRS 11 'Joint Arrangements', one of a suite of standards relating to interests in other entities and related disclosures. IFRS 11 establishes a principle that applies to the accounting for all joint arrangements, whereby parties to the arrangement account for their underlying contractual rights and obligations relating to the joint arrangement. IFRS 11 identifies two types of joint arrangements. A 'joint venture' is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A 'joint operation' is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Investments in joint ventures are accounted for using the equity method. Investments in joint operations are accounted for by recognizing the group's assets, liabilities, revenue and expenses relating to the joint operation.	01/01/2013

Standards and interpretations	Mandatory for annual periods beginning on
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IFRS 12 ‘Disclosures of Interests in Other Entities’ combines all the disclosure requirements for an entity’s interests in subsidiaries, joint arrangements, associates and structured entities into one comprehensive disclosure standard. 01/01/2013

IFRS 13 Fair Value Measurement was adopted on January 1, 2013, with prospective effect. The standard affects nearly all instances where assets and liabilities are currently recognised or disclosed at fair value, primarily by refining the measurement concept to reflect an asset or liability’s exit value. The standard also introduces certain additional considerations to the measurement process and additional disclosures. 01/01/2013

Amendments and improvements	Mandatory for annual periods beginning on
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Revised IAS 1 Presentation of Financial Statements changes the presentation of items in the Consolidated Statement of Comprehensive Income to distinguish between those items of other comprehensive income that under other accounting standards may be reclassified to income in later periods and those that are not. 07/01/2012

IAS 28, “Investments in Associates and Joint Ventures”, was amended as a consequence of the issuance of IFRS 11. In addition to prescribing the accounting for investment in associates, it now sets out the requirements for the application of the equity method when accounting for joint ventures. The application of the equity method has not changed as a result of this amendment. 01/01/2013

Revised IFRS 7 Financial Instruments: Disclosures introduces disclosures relating to the offsetting of certain financial assets and financial liabilities, principally derivative contracts and trade receivables and payables. 01/01/2013

IFRS 10 “Consolidated Financial Statements”, NIIF 11 “Joint Arrangements” and IFRS 12 “Disclosure of Interests in Other Entities” Clarifies the transitional provisions for IFRS 10 indicating changes should be applied on the first day of the annual period in which the standard is adopted. Therefore, it may be necessary to make amendments to comparative information presented in such a period, if the evaluation of control over investments differs from that recognized in accordance with IAS 27/SIC 12. 01/01/2013

Improvements to International Financial Reporting Standards (2011) Issued in May 2012. 01/01/2013

IFRS 1 “First-time Adoption of International Financial Reporting Standards” – clarifies that an entity may apply IFRS 1 more than once under certain circumstances.

IFRS 1 “First-time Adoption of International Financial Reporting Standards” – clarifies that an entity may adopt IAS 23, “Borrowing Costs” on the transition date or from an earlier date.

IAS 1 “Presentation of Financial Statements” – clarifies the requirements for comparative information when an entity presents a third column in the balance sheet.

IFRS 1 “First-time Adoption of International Financial Reporting Standards” – clarifies that an entity adopting IFRS for the first time may present information in footnotes for all periods presented.

IAS 16 “Property, Plant and Equipment” – clarifies that spare-parts and service equipment should be classified as Property, Plant and Equipment as opposed to inventories when they meet the definition of Property, Plant and Equipment.

IAS 32 “Financial Instruments: Presentation” – clarifies the treatment of income tax related to distribution and transaction costs.

IAS 34 “Interim Financial Reporting” – clarifies the disclosure requirements of assets and liabilities by segments at interim periods, conforming to the same requirements applicable to annual financial statements.

The adoption of the standards, interpretations and amendments above had no significant impact on the Company’s consolidated financial statements.

- b) The new standards, interpretations and amendments issued not yet effective for the annual period 2013 which have not been early adopted are listed below.

Standards and interpretations	Mandatory for annual periods beginning on
<p>IFRS 9 ‘Financial Instruments: Classification and Measurement’ introduces new requirements for classifying and measuring financial assets and financial liabilities and, when finalized, will address hedge accounting and impairment of financial assets. The effective date for IFRS 9 is not expected to be before 1 January 2017. The amendments to existing accounting standards that are effective from 1 January 2014, ‘Offsetting Financial Assets and Financial Liabilities’ (Amendments to IAS 32) and ‘Recoverable Amount Disclosures for Non-Financial Assets’ (Amendments to IAS 36).</p>	Not yet determined
<p>IFRIC 21 Levies, issued in May 2013, addresses the accounting for liabilities to pay levies that are within the scope of IAS 37 Provisions, contingent liabilities and contingent assets.</p>	01/01/2014

Amendments and improvements	Mandatory for annual periods beginning on
<p>The amendments to IAS 32 Financial Instruments: Presentation, issued in December 2011, clarify the requirements for offsetting financial assets and financial liabilities in the financial statements.</p>	01/01/2014
<p>IAS 27 “Separate Financial Statements”; IFRS 10 “Consolidated Financial Statements” and IFRS 12 “Disclosure of Interests in Other entities” Issued in October 2012, the IASB published “Investment Entities (amendments to IFRS 10, IFRS 12 and IAS 27)”, providing an exemption for the consolidation of subsidiaries under IFRS 10 Consolidated Financial Statements for entities meeting the definition for an “investment entity”, such as investment funds. The amendments require the use of fair value through profit or loss in conformity with IFRS 9 Financial Instruments in its consolidated and separate financial statements. The amendment also introduces new disclosure requirements relative to investment entities in IFRS 12 and IAS 27.</p>	01/01/2014
<p>IAS 36 “Impairment of Assets”, when events or changes in market conditions indicate that tangible or intangible assets may be impaired, such assets are reviewed in detail to determine whether their carrying value is higher than their recoverable value (i.e. the higher of value in use and fair value less costs to sell), which could lead to recording an impairment loss. Value in use is estimated by calculating the present value of the future cash flows expected to be derived from the asset. Fair value less costs to sell is based on the most reliable information available (such as market statistics and recent transactions).</p>	01/01/2014
<p>IAS 39 “Financial Instruments: Recognition and Measurement” Issued in June 2013, under the amendments there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided certain criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2014, with earlier application being permitted. The amendments also include changes in contractual guarantee requirements, right of offset for trade receivables also payables, taxes and levies.</p>	01/01/2014
<p>IFRS 9 “Financial Instruments” Issued in November 2013, amendments primarily include a substantial review of hedge accounting to allow entities to better reflect their risk management activities in the financial statements. This amendment also allows entities to early adopt the requirement of recognizing changes in the fair value attributable to changes in the entity’s credit risk in other comprehensive income (for financial liabilities that are recorded under the fair value option). Such an amendment may be applied without having to adopt the remainder of IFRS 9</p>	Not yet determined
<p>IAS 19 “Employee Benefits” Issued in November 2013, this amendment applies to employee or third party contributions to defined benefit plans. The objective of this amendment is to simplify the accounting recognition of contributions that are independent of the number of years of employee service; i.e., employees’ contributions that are calculated in accordance with a fixed salary percentage.</p>	07/01/2014

Amendments and improvements

Improvements to Information Financial Reporting Standards (2012)

07/01/2014

Issued in December 2013.

IFRS 2 “Share-based Payment” – clarifies the definition of “vesting conditions and “market conditions” and defines separately “performance conditions” and “service conditions.” Such an amendment should be applied prospectively on share-based payment transactions whose grant date is July 1, 2014 or after. Early adoption is permitted.

IFRS 3, “Business Combinations” - Clarifies that the obligation to pay contingent consideration in the form of a financial instrument is classified as a financial liability or equity, on the basis of the definitions in IAS 32, “Financial Instruments: Presentation.” The standard was additionally amended to clarify that all non equity contingent consideration, both financial and non-financial, be measured at fair value at each reporting date through profit or loss. Consequently, there are also changes to IFRS 9, IAS 37 and IAS 39. The amendment is applicable prospectively for business combinations with an acquisition date on or after July 1, 2014. Early adoption is permitted provided that amendments of IFRS 9 and IAS 37 also issued as part of the 2012 improvement plan are applied.

IFRS 8 “Operating Segments” – The standard is amended to include the requirement to disclose the judgments made by management in the aggregation of operating segments. This includes a description of segments that have been aggregated and economic indicators that have been assessed in the determination that aggregated segments share similar economic characteristics. The standard was additionally modified to require a reconciliation of assets of each segment to total assets of an entity, when assets are reported by segment. Early adoption is permitted. 07/01/2014

IFRS 13 “Fair Value Measurement” – When IFRS 13 was applied, paragraphs B5.4.12 of IFRS 9 and AG79 of IAS 39 were eliminated. This raised a doubt as to whether entities no longer had the ability to measure short-term receivables and payables at their nominal amounts if the effect was not significant. IASB has modified the basis of the conclusions of IFRS 13 to clarify that it did not intend to eliminate the ability to measure short-term receivables and payables at nominal amounts in such cases.

IAS 16, “Property, Plant and Equipment” and IAS 38 “Intangible Assets” – Both standards are amended to clarify the treatment of the gross carrying amount and accumulated depreciation when an entity uses the revaluation model. In such cases the carrying amount of the asset is adjusted to the revalued amount and the division of such revaluation between the gross carrying amount and accumulated depreciation is treated as follows: 1) either adjusting the gross carrying amount in a manner consistent with the revaluation of the carrying amount and accumulated depreciation is adjusted to equal the difference between the gross carrying amount and carrying amount after taking into consideration any accumulated impairment losses; or 2) accumulated depreciation is eliminated against the gross carrying amount of the asset. Early adoption is permitted.

IAS 24 “Related Party Disclosures” – The standard is modified to include, as a related party, an entity that provides key management personnel services to the reporting entity or the Parent of the reporting entity (“the managing entity”). The reporting entity is not obliged to disclose the compensation paid to the managing entity’s employees or managers, but is required to disclose amounts charged to the reporting entity by the managing entity for key management personnel services rendered. Early adoption is permitted. 07/01/2014

Amendments and improvements	Mandatory for annual periods beginning on
<p>Improvements to Information Financial Reporting Standards (2013) Issued in December 2013.</p> <p>IFRS 1 “First-time Adoption of International Financial Reporting Standards” – clarifies that when a new version of a standard is not yet mandatory but is available for early adoption, a first-time adopter of IFRS may opt to apply the older version of the standard, provided that the same standard is applied to all periods presented.</p> <p>IFRS 3 “Business Combinations” – the standard is modified to clarify that IFRS 3 is not applicable to the accounting recognition of the formation of a new joint arrangement under IFRS 11. This amendment also clarifies that only the scope exemption is applied to the financial statements of the joint arrangement.</p> <p>IFRS 13 “Fair Value Measurement” – clarifies that the portfolio exception in IFRS 13, that allows an entity to measure the fair value of a group of financial assets and financial liabilities at their net amount applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9.</p> <p>The amendment is mandatory for annual periods beginning on or after July 1, 2014. An entity must apply the amendments prospectively from the start of the first annual period in which this standard is applied.</p> <p>IAS 40 “Investment Property” – the standard is modified to clarify that IAS 40 and IFRS 3 are not mutually exclusive. IAS 40 provides a guide to distinguish between investment property and properties occupied by their owners. In preparing the financial information, the application guide to IFRS 3 should be considered to determine whether the acquisition of investment property is or is a business combination. This amendment is applicable for annual periods beginning on or after July 1, 2014, but can be applied to individual acquisitions of investment property prior to such date if and only if the information required to apply the amendment is available.</p>	07/01/2014

The adoption of the standards, amendments and interpretations described above are under evaluation and are not expected to have a significant impact on the Consolidated Financial Statements of the Company.

2.5 Basis of consolidation

(a) Subsidiaries

Relates to all the entities over which Sociedad Química y Minera de Chile S.A. has the ability to manage financial and operating activities, which in general is accompanied by share holdings greater than half the voting rights. Subsidiaries are included in consolidation from the date on which control of the Company is transferred and are excluded from consolidation on the date on which such control ceases. Subsidiaries apply the same accounting policies of their Parent.

To account for the acquisition, the Company uses the acquisition method. Under this method the acquisition cost is the fair value of assets delivered, equity securities issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingencies assumed in a business combination are measured initially at fair value at the acquisition date. For each business combination, the Company will measure non-controlling interest of the acquired either at fair value or as a proportional share of net identifiable assets of the acquiree.

Companies included in consolidation:

TAX ID No.	Foreign subsidiaries	Country of origin	Functional currency	Ownership interest			
				12/31/2013		12/31/2012	
				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.	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 México S.A. de C.V.	Mexico	US\$	0.0013	99.9987	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
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 Corporation A.V.V.	Aruba	US\$	98.3333	1.6667	100.0000	100.0000
Foreign	SQM Indonesia S.A.	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 Italia SRL	Italy	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Comercial Caimán Internacional S.A.	Panama	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	SQM Iberian S.A.	Spain	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Iodine Minera B.V. (c)	Netherlands	US\$	0.0000	0.0000	0.0000	100.0000
Foreign	SQM Agro India Pvt. Ltd.	India	US\$	0.0000	100.0000	100.0000	100.0000

(continued)

TAX ID No.	Foreign subsidiaries	Country of origin	Functional currency	Ownership interest			
				12/31/2013		12/31/2012	
				Direct	Indirect	Total	Total
Foreign	SQM Beijing Commercial Co. Ltd.	China	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Thailand Limited (b)	Thailand	US\$	0.0000	99.996	99.996	-

Companies included in consolidation:

TAX ID No.	Domestic subsidiaries	Country of origin	Functional currency	Ownership interest			
				12/31/2013		12/31/2012	
				Direct	Indirect	Total	Total
96.801.610-5	Comercial Hydro S.A.	Chile	US\$	0.0000	60.6383	60.6383	60.6383
96.651.060-9	SQM Potasio S.A.	Chile	US\$	99.9999	0.0000	99.9999	99.9999
96.592.190-7	SQM Nitratos S.A.	Chile	US\$	99.9999	0.0001	100.0000	100.0000
96.592.180-K	Ajay SQM Chile S.A.	Chile	US\$	51.0000	0.0000	51.0000	51.0000
86.630.200-6	SQMC Internacional Ltda.	Chile	Ch\$	0.0000	60.6381	60.6381	60.6381
79.947.100-0	SQM Industrial S.A.	Chile	US\$	99.0470	0.9530	100.0000	100.0000
79.906.120-1	Isapre Norte Grande Ltda.	Chile	Ch\$	1.0000	99.0000	100.0000	100.0000
79.876.080-7	Almacenes y Depósitos Ltda.	Chile	Ch\$	1.0000	99.0000	100.0000	100.0000
79.770.780-5	Servicios Integrales de Tránsitos y Transferencias S.A.	Chile	US\$	0.0003	99.9997	100.0000	100.0000
79.768.170-9	Soquimich Comercial S.A.	Chile	US\$	0.0000	60.6383	60.6383	60.6383
79.626.800-K	SQM Salar S.A.	Chile	US\$	18.1800	81.8200	100.0000	100.0000
78.053.910-0	Proinsa Ltda.	Chile	Ch\$	0.0000	60.5800	60.5800	60.5800
76.534.490-5	Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	Chile	Ch\$	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
76.064.419-6	Comercial Agrorama Ltda.(a)	Chile	Ch\$	0.0000	42.4468	42.4468	42.4468
76.145.229-0	Agrorama S.A.	Chile	Ch\$	0.0000	60.6377	60.6377	60.6377
76.359.919-1	Orcoma Estudios SPA (d)	Chile	US\$	100.0000	-	100.0000	-
76.360.575-2	Orcoma SPA (e)	Chile	US\$	100.0000	-	100.0000	-

- (a) Comercial Agrorama Ltda. was consolidated given that the Company has control through the subsidiary Soquimich Comercial S.A.
- (b) During the first half of 2013 Soquimich European Holdings BV purchased shares of SQM Thailand Limited, acquiring 99.996% of this company.
- (c) During the first half of the year, Iodine Minera was absorbed into Soquimich European Holdings.
- (d) On December 31, 2013, the subsidiary Orcoma Estudios SPA was incorporated into the Company with Sociedad Química y Minera de Chile S.A. making a capital contribution of US\$ 1,500, acquiring 100% ownership.

- (e) On December 31, 2013, the subsidiary Orcoma SPA, was incorporated into the Company with Sociedad Química y Minera de Chile S.A. making a capital contribution of US\$ 2,358, acquiring 100% ownership.

Subsidiaries are consolidated using the line-by-line method adding the items that represent assets, liabilities, revenues and expenses of similar content and eliminating those related to intragroup transactions.

Profit or loss of dependent companies acquired or disposed of during the year are included in consolidated profit or loss accounts from the effective date of acquisition or up to the effective date of disposal, as applicable.

Non-controlling interest represents the equity of a subsidiary not directly or indirectly attributable to the Parent.

2.6 Significant accounting judgments, estimates and assumptions

Management of Sociedad Química y Minera de Chile S.A. and its subsidiaries is responsible for the information contained in these consolidated financial statements, which expressly indicate that all the principles and criteria included in IFRSs as issued by the International Accounting Standard Board (IASB) have been applied in full.

In preparing the consolidated financial statements of Sociedad Química y Minera de Chile S.A. and its subsidiaries Management has made judgments and estimates to quantify certain assets, liabilities, revenues, expenses and commitments included therein. Basically, these estimates refer to:

- The useful lives of property, plant and equipment and intangible assets and their residual value;
- Impairment losses of certain assets, including trade receivables;
- Assumptions used in calculating the actuarial amount of pension-related and severance indemnity payment benefit commitments;
- Provisions for commitments assumed with third parties and contingent liabilities;
- Provisions on the basis of technical studies that cover the different variables affecting products in stock (density, humidity, among others), and allowance for slow-moving spare-parts in stock;

- Future cost for closure of mining sites;
- The determination of the fair value of certain financial assets and derivative instruments;
- The determination and assignment of fair values in business combinations.

Despite the fact that these estimates have been made on the basis of the best information available on the date of preparation of these consolidated financial statements, certain events may occur in the future and oblige their amendment (upwards or downwards) over the next few years, which would be made prospectively, recognizing the effects of the change in estimates in the related future consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Classification of balances as current and non-current

In the attached consolidated statement of financial position, balances are classified in consideration of their remaining maturity; i.e., those maturing on a date equal to or less 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 their maturity.

3.2 Functional and presentation currency

The Company's interim consolidated financial statements are presented in United States dollars ("U.S. dollars" or "US\$"), 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 consolidated financial statements are presented in thousands of United States dollars without decimals.

3.3 Foreign currency translation

(a) Domestic entities:

Assets and liabilities denominated in Chilean pesos and other currencies other than the functional

currency (U.S. dollar) as of December 31, 2013 and December 31, 2012 have been translated to U.S. dollars at the exchange rates effective at those dates. The corresponding Chilean pesos were converted at Ch\$524.61 per US\$1.00 as of December 31, 2013, and Ch\$479.96 per US\$1.00 as of December 31, 2012.

The values of the UF (a Chilean peso-denominated, inflation-indexed monetary unit) used to convert the UF denominated assets and liabilities as of December 31, 2013 amounted to Ch\$23,309.56 (US\$44.43), and as of December 31, 2012 amounted to Ch\$22,840.75 (US\$47.59).

(b) Foreign entities:

The translation 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 effective 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 effective at acquisition date.**

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

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:

	12/31/2013 US\$	12/31/2012 US\$
Brazilian real	2.34	2.04
New Peruvian sol	2.75	2.75
Argentine peso	6.48	4.92
Japanese yen	105.39	86.58
Euro	0.73	0.76
Mexican peso	13.07	12.99
Australian dollar	1.12	1.05
Pound Sterling	0.61	0.62
South African rand	10.56	8.47
Ecuadorian dollar	1.00	1.00
Chilean peso	524.61	479.96
UF	44.43	47.59

(c) Transactions and balances

Non-monetary transactions in currencies other than the functional currency (U.S. dollar) (foreign currencies) are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. All differences are recorded in the statement of income except for all monetary items that provide effective hedge for a net investment in a foreign operation. These items are recognized in other comprehensive income on the disposal of the investment; at the time they are recognized in the statement of income. Charges and credits attributable to foreign currency translation differences on those hedge monetary items are also recognized in other comprehensive income.

Non-monetary assets and liabilities that are measured using historical cost in a foreign currency are translated to the functional currency at the historical exchange rate of the transaction. Non-monetary items that are measured based on fair value in a foreign currency are translated using the exchange rate at the date at which the fair value is determined.

(d) Group entities

The revenue and expenses, assets and liabilities of all entities that have a functional currency other than the presentation currency are translated to the presentation currency as follows:

- **Assets** and liabilities are translated at the closing exchange rate effective on the reporting date.
- Revenues and expenses of each profit or loss account are translated at monthly average exchange rates.
- All resulting foreign currency translation gains and losses are recognized as a separate component in translation reserves.

In consolidation, foreign currency differences arising from the translation of a net investment in foreign entities are recorded in equity (other reserves). At the date of disposal, such foreign currency translation differences are recognized in the statement of income as part of the loss or gain from the sale.

3.4 Subsidiaries

SQM S.A. consolidates those subsidiaries for which it exercises control. The Company has control when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those variable returns through its power over the entity.

The Company prepares the consolidated financial statements using consistent accounting policies for the entire Group, the consolidation of a subsidiary commences when the Company has control over the subsidiary and stops when control ceases.

3.5 Consolidated statement of cash flows

Cash equivalents correspond to highly-liquid short-term investments that are easily convertible into known amounts of cash and are subject to insignificant risk of changes in their value and mature in less than three months from the date of acquisition of the instrument.

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and cash equivalents as defined above.

The statement of cash flows includes movements in cash performed during the year determined using the direct method.

3.6 Financial assets

Management determines the classification of its financial assets at the time of initial recognition, on the basis of the business model, for the management of financial assets and the characteristics of contractual cash flows from the financial assets. In accordance with IFRS 9, financial assets are measured initially at fair value plus transaction costs that may have been incurred and are directly attributable to the acquisition of the financial asset. Subsequently, financial assets are measured at amortized cost or fair value.

Management assesses at each reporting date, whether there is objective evidence that an asset or group of assets is impaired. An asset or group of financial assets is impaired if and only if, there is evidence of impairment as a result of one or more events occurred after the initial recognition of the asset or group of assets. For the recognition of impairment, the loss event has to have an impact on the estimate of future cash flows from the asset or groups of financial assets.

3.7 Financial liabilities

Management determines the classification of its financial liabilities at the time of initial recognition. As established in IFRS 9, financial liabilities at the time of initial recognition are measured at fair value, less transaction costs that may have been incurred and are directly attributable to the issue of the financial liability. Subsequently, these are measured at amortized cost using the effective interest method. For financial liabilities that have been initially recognized at fair value through profit or loss, these will be measured subsequently at fair value.

3.8 Financial instruments at fair value through profit or loss

Management will irreversibly determine, at the time of initial recognition, the designation of a financial instrument at fair value through profit or loss, if by doing so eliminates or significantly reduces a measurement or recognition inconsistency, that would otherwise arise from the measurement of assets or liabilities or from the recognition of the gains and losses from them on different bases.

3.9 Financial instrument offsetting

The Company offsets an asset and liability if and only if it has at the time the legal right to offset the amounts recognized and has the intent of net settling the related asset and liability.

3.10 Reclassification of financial instruments

At the time at which the Company changes its business model for managing financial assets, it will reclassify the financial assets affected by the new business model.

In the case of financial liabilities these will not be able to be reclassified.

3.11 Derivative financial instruments

Derivatives are recognized initially at fair value as of the date at which the derivatives contract is signed and subsequently they are valued at fair value. The method for recognizing the resulting loss or gain depends on whether the derivative has been specified 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 specific 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 items 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 items.

The fair value of derivative instruments used for hedging purposes is shown in Note 10.3 (hedging assets and liabilities). Changes in the cash flow hedge reserve are classified as a non-current asset or liability if the remaining expiration period of the hedged item is more than 12 months and as a current asset or liability if the remaining expiration period of the entry is less than 12 months.

Investing 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

Changes in the fair value of a derivative are 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 hedges related to items recorded at amortized cost, the adjustment of the fair value is amortized against profit or loss 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 associated fair value not amortized is immediately recognized in 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 profit or loss, as applicable.

The amounts recognized in equity are transferred to profit or loss when the hedged transaction affects profit or loss, as when the hedged interest income or expense is recognized when a projected sale occurs. When the hedged entry is the cost of a non-financial asset or liability, amounts recognized in other reserves are transferred to the initial carrying value of the non-financial asset or liability.

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

3.12 Derecognition of financial instruments

In accordance with IFRS 9, the Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in all the risks and rewards of ownership of the financial asset have been substantially transferred; and the control of the financial assets has not been retained.

The Company derecognizes a financial liability when its contractual obligations or a part of these are discharged, payment to the creditor or the main liability associated has been legally discharged.

3.13 Derivative financial instruments

The Company maintains derivative financial instruments to hedge its risk in foreign currency. Derivative financial instruments are recognized initially at fair value; attributable transaction costs are recognized when incurred. Subsequent to initial recognition, changes in fair value of such derivatives are recognized in profit or loss as part of gains and losses.

The Company assesses the existence of embedded derivatives both in its contracts and financial instruments. As of December 31, 2013 and 2012, there are no embedded derivatives.

3.14 Fair value measurements

At the initial recognition, the Company measures its assets and liabilities at fair value plus or

minus transaction costs incurred that are directly attributable to the acquisition of a financial asset or issuance of a financial liability.

3.15 Leases

(a) Lease - Finance lease

Leases are classified as finance leases when the Company holds substantially all the risks and rewards derived from the ownership of the asset. 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 its useful life whichever is shorter.

(b) Lease - Operating lease

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

3.16 Deferred acquisition costs from insurance contracts

Acquisition costs from insurance contracts are classified as prepayments and correspond to insurance contracts in force, recognized using the straight-line method and on an accrual basis, and are recognized under Other non-financial assets.

These are recognized in expenses in proportion to the period of time they cover, regardless of the related payment dates.

3.17 Trade and other receivables

Trade and other receivables relate to non-derivative financial assets with fixed and determinable payments and are not listed in any active market. These arise from sales operations involving the products and/or services which the Company provides directly to its customers.

These assets are initially recognized at their fair value and subsequently at amortized cost according to the effective interest rate method less a provision for impairment loss. An allowance for impairment loss is established for trade receivables when there is objective evidence that the Company will not be able to collect all the amounts which are owed to it according to the original terms of receivables.

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

3.18 Inventory measurement

The Company recognizes inventories at the lower of cost and net realizable value. The cost of finished products and products in progress 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 inventories to their current location and conditions. The method used to determine the cost of inventories is weighted average cost.

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

The net realizable value represents the estimate of the sales price less all estimated finishing costs and costs which will be incurred in marketing, sales and distribution processes.

The Company conducts an evaluation of the net realizable value of inventories at the end of each year recording an estimated charge to income when these are overstated. When the circumstances, which previously caused the rebate have ceased 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 main raw materials, the estimate made previously is modified.

The valuation of obsolete, impaired or slow-moving products relates to their net estimated net realizable value.

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

Raw materials, supplies and materials are recorded at the lower of acquisition cost or market value. Acquisition cost is calculated according to the average price method.

3.19 Investments in associates and joint ventures

Interests in companies over which joint control is exercised (joint venture) or where an entity has significant influence (associates), are recognized using the equity method of accounting. Significant influence is presumed to exist when interest greater than 20% is held in the capital of an issuer.

Under this method, the investment is recognized in the statement of financial position at cost plus changes subsequent to the acquisition based on the proportional share in the equity of the associate, using for such purposes, the interest percentage in the ownership of the associate. The associated goodwill acquired is included in the carrying amount of the investment and is not amortized. The debit or credit to profit or loss reflects the proportional share in the profit or loss of the associate.

Unrealized gains for transactions with affiliates or associates are eliminated based on the percentage of interest in the entity owned by the company. Unrealized losses are also eliminated, except in the case that the transaction provides evidence of impairment loss of the transferred asset.

Changes in the equity of associates are recognized based on the proportional amounts with a debit or credit to "Other reserves" and classified based on their origin.

Reporting dates of the associate and the Company and related policies are similar for equivalent transactions and events under similar circumstances.

In the event that the significant influence is lost or the investment is sold or is held as available for sale, the equity method is discontinued suspending the recognition of proportional share of profit or loss.

If the resulting amount according to the equity method is negative, the share of investment losses are reflected at zero in the consolidated financial statements, unless a commitment exists by the Company to reinstate the Company's equity position, in which case the related provision for risks and expenses is recorded.

Dividends received by these companies are recorded by reducing the equity value and the proportional share of profit or loss recognized in conformity with the share of equity are included in the consolidated profit or loss accounts in the caption "Equity share of profit (loss) of associates and joint ventures that are accounted for using the equity method of accounting".

3.20 Transactions with non-controlling interests

Non-controlling interests are recorded in the consolidated statement of financial position within equity separate from equity attributable to the owners of the Parent.

3.21 Related party transactions

Transactions between the Company and its subsidiaries are part of the Company's normal operations within its scope of business activities. Conditions for such transactions are those normally effective for those types of operations in regard to terms and market prices. Also, these transactions have been eliminated in consolidation. Expiration conditions for each case vary by virtue of the originating transaction.

3.22 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.
2. The future costs that the Company will have to incur related to the closure of its facilities at the end of their useful life are included at the present value of disbursements expected to be required to settle the obligation.

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.

The replacement of full assets which increase the asset's useful life or its economic capacity, are recorded as a higher value of property, plant and equipment with the related derecognition of replaced or renewed elements.

Based on the impairment analysis conducted by the Company's management it has been concluded that the carrying value of assets does not exceed the net recoverable value of such assets.

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.

Costs derived from daily maintenance of property, plant and equipment are recognized as incurred.

3.23 Depreciation of property, plant and equipment

Property, plant and equipment are depreciated through the straight-line distribution of cost over the estimated technical useful life of the asset which is the period in which the Company expects to use the asset. When components of one item of property, plant and equipment have different useful lives, they are recorded as separate assets. Useful lives are reviewed on an annual basis.

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	Minimum life or rate	Maximum life or rate
Buildings	3	60
Plant and equipment	3	35
Information technology equipment	3	10
Fixtures and fittings	3	35
Motor vehicles	5	10
Other property, plant and equipment	2	30

3.24 Intangible assets

Intangible assets mainly relate to goodwill acquired, water rights, trademarks, and rights of way related

to electric lines, 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 goodwill, which is subject to impairment tests every time consolidated financial statements are issued and is stated at cost less 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.

3.25 Intangible assets other than goodwill

(a) 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 perpetual legal rights granted to the Company, they are not amortized; however, they are evaluated for impairment annually.

(b) 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 duration of the contract.

(c) 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 will probably 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.

(d) Mining property and concession right

The Company holds mining property and concession rights from the Chilean Government. Property rights are usually obtained with no initial cost (other than the payment of mining patents and minor recording expenses) and upon obtaining rights on these concessions, these are retained by the Company while annual patents are paid. Such patents, which are paid annually, are recorded as prepaid assets and amortized over the following twelve months. Amounts attributable to mining concessions acquired from third parties not associated with the Chilean Government are recorded at acquisition cost within intangible assets.

No impairment of intangible assets exists as of December 31, 2013 and December 31, 2012.

3.26 Research and development expenses

Research and development expenses are charged to profit or loss in the period in which the disbursement was made.

3.27 Prospecting expenses

The Company has mining property and concession rights acquired both from the Chilean Government and from third parties, which are intended for the exploration and development of caliche ore and saltpeter deposits.

Upon obtaining these rights, the Company initially records disbursements directly associated with the exploration and evaluation of deposits associated with commercially viable reserves as an asset at cost. Such costs include the following:

- Disbursements for geological reconnaissance evaluation;
- Disbursements for drilling work and sampling;
- Disbursements for activities related to technical assessments and commercial feasibility studies; and
- Disbursement directly related to specific projects associated with finding mining resources.

Subsequently, the Company distinguishes exploration and evaluation projects according to the economic feasibility of the mineral extracted in the area or exploration, among those that finally will deliver future benefits to the Company (profitable projects) and those projects for which it is not probable that economic benefit will flow to the Company in the future (i.e., when the mine site has low ore grade and its exploitation is not economically profitable).

If technical studies determine that the ore grade is not economically suitable for exploitation, the asset is recorded directly as an expense. Otherwise, it is kept in other non-current assets, reclassifying the portion related to the area to be exploited in the year in the entry inventories, and this amount is amortized as production cost on the basis of estimated tons to be extracted.

The technical reasons for this classification are due to the fact that this is an identifiable non-monetary asset that is owned to be used in the production of our processes as a main raw material.

Paragraph 17 of IFRS 6 establishes that an asset for exploration and evaluation should be classified as such when it loses the technical feasibility for extraction and therefore, must be impaired. Because disbursements correspond to reserves used as a main raw material in our production processes, these costs are presented as inventories that will be developed within the commercial year, with the remainder presented as development and exploration costs and other non-current assets.

3.28 Impairment of non-financial assets

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 from continuing operations are recognized with a debit to profit or loss in the categories of expenses associated with the impaired asset function, 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.

As of December 31, 2013, as explained in Note 14 the Company has made an allowance account for impairment losses, As of December 31, 2012, the Company was unaware of any indication of impairment with respect to its assets.

For assets other than acquired goodwill, an annual evaluation is conducted of whether there exists 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.

3.29 Minimum dividend

As required by the Shareholders' Corporations Act, unless decided otherwise by a unanimous vote by the shareholders of outstanding and paid shares, a public company must distribute dividends as agreed by the shareholders at the General Shareholders' Meeting held each year with a minimum of 30% of its profit for the year ended December 31, 2013, except when the Company records unabsorbed losses from prior years.

However, the Company defines as policy the distribution of 50% of its profit for the year ended December 31, 2013.

3.30 Earnings per share

The net 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.

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.

3.31 Trade and other payables

Trade and other payables are measured at fair value plus all costs associated with the transaction. Subsequently, these are carried at amortized cost using the effective interest rate method.

3.32 Interest-bearing borrowings

At initial recognition interest-bearing borrowings are measured at fair value. Subsequently, they are measured 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.

These are recorded as non-current when their expiration period exceeds twelve months and as current when the term is lower than such term. Interest expense is calculated in the year in which they are accrued following a financial criterion.

3.33 Other provisions

Provisions are recognized when:

- The Company has a present obligation as the result of a past event.
- It is more likely than not that an outflow of resources will be required to settle the obligation.
- A reliable estimate can be made of the amount of the obligation.

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 to maintain provisions 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.

3.34 Obligations related to employee termination benefits and pension commitments

Obligations with the Company's employees are established in accordance with current collective bargaining agreements and individual employment contracts, except for the United States, which is regulated in accordance with pension plan in force up to 2002.

These obligations are valued using actuarial calculations, according to the projected unit credit method which considers such assumptions 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. This considering criteria in force contained in IAS 19 revised.

Actuarial gains and losses that may be generated by variations in defined pre-established obligations are directly recorded in profit or loss for the year and not within Other comprehensive income due to their insignificant amount.

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

The discount rate used by the Company for calculating the obligation was 6% for the periods ended December 31, 2013 and December 31, 2012.

The Company's subsidiary 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 for 2013 and 2012. The net balance of this obligation is presented under the non-current provisions for employee benefits.

3.35 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." Changes in the fair value of options granted are recognized with a debit to payroll on a straight-line basis during the period between the date on which these options are granted and the payment date. (See Note No.16).

3.36 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, when it is possible that the future economic rewards will flow to the entity and when 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, and there is no pending obligation that could affect the acceptance of products by the customer. The delivery does not occur until products have been shipped to the customer or collected by customers, and 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 dividends

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

3.37 Finance income and finance costs

Finance income is mainly composed of interest income in financial instruments such as time deposits and mutual fund deposits. Interest income is recognized in profit or loss at amortized cost, using the effective interest rate method.

Finance costs are mainly composed of interest expense in bank borrowings, interest on bonds issued and interest capitalized for borrowing costs for the acquisition, construction or production or qualifying assets.

Borrowing costs and bonds issued are recognized in profit or loss using the effective interest rate method.

Finance costs accrued during the construction period that are directly attributable to the acquisition, construction or production of qualifying assets using the effective interest rate related to the project's specific financing; if none exists, the average financing rate of the subsidiary that makes the investment is used.

Borrowing and financing costs that are directly attributable to the acquisition, construction or production of an asset are capitalized as part of that asset's cost.

3.38 Income tax and deferred taxes

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 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 taxes receivable or current taxes payable, as applicable.

Income tax and variations in deferred tax assets or liabilities that are not the result of business combinations are recorded in the statement of income or in the consolidated statement of financial position, based on the origin of the gains or losses which generated them.

At each reporting period, the carrying amount of deferred tax assets has been reviewed and reduced to the extent there will not be sufficient taxable income to allow the recovery of all or part of the deferred tax assets. Likewise, as of the date of the consolidated financial statements, deferred tax assets that are not recognized are evaluated and recognized in a way that it is likely that future taxable income will allow for the 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 legal right to offset tax assets against tax liabilities and if the deferred tax is related to the same tax entity and tax authority.

3.39 Segment reporting

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 to make the decision on how to allocate resources for this purpose.

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.

For assets and liabilities the allocation to each segment is not possible given that these are associated with more than one segment, except for depreciation, amortization and impairment of assets, which are directly allocated to the applicable segments, in accordance with the criteria established in the costing process for product inventories.

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

3.40 Environment

In general, the Company follows the criteria of considering amounts spent on 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, depending on the case.

4. FINANCIAL RISK MANAGEMENT

4.1 Financial risk management policy

The Financial Risk Management Policy of the Company is oriented towards safeguarding the

stability and sustainability of Sociedad Química y Minera de Chile S.A. and Subsidiaries in relation to all such relevant components of financial uncertainty.

The operations of the Company are subject to certain financial risk factors that may affect the financial position or results of the same. Among these risks, the most relevant are market risk, liquidity risk, currency risk, bad debt risk, and interest rate risk.

There may be additional risks that are currently unknown to us or other known risks that we currently believe are not significant, which could also affect the commercial operations, the business, the financial position or the results of the Company.

The financial risk management structure includes identifying, determining, analyzing, quantifying, measuring and controlling these events. The 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.

4.2 Risk factors

4.2.1 Market risk

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

- a) **Country risk:** The economic situation of the countries where the Company has a presence may affect its financial position. For example, the sales carried out in emerging markets expose SQM to risks related to economic conditions and trends in those countries. On the other hand, inventories 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 products of the Company are affected by the fluctuations of 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 condition and operational results.
- c) **Commodity 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.

Currently, the Company has a direct annual expense close to US\$140 million on account of petrol, gas and equivalents and close to US\$54 million on account of electricity.

Variations of 10% in the prices of energy the Company required to operate, may involve in the short-term movements in costs of approximately US\$17 million.

As expressed in the Company's annual report, the markets in which the Company operates are unpredictable, are exposed to significant variations in supply and demand, and have volatile prices. Additionally, the supply of certain fertilizers or chemical products, including certain products which the Company trades, vary mainly depending on the production of the top producers and their respective business strategies. Therefore, the Company cannot predict with certainty changes in demand, the responses of the competition, and the fluctuations in the final price of its products. These factors can lead to significant impacts on sale volumes of its products, the financial situation of the Company and its share price.

- d) **Quality standards:** In those markets where we operate, customers might impose quality standards for our products and/or governments could enact more stringent for the distribution and/or use of our products. As a result, we would not be able to sell our products if we were not able to meet those new standards. In addition, our production costs might increase to meet the new standards. Not being able to sell our products in one or more markets or to significant customers might significantly affect our business, financial position or the results of our operations.

4.2.2 Doubtful accounts risk

A contraction of the global economy and the potentially negative effects on the financial position of our clients may extend the receivables collection time for SQM, increasing the bad debt exposure. While measures have been taken in order to minimize risk, the global economy may trigger losses that could have a material adverse effect on the business, financial position or the results of the Company's operations.

To mitigate these risks, SQM actively controls debt collection and uses measures such as, loan insurance, letters of credit, and prepayments as a part of trade receivables.

4.2.3 Currency risk

As a result of its influence in determining price level, of its relationship with sales costs and due to the fact that a significant part of the business of the Company is carried out in that in United States Dollars, this is the functional currency of the Company. However, the global business activities of the Company create exposure to the foreign exchange fluctuations of several currencies with respect to the US dollar. Therefore, SQM has hedge contracts to mitigate the exposure generated by its main mismatches (assets net of liabilities) in currencies other than the US dollar against the foreign exchange fluctuation. Those contracts are periodically updated depending upon the mismatch amount to be covered in these currencies. Occasionally and subject to the Board of Directors' approval, the Company insures cash flows from certain items in currencies other than U.S. dollar in the short term.

A significant portion of the costs of the Company, particularly payroll, is related to the Chilean peso. Therefore, an increase or decrease in the exchange rate against the dollar would affect the net income of SQM. Approximately US\$ 470 million cost of the Company is related to the Chilean peso. A significant part of the effect of this obligation in the statement of financial position is covered by operations of derivative instruments that hedge the mismatch of balance in this currency.

As of December 31, 2012, the Company had derivative instruments classified as hedges against currency and interest rate associated with all the obligations for denominated bonds both in Chilean pesos and UF, with a fair value of US\$ 100.6 million. As of December 31, 2013, this value amounts to US\$ 23.6 million, both in favor of SQM.

As of December 31, 2013, the Chilean peso to US dollar Exchange rate was Ch\$ 524.61 per US\$1.00, and as of December 31, 2012 it was Ch\$ 479.96 per US\$ 1.00.

4.2.4 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. The Company is partially exposed to fluctuations of said rate, as SQM currently holds hedging derivative instruments to hedge a portion of its liabilities subject to the LIBOR rate fluctuations.

As of December 31, 2013, approximately 16% of the Company's financial obligations are valued

at LIBOR; therefore significant increases in the rate may impact its financial position. A 100 base point variation in this rate may trigger variations in the financial expenses close to US\$ 1 million. Notwithstanding, this effect is significantly counterbalanced by the returns of the Company's investments that also relate to LIBOR.

In addition, as of December 31, 2013, the Company's financial debt is mainly in the long-term, with 21% with maturities of less than 12 months which decreases the exposure to changes in the interest rates.

4.2.5 Liquidity risk

Liquidity risk is related to the fund requirements to comply with payment obligations. The objective of the Company is to keep financial flexibility by loosely 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 an important capital expenditure program which is subject to change over 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 SQM's access to financial resources. These factors may have a material adverse impact on the business, financial position, and results of operations of the Company.

SQM constantly monitors obligations and investments to ensure they match, taking care of the obligations and investments maturities from a conservative perspective as part of its financial risk management strategy. As of December 31, 2013, the Company had non-committed and available bank credit lines for working capital for a total of approximately US\$555 million.

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

4.3 Risk measurement

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

5. CHANGES IN ACCOUNTING ESTIMATES AND POLICIES (CONSISTENT PRESENTATION)

5.1 Changes in accounting estimates

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

5.2 Changes in accounting policies

As of December 31, 2013, the Company's consolidated financial statements present no changes in accounting policies or estimates compared to the prior period.

The consolidated classified statements of financial position as of December 31, 2013 and December 31, 2012 and the statements of comprehensive income, equity and cash flows for the periods ended December 31, 2013 and December 31, 2012, have been prepared in accordance with IFRS, and accounting principles and criteria have been applied consistently.

6. BACKGROUND OF COMPANIES INCLUDED IN CONSOLIDATION

6.1 Parent's stand-alone assets and liabilities

	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Assets	4,269,749	3,908,259
Liabilities	(1,893,129)	(1,775,476)
Assets (liabilities)	2,376,620	2,132,783

6.2 Parent entity

As provided in the Company's by-laws, no shareholder can hold more than 32% of the Company's voting right shares and therefore there is no controlling entity.

6.3 Joint arrangements of controlling interest

Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A., and Inversiones Global Mining (Chile) Limitada, collectively the Pampa Group, are the owners of a number of shares that are equivalent to 29.9% as of December 31, 2013 of the current total amount of shares issued, subscribed and fully-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 2.09% of the total amount of issued, subscribed and fully-paid shares of SQM S.A.

The Pampa Group and the Kowa Group have informed SQM S.A., the Chilean SVS and the relevant stock exchanges in Chile and abroad that they are not and have never been related parties. In addition, this is regardless of the fact that both Groups on December 21, 2006 have entered into a Joint Action Agreement (JAA) related to those shares. Consequently, the Pampa Group, by itself, does not concentrate more than 32% of the voting right capital of SQM S.A., and the Kowa Group does not concentrate by itself more than 32% of the voting right capital of SQM S.A.

Likewise, the Joint Action Agreement has not transformed the Pampa and Kowa Groups into related parties between them. The Joint Action Agreement has only transformed the current controller of SQM S.A., composed of the Pampa Group, and the Kowa Group into related parties of SQM S.A.

Detail of effective concentration

Tax ID No.	Name	Ownership interest %
96.511.530-7	Sociedad de Inversiones Pampa Calichera S.A.	19.65
96.863.960-9	Inversiones Global Mining (Chile) Limitada	3.34
76.165.311-5	Potasios de Chile S.A.	6.91
Total Pampa Group		29.90
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.	0.30
59.023.690-k	La Esperanza Delaware Corporation	0.09
Total Kowa Group		2.09

6.4 General information on consolidated subsidiaries

As of December 31, 2013 and December 31, 2012 the general information of the companies over which the Company exercises control and significant influence is as follows:

Subsidiary	Tax ID	Address	Country of incorporation	Functional currency	Ownership interest		
					Direct	Indirect	Total
SQM Nitratos S.A.	96.592.190-7	El Trovador 4285 Las Condes	Chile	US\$	99.9999	0.0001	100.0000
Proinsa Ltda.	78.053.910-0	El Trovador 4285 Las Condes	Chile	Ch\$	-	60.5800	60.5800
SQMC Internacional Ltda.	86.630.200-6	El Trovador 4285 Las Condes	Chile	Ch\$	-	60.6382	60.6382
SQM Potasio S.A.	96.651.060-9	El Trovador 4285 Las Condes	Chile	US\$	99.9999	-	99.9999
Serv. Integrales de Tránsito y Transf. S.A.	79.770.780-5	Arturo Prat 1060, Tocopilla	Chile	US\$	0.0003	99.9997	100.0000
Isapre Norte Grande Ltda.	79.906.120-1	Anibal Pinto 3228, Antofagasta	Chile	Ch\$	1.0000	99.0000	100.0000
Ajay SQM Chile S.A.	96.592.180-K	Av. Pdte. Eduardo Frei 4900, Santiago	Chile	US\$	51.0000	-	51.0000
Almacenes y Depósitos Ltda.	79.876.080-7	El Trovador 4285 Las Condes	Chile	Ch\$	1.0000	99.0000	100.0000
SQM Salar S.A.	79.626.800-K	El Trovador 4285 Las Condes	Chile	US\$	18.1800	81.8200	100.0000
SQM Industrial S.A.	79.947.100-0	El Trovador 4285 Las Condes	Chile	US\$	99.0470	0.9530	100.0000

(continued)

Subsidiary	Tax ID	Address	Country of incorporation	Functional currency	Ownership interest		
					Direct	Indirect	Total
Exploraciones Mineras S.A.	76.425.380-9	Los Militares 4290 Las Condes	Chile	US\$	0.2691	99.7309	100.0000
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	76.534.490-5	Anibal Pinto 3228, Antofagasta	Chile	Ch\$	-	100.0000	100.0000
Soquimich Comercial S.A.	79.768.170-9	El Trovador 4285 Las Condes	Chile	US\$	-	60.6383	60.6383
Comercial Agrorama Ltda.	76.064.419-6	El Trovador 4285 Las Condes	Chile	Ch\$	-	42.4468	42.4468
Comercial Hydro S.A.	96.801.610-5	El Trovador 4285 Las Condes	Chile	Ch\$	-	60.6383	60.6383
Agrorama S.A.	76.145.229-0	El Trovador 4285 Las Condes	Chile	Ch\$	-	60.6377	60.6377
Orcoma Estudios SPA	76.359.919-1	Apoquindo 3721 Of.131 Las Condes	Chile	US\$	100.0000	-	100.0000
Orcoma SPA	76.360.575-2	Apoquindo 3721 Of.131 Las Condes	Chile	US\$	100.0000	-	100.0000
SQM North America Corp.	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States	US\$	40.0000	60.0000	100.0000
RS Agro Chemical.Trading Corporation A.V.V.	Foreign	Caya Ernesto O. Petronia 17, Oranjestad	Aruba	US\$	98.3333	1.6667	100.0000
Nitratos Naturais do Chile Ltda.	Foreign	Al. Tocantis 75, 6° Andar, Conunto 608 Edif. West Gate, Alphaville Barueri, CEP 06455-020, Sao Paulo	Brazil	US\$	-	100.0000	100.0000
Nitrate Corporation of Chile Ltd.	Foreign	1 More London Place London SE1 2AF	United Kingdom	US\$	-	100.0000	100.0000
SQM Corporation N.V.	Foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Dutch Antilles	US\$	0.0002	99.9998	100.0000
SQM Peru S.A.	Foreign	Avenida Camino Real N° 348 of. 702, San Isidro, Lima	Peru	US\$	0.9800	99.0200	100.0000
SQM Ecuador S.A.	Foreign	Av. José Orrantia y Av. Juan Tanca Marengo Edificio Executive Center Piso 2 Oficina 211	Ecuador	US\$	0.0040	99.9960	100.0000
SQM Brasil Ltda.	Foreign	Al. Tocantis 75, 6° Andar, Conunto 608 Edif. West Gate, Alphaville Barueri, CEP 06455-020, Sao Paulo	Brazil	US\$	1.0900	98.9100	100.0000
SQI Corporation N.V.	Foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Dutch Antilles	US\$	0.0159	99.9841	100.0000
SQMC Holding Corporation L.L.P.	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta	United States	US\$	0.1000	99.9000	100.0000
SQM Japan Co. Ltd.	Foreign	From 1st Bldg 207, 5-3-10 Minami- Aoyama, Minato-ku, Tokyo	Japan	US\$	1.0000	99.0000	100.0000
SQM Europe N.V.	Foreign	Sint Pietersvliet 7 bus 8, 2000. Antwerp	Belgium	US\$	0.5800	99.4200	100.0000
SQM Italia SRL	Foreign	Via A. Meucci, 5 500 15 Grassina Firenze	Italy	US\$	-	100.0000	100.0000

(continued)

Subsidiary	Tax ID	Address	Country of incorporation	Functional currency	Ownership interest		
					Direct	Indirect	Total
SQM Indonesia S.A.	Foreign	Perumahan Bumi Dirgantara Permai, Jl Suryadarma Blok Aw No 15 Rt 01/09 17436 Jatisari Pondok Gede	Indonesia	US\$	-	80.0000	80.0000
North American Trading Company	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States	US\$	-	100.0000	100.0000
SQM Virginia LLC	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States	US\$	-	100.0000	100.0000
SQM Comercial de México S.A. de C.V.	Foreign	Calle Industria Eléctrica s/n Lote 30, Manzana A Parque Industrial Bugambilias CP 45645, Trajomalco de Zuñiga, Jalisco	Mexico	US\$	0.0013	99.9987	100.0000
SQM Investment Corporation N.V.	Foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Dutch Antilles	US\$	1.0000	99.0000	100.0000
Royal Seed Trading Corporation A.V.V.	Foreign	Caya Ernesto O. Petronia 17, Oranjestad	Aruba	US\$	1.6700	98.3300	100.0000
SQM Lithium Specialties LLP	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States	US\$	-	100.0000	100.0000
Soquimich SRL Argentina	Foreign	Espejo 65 Oficina 6 - 5500 Mendoza	Argentina	US\$	-	100.0000	100.0000
Comercial Caimán Internacional S.A.	Foreign	Edificio Plaza Bancomer Calle 50	Panama	US\$	-	100.0000	100.0000
SQM France S.A.	Foreign	ZAC des Pommiers 27930 FAUVILLE	France	US\$	-	100.0000	100.0000
Administración y Servicios Santiago S.A. de C.V.	Foreign	Calle Industria Eléctrica s/n Lote 30, Manzana A Parque Industrial Bugambilias CP 45645, Trajomalco de Zuñiga, Jalisco	Mexico	US\$	-	100.0000	100.0000
SQM Nitratos México S.A. de C.V.	Foreign	Calle Industria Eléctrica s/n Lote 30, Manzana A Parque Industrial Bugambilias CP 45645, Trajomalco de Zuñiga, Jalisco	Mexico	US\$	-	100.0000	100.0000
Soquimich European Holding B.V.	Foreign	Loacallelikade 1 Parnassustoren 1076 AZ Amsterdam	Netherlands	US\$	-	100.0000	100.0000
SQM Iberian S.A	Foreign	Provenza 251 Principal 1a CP 08008, Barcelona	Spain	US\$	-	100.0000	100.0000
Iodine Minera B.V. (a)	Foreign	Loacallelikade 1 Parnassustoren 1076 AZ Amsterdam	Netherlands	US\$	-	100.0000	100.0000
SQM Africa Pty Ltd.	Foreign	Tramore House, 3 Waterford Office Park, Waterford Drive, 2191 Fourways, Johannesburg	South Africa	US\$	-	100.0000	100.0000

(continued)

Subsidiary	Tax ID	Address	Country of incorporation	Functional currency	Ownership interest		
					Direct	Indirect	Total
SQM Oceania Pty Ltd.	Foreign	Level 9, 50 Park Street, Sydney NSW 2000, Sydney	Australia	US\$	-	100.0000	100.0000
SQM Agro India Pvt. Ltd.	Foreign	C 30 Chiragh Enclave New Dehli, 110048	India	US\$	-	100.0000	100.0000
SQM Beijing Commercial Co. Ltd.	Foreign	Room 1001C, CBD International Mansion N 16 Yong An Dong Li, Jian Wai Ave Beijing 100022, P.R.	China	US\$	-	100.0000	100.0000
SQM Thailand Limited	Foreign	Unit 2962, Level 29, N° 388, Exchange Tower Sukhumvit Road, Klongtoey Bangkok	Thailand	US\$	-	99.996	99.996

(a) During the first half of 2013, Iodine Minera was absorbed by Soquimich European Holding B.V.

6.5 Information attributable to non-controlling interests

Subsidiary	% of interests in the ownership held by non-controlling interests	Profit (loss) attributable to non-controlling interests		Equity, non-controlling interests		Dividends paid to non-controlling interests	
		31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Proinsa Ltda.	0.1%	-	-	-	-	-	-
SQM Potasio S.A.	0.0000001%	-	-	-	-	-	-
Ajay SQM Chile S.A.	49%	(3,389)	(4,890)	8,806	9,817	4,400	1,764
SQM Indonesia S.A.	20%	-	-	16	-	-	-
SQM Nitratos México S.A. de C.V.	0%	-	-	-	5	-	-
Soquimich Comercial S.A.	39.3616784%	(4,051)	(3,367)	46,448	44,476	2,026	-
Comercial Agrorama Ltda.	30%	(18)	56	351	364	-	-
Agrorama S.A.	0.001%	-	-	-	-	-	-
SQM (Thailand) Limited.	0.004%	-	-	-	-	-	-
Total		(7,458)	(8,201)	55,621	54,662	6,426	1,764

6.6 Information on consolidated subsidiaries

Subsidiary	31/12/2013						
	Assets		Liabilities		Revenue ThUS\$	Profit (loss) ThUS\$	Comprehensive income (loss) ThUS\$
	Current ThUS\$	Non- current ThUS\$	Current ThUS\$	Non- current ThUS\$			
SQM Nitratos S.A.	490,084	124,966	525,924	15,545	184,487	18,434	18,434
Proinsa Ltda.	200	1	-	-	-	(2)	(2)
SQMC Internacional Ltda.	266	-	-	-	-	(1)	(1)
SQM Potasio S.A.	109,408	1,049,628	3,411	15,749	2,052	184,948	185,458
Serv. Integrales de Tránsito y Transf. S.A.	348,685	86,935	389,980	8,423	50,135	6,149	6,149
Isapre Norte Grande Ltda	916	829	924	192	4,192	28	334
Ajay SQM Chile S.A.	22,720	1,232	5,226	755	67,413	6,916	6,916
Almacenes y Depósitos Ltda.	362	50	1	-	-	(11)	(40)
SQM Salar S.A.	678,215	1,000,954	453,864	216,110	792,109	206,745	206,679
SQM Industrial S.A.	1,110,303	820,831	872,216	79,021	925,167	64,602	61,547
Exploraciones Mineras S.A.	477	31,537	4,765	-	-	(312)	(312)
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	762	243	322	556	2,276	31	46
Soquimich Comercial S.A.	143,515	22,582	47,121	973	214,350	10,291	10,162
Comercial Agrorama Ltda.	15,450	2,148	16,314	114	16,009	61	62
Comercial Hydro S.A.	8,302	134	124	72	109	370	370
Agrorama S.A.	15,722	568	16,074	36	16,122	37	37
Orcoma SpA	2	2,356	-	-	-	-	-
Orcoma Estudio SpA	2	-	-	-	-	-	-
SQM North América Corp.	214,359	17,058	197,077	1,781	365,691	(4,763)	(3,751)
RS Agro Chemical.Trading A.V.V.	5,204	-	-	-	-	(9)	(9)
Nitratos Naturais do Chile Ltda.	3	254	4,695	-	-	278	278
Nitrate Corporation of Chile Ltd.	5,076	-	-	-	-	-	-
SQM Corporation N.V.	669	93,936	3,725	-	-	10,441	7,377
SQM Perú S.A.	578	1	1,190	-	1	(191)	(191)
SQM Ecuador S.A.	10,644	81	10,533	42	25,475	(1,224)	(1,224)
SQM Brasil Ltda.	680	40	851	-	802	88	88
SQL Corporation N.V.	-	19	62	-	-	(1)	(2)
SQMC Holding Corporation L.L.P.	11,978	16,394	1,000	-	-	5,267	5,267
SQM Japan Co. Ltd.	1,948	263	234	494	2,468	(283)	(283)

Subsidiary	31/12/2013						
	Assets		Liabilities		Revenue ThUS\$	Profit (loss) ThUS\$	Comprehensive income (loss) ThUS\$
	Current ThUS\$	Non- current ThUS\$	Current ThUS\$	Non- current ThUS\$			
SQM Europe N.V.	316,396	383	280,092	-	677,497	1,608	1,608
SQM Italia SRL	1,421	-	18	-	-	-	-
SQM Indonesia S.A.	4	-	(76)	-	-	-	-
North American Trading Company	160	145	39	-	-	(1)	(1)
SQM Virginia LLC	14,828	14,374	14,828	-	-	(1)	(1)
SQM Comercial de México S.A. de C.V.	88,252	1,427	61,534	-	178,180	4,724	4,724
SQM Investment Corporation N.V.	62,496	282	36,805	851	50	1,097	1,097
Royal Seed Trading Corporation A.V.V.	240,231	442	83,606	170,000	-	(2,537)	(1,904)
SQM Lithium Specialties LLP	15,781	3	1,264	-	-	(1)	(1)
Soquimich SRL Argentina	414	-	218	-	-	(49)	(49)
Comercial Caimán Internacional S.A.	271	-	1,122	-	-	(38)	(38)
SQM France S.A.	345	6	114	-	-	-	-
Administración y Servicios Santiago S.A. de C.V.	153	-	795	127	3,243	(7)	(7)
SQM Nitratos México S.A. de C.V.	26	4	23	4	186	(7)	(7)
Soquimich European Holding B.V.	79,966	96,670	93,496	987	-	8,849	5,785
SQM Iberian S.A	101,299	70	101,757	-	166,087	66	66
SQM Africa Pty Ltd.	55,635	729	47,932	-	109,968	1,611	1,611
SQM Oceania Pty Ltd.	4,251	-	811	-	3,542	51	51
SQM Agro India Pvt. Ltd.	7	-	2	-	-	(2)	(2)
SQM Beijing Commercial Co. Ltd.	2,415	80	301	-	9,915	(1,164)	(1,164)
SQM Thailand Limited	7,052	36	4,510	-	4,379	(787)	(787)
Total	4,187,933	3,387,691	3,284,824	511,832	3,821,905	521,301	514,370

Subsidiary	31/12/2012						
	Assets		Liabilities		Revenue ThUS\$	Profit (loss) ThUS\$	Comprehensive income (loss) ThUS\$
	Current ThUS\$	Non- current ThUS\$	Current ThUS\$	Non- current ThUS\$			
SQM Nitratos S.A.	610,140	125,407	519,148	15,721	366,936	148,768	148,768
Proinsa Ltda.	220	1	-	-	-	-	10
SQMC Internacional Ltda.	292	-	-	-	-	2	15
SQM Potasio S.A.	19,134	1,130,587	1,013	13,293	10,172	259,578	259,578
Serv. Integrales de Tránsito y Transf. S.A.	272,955	84,635	319,214	7,308	47,861	4,330	4,330
Isapre Norte Grande Ltda	786	742	672	201	4,517	263	297
Ajay SQM Chile S.A.	25,125	1,137	5,454	772	64,806	9,980	9,980
Almacenes y Depósitos Ltda.	398	54	1	-	-	(11)	35
SQM Salar S.A.	700,153	911,055	315,982	148,687	933,061	318,275	318,404
SQM Industrial S.A.	1,273,599	714,896	997,339	73,112	1,027,856	93,488	93,329
Exploraciones Mineras S.A.	469	31,475	4,383	-	-	(236)	(236)
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	890	148	362	540	320	17	26
Soquimich Comercial S.A.	167,089	19,373	72,651	819	239,909	8,555	8,555
Comercial Agrorama Ltda.	15,515	1,693	15,868	128	14,842	(185)	(135)
Comercial Hydro S.A.	7,882	218	135	95	110	430	430
Agrorama S.A.	14,086	164	14,039	54	11,886	47	47
SQM North América Corp.	303,666	16,070	281,313	2,190	441,315	23,736	23,736
RS Agro Chemical.Trading A.V.V.	5,214	-	-	-	-	(10)	(10)
Nitratos Naturais do Chile Ltda.	8	282	5,005	-	-	(284)	(284)
Nitrate Corporation of Chile Ltd.	5,076	-	-	-	-	-	-
SQM Corporation N.V.	669	86,348	3,724	-	-	(3,314)	(3,314)
SQM Perú S.A.	867	37	1,215	-	321	(165)	(165)
SQM Ecuador S.A.	19,321	99	18,029	35	23,753	244	244
SQM Brasil Ltda.	672	51	942	-	965	78	78
SQI Corporation N.V.	-	17	43	-	-	(8)	(8)
SQMC Holding Corporation L.L.P.	5.685	18.912	1.657	-	-	2.422	2.422

Subsidiary	31/12/2012						
	Assets		Liabilities		Revenue ThUS\$	Profit (loss) ThUS\$	Comprehensive income (loss) ThUS\$
	Current ThUS\$	Non- current ThUS\$	Current ThUS\$	Non- current ThUS\$			
SQM Japan Co. Ltd.	2,190	286	166	544	2,476	(125)	(125)
SQM Europe N.V.	391,321	269	356,718	-	853,143	(14,928)	(14,928)
SQM Italia SRL	1,360	-	17	-	-	-	28
SQM Indonesia S.A.	5	-	1	-	-	-	-
North American Trading Company	160	145	39	-	-	-	-
SQM Virginia LLC	14,829	14,375	14,829	-	-	-	-
SQM Comercial de México S.A. de C.V.	77,811	1,280	55,509	163	172,412	3,254	3,254
SQM Investment Corporation N.V.	63,933	331	39,426	813	4,551	743	743
Royal Seed Trading Corporation A.V.V.	241,921	786	13,736	240,000	-	(2,435)	(2,435)
SQM Lithium Specialties LLP	15,782	3	1,264	-	-	-	-
Soquimich SRL Argentina	422	-	176	-	-	(39)	(39)
Comercial Caimán Internacional S.A.	333	-	1,147	-	-	(58)	(58)
SQM France S.A.	345	6	114	-	-	-	-
Administración y Servicios Santiago S.A. de C.V.	50	-	683	128	2,457	127	127
SQM Nitratos México S.A. de C.V.	29	4	19	4	153	-	-
Soquimich European Holding B.V.	70,432	108,680	102,950	-	-	(4,932)	(4,171)
SQM Iberian S.A	81,420	9	81,883	-	169,202	(2,136)	(2,136)
Iodine Minera B.V.	16,929	-	1	-	2,792	3,708	3,708
SQM Africa Pty Ltd.	97,915	212	91,369	-	97,974	(2,921)	(2,921)
SQM Oceania Pty Ltd.	5,621	-	1,613	-	4,669	755	755
SQM Agro India Pvt. Ltd.	17	-	11	-	-	(38)	(38)
SQM Beijing Commercial Co. Ltd.	3,512	123	1,779	-	12,674	1,621	1,621
Total	4,536,248	3,269,910	3,341,639	504,607	4,511,133	848,596	849,517

6.7 Detail of transactions between consolidated companies

a) Transactions carried out in 2013

On December 31, 2013, the subsidiary Orcoma Estudios SPA was incorporated into the Company with Sociedad Quimica y Minera de Chile S.A. making a capital contribution of US\$ 1,500, acquiring 100% ownership.

On December 31, 2013, the subsidiary Orcoma SPA, was incorporated into the Company with Sociedad Quimica y Minera de Chile S.A. making a capital contribution of US\$ 2,358, acquiring 100% ownership.

On March 25, 2013, SQM Industrial S.A. increased by ThUS\$ 1,500 the capital of its subsidiary SQM Beijing Commercial Co. Ltd.

During the first half of the year Iodine Minera was absorbed into Soquimich European Holdings.

During the first half of 2013 Soquimich European Holdings B.V. purchased shares of SQM Thailand Limited, acquiring 99.996% of this company.

Transactions conducted in 2012

On November 30, 2012, SQM S.A. transferred and made a capital contribution of the 99% of the ownership interest in Minera Nueva Victoria Limitada to SQM Potasio S.A.; therefore, SQM Potasio S.A. obtains 100% of the ownership. As a result of the above, Minera Nueva Victoria Limitada merged into SQM Potasio S.A., which generates the dissolution of Minera Nueva Victoria Limitada.

7. CASH AND CASH EQUIVALENTS

7.1 Types of cash and cash equivalents

As of December 31, 2013 and December 31, 2012, cash and cash equivalents are detailed as follows:

	31/12/2013	31/12/2012
	ThUS\$	ThUS\$
a) Cash		
Cash on hand	119	90
Cash in banks	29,671	41,541
Other demand deposits	3,625	833
Total cash	33,415	42,464
b) Cash equivalents		
Short-term deposits, classified as cash equivalents	158,208	139,943
Short-term investments, classified as cash equivalents	284,999	141,946
Total cash equivalents	443,207	281,889
Total cash and cash equivalents	476,622	324,353

7.2 Short-term investments, classified as cash equivalents

As of December 31, 2013 and December 31, 2012, short-term investments, classified as cash and cash equivalents relate to mutual funds (investment liquidity funds) for investments in:

Institution	31/12/2013	31/12/2012
	ThUS\$	ThUS\$
Legg Mason - Western Asset Institutional Cash Reserves	95,941	47,408
BlackRock - Institutional US Dollar Liquidity Fund	94,726	47,490
JP Morgan US dollar Liquidity Fund Institutional	94,332	47,048
Total	284,999	141,946

Short-term investments are highly liquid mutual funds that are basically invested in short-term fixed rate notes classified as cash equivalents in the U.S. market.

7.3 Information on cash and cash equivalents by currency

As of December 31, 2013 and December 31, 2012, information on cash and cash equivalents by currency is detailed as follows:

Original currency	31/12/2013	31/12/2012
	ThUS\$	ThUS\$
Chilean Peso (*)	25,391	76,712
U.S. dollar	430,263	234,181
Euro	9,230	3,601
Mexican Peso	429	720
South African Rand	7,229	7,421
Japanese Yen	1,435	1,369
Peruvian Sol	2	75
Brazilian Real	73	20
Chinese Yuan	384	181
Indonesian Rupiah	4	5
Indian rupee	7	-
Thai baht	2,161	-
Pound sterling	14	68
Total	476,622	324,353

(*) The Company maintains financial derivative policies which allow dollarizing these term deposits in Chilean pesos.

7.4 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 December 31, 2013 and December 31, 2012, the Company has no significant cash balances with any type of restriction.

7.5 Short-term deposits, classified as cash equivalents

The detail at the end of each period is as follows:

Receiver of the deposit	Type of deposit	Original Currency	Interest rate	Placement date	Expiration date	Principal ThUS\$	Interest accrued to-date ThUS\$	31/12/2013 ThUS\$	31/12/2012 ThUS\$
Banco BBVA Chile	Fixed term	US\$	0.50	20/12/2013	09/01/2014	10.000	2	10.002	
Banco BBVA Chile	Fixed term	US\$	-	20/12/2013	09/01/2014	10.000	2	10.002	
Banco BBVA Chile	Fixed term	US\$	-	20/12/2013	09/01/2014	10.000	2	10.002	
Banco Crédito e Inversiones	Fixed term	US\$	0.40	16/12/2013	16/01/2014	20.000	3	20.003	37.725
Banco Crédito e Inversiones	Fixed term	US\$	0.48	16/12/2013	06/02/2014	20.000	4	20.004	
Banco Crédito e Inversiones	Fixed term	US\$	0.50	17/10/2013	03/01/2014	10.093	10	10.103	
Banco Crédito e Inversiones	Fixed term	US\$	0.58	16/12/2013	11/03/2014	20.000	5	20.005	
Banco Crédito e Inversiones	Fixed term	Ch\$	0.37	30/12/2013	13/01/2014	4.384	-	4.384	
Banco Crédito e Inversiones	Fixed term	Ch\$	0.38	27/12/2013	09/01/2014	4.193	2	4.195	
Banco Santander - Santiago	Fixed term	US\$	0.48	09/12/2013	23/01/2014	20.314	6	20.320	36.946
Banco Santander - Santiago	Fixed term	US\$	0.52	04/12/2013	03/01/2014	10.104	4	10.108	
Banco Santander - Santiago	Fixed term	Ch\$	0.43	21/10/2013	03/01/2014	14.352	148	14.500	
IDBI Bank	Fixed term	Indian rupee	-	31/12/2013	31/03/2014	2	-	2	2
Citibank New York	Overnight	US\$	0.01	31/12/2013	02/01/2014	444	-	444	51.770
Citibank New York	Overnight	US\$	0.01	31/12/2013	02/01/2014	640	-	640	
Citibank New York	Overnight	US\$	0.01	31/12/2013	02/01/2014	1.301	-	1.301	
ABN Amro Bank	Fixed term	Euro	-	31/12/2013	31/01/2014	2.193	-	2.193	
Banco Security	Fixed term	US\$	-	-	-	-	-	-	3.501
Corpbanca	Demand deposit	US\$	-	-	-	-	-	-	9.999
Total						158.020	188	158.208	139.943

8. INVENTORIES

The composition of inventory at each period-end is as follows:

Type of inventory	31/12/2013 ThUS\$	31/12/2012 ThUS\$
Raw materials	8,552	8,675
Supplies for production	42,366	37,919
Products-in-process	400,824	405,382
Finished products	503,788	438,603
Total	955,530	890,579

Inventory provisions recognized as of December 31, 2013 amount to ThUS\$97,248, and ThUS\$72,687 as of December 31, 2012. Inventory provisions have been made based on a technical study that covers the different variables affecting products in stock (density, humidity, among others). Additionally, provisions are recognized if goods are sold cheaper than the related cost, and for differences that arise from inventory counts.

The total amount recorded as cost of sale related to inventory in the statement of income amounts to ThUS\$1,314,276 and to ThUS\$1,093,075 as of December 31, 2013 and 2012, respectively.

The breakdown of inventory reserves is detailed as follows:

Type of inventory	31/12/2013 ThUS\$	31/12/2012 ThUS\$
Raw materials	93	93
Supplies for production	500	500
Products-in-process	65,768	46,635
Finished products	30,887	25,459
Total	97,248	72,687

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

9. RELATED PARTY DISCLOSURES

9.1 Related party disclosures

Balances pending at period-end are not guaranteed, accrue no interest and are settled in cash. No guarantees have been delivered or received for

trade and other receivables due from related parties or trade and other payables due to related parties. For the period ended December 31, 2013, 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.

9.2 Relationships between the parent and the entity

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

Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A., and Inversiones Global Mining (Chile) Ltda., collectively the Pampa Group, are the owners of a number of shares that are equivalent to 29.9% as of December 31, 2013 of the current total amount of shares issued, subscribed and fully-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 2.09% of the total amount of shares of SQM S.A. issued, subscribed and fully-paid.

The Pampa Group and the Kowa Group have informed SQM S.A., the Chilean SVS and the relevant stock exchanges in Chile and abroad that they are not and have never been related parties between them. In addition, this is regardless of the fact that both Groups on December 21, 2006 have entered into a Joint Action Agreement (JAA) related to those shares. Consequently, the Pampa Group, by itself, does not concentrate more than 32% of the voting right capital of SQM S.A., and the Kowa Group does not concentrate by itself more than 32% of the voting right capital of SQM S.A.

Likewise, the Joint Action Agreement has not transformed the Pampa and Kowa Groups into related parties between them. The Joint Action Agreement has only transformed the current controller of SQM S.A., composed of the Pampa Group, and the Kowa Group into related parties of SQM S.A.

9.2 Relationship between the Parent and the entity

Detail of effective concentration

Tax ID No.	Name	Ownership interest %
96.511.530-7	Sociedad de Inversiones Pampa Calichera S.A.	19.65
96.863.960-9	Inversiones Global Mining (Chile) Ltda.	3.34
76.165.311-5	Potasios de Chile S.A.	6.91
Total Pampa Group		29.90
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.	0.30
59.023.690-k	La Esperanza Delaware Corporation	0.09
Total Kowa Group		2.09

9.3 Detailed identification of the link between the Parent and subsidiary

As of December 31, 2013 and December 31, 2012, the detail of entities that are a related parties of the SQM S.A. Group is as follows:

Tax ID No.	Name	Country of origin	Functional currency	Nature
Foreign	Nitratos Naturais Do Chile Ltda.	Brazil	US\$	Subsidiary
Foreign	Nitrate Corporation Of Chile Ltd.	United Kingdom	US\$	Subsidiary
Foreign	SQM North America Corp.	United States	US\$	Subsidiary
Foreign	SQM Europe N.V.	Belgium	US\$	Subsidiary
Foreign	Soquimich S.R.L. Argentina	Argentina	US\$	Subsidiary
Foreign	Soquimich European Holding B.V.	The Netherlands	US\$	Subsidiary
Foreign	SQM Corporation N.V.	Dutch Antilles	US\$	Subsidiary
Foreign	SQI Corporation N.V.	Dutch Antilles	US\$	Subsidiary
Foreign	SQM Comercial De México S.A. de C.V.	Mexico	US\$	Subsidiary
Foreign	North American Trading Company	United States	US\$	Subsidiary
Foreign	Administración y Servicios Santiago S.A. de C.V.	Mexico	US\$	Subsidiary
Foreign	SQM Perú S.A.	Peru	US\$	Subsidiary
Foreign	SQM Ecuador S.A.	Ecuador	US\$	Subsidiary
Foreign	SQM Nitratos Mexico S.A. de C.V.	Mexico	US\$	Subsidiary
Foreign	SQMC Holding Corporation L.L.P.	United States	US\$	Subsidiary
Foreign	SQM Investment Corporation N.V.	Dutch Antilles	US\$	Subsidiary
Foreign	SQM Brasil Limitada	Brazil	US\$	Subsidiary
Foreign	SQM France S.A.	France	US\$	Subsidiary
Foreign	SQM Japan Co. Ltd.	Japan	US\$	Subsidiary
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	US\$	Subsidiary
Foreign	SQM Oceania Pty Limited	Australia	US\$	Subsidiary
Foreign	Rs Agro-Chemical Trading A.V.V.	Aruba	US\$	Subsidiary
Foreign	SQM Indonesia S.A.	Indonesia	US\$	Subsidiary
Foreign	SQM Virginia L.L.C.	United States	US\$	Subsidiary
Foreign	SQM Italia SRL	Italy	US\$	Subsidiary
Foreign	Comercial Caiman Internacional S.A.	Panamá	US\$	Subsidiary
Foreign	SQM Africa Pty. Ltd.	South Africa	US\$	Subsidiary
Foreign	SQM Lithium Specialties LLC	United States	US\$	Subsidiary
Foreign	SQM Iberian S.A.	Spain	US\$	Subsidiary
Foreign	Iodine Minera B.V.(a)	The Netherlands	US\$	Subsidiary
Foreign	SQM Agro India Pvt.Ltd.	India	US\$	Subsidiary
Foreign	SQM Beijing Commercial Co. Ltd.	China	US\$	Subsidiary
Foreign	SQM Thailand Limited (b)	Thailand	US\$	Subsidiary

As of December 31, 2013 and December 31, 2012, the detail of entities that are a related parties of the SQM S.A. Group is as follows:

Tax ID No.	Name	Country of origin	Functional currency	Nature
96.801.610-5	Comercial Hydro S.A.	Chile	Chilean peso	Subsidiary
96.651.060-9	SQM Potasio S.A.	Chile	US\$	Subsidiary
96.592.190-7	SQM Nitratos S.A.	Chile	US\$	Subsidiary
96.592.180-K	Ajay SQM Chile S.A.	Chile	US\$	Subsidiary
86.630.200-6	SQMC Internacional Ltda.	Chile	Chilean peso	Subsidiary
79.947.100-0	SQM Industrial S.A.	Chile	US\$	Subsidiary
79.906.120-1	Isapre Norte Grande Ltda.	Chile	Chilean peso	Subsidiary
79.876.080-7	Almacenes y Depósitos Ltda.	Chile	Chilean peso	Subsidiary
79.770.780-5	Servicios Integrales de Tránsitos y Transferencias S.A.	Chile	US\$	Subsidiary
79.768.170-9	Soquimich Comercial S.A.	Chile	US\$	Subsidiary
79.626.800-K	SQM Salar S.A.	Chile	US\$	Subsidiary
78.053.910-0	Proinsa Ltda.	Chile	Chilean peso	Subsidiary
76.534.490-5	Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	Chile	Chilean peso	Subsidiary
76.425.380-9	Exploraciones Mineras S.A.	Chile	US\$	Subsidiary
76.064.419-6	Comercial Agrorama Ltda.	Chile	Chilean peso	Subsidiary
76.145.229-0	Agrorama S.A.	Chile	Chilean peso	Subsidiary
76.359.919-1	Orcoma Estudios SPA (c)	Chile	US\$	Subsidiary
76.360.575-2	Orcoma SPA (d)	Chile	US\$	Subsidiary
77.557.430-5	Sales de Magnesio Ltda.	Chile	Chilean peso	Associate
Foreign	Abu Dhabi Fertilizer Industries WWL	United Arab Emirates	Arab Emirates dirham	Associate
Foreign	Doktor Tarsa Tarim Sanayi AS	Turkey	Turkish lira	Associate
Foreign	Ajay North America	United States	US\$	Associate
Foreign	Ajay Europe SARL	France	Euro	Associate
Foreign	SQM Eastmed Turkey	Turkey	Euro	Associate
Foreign	Charlee SQM Thailand Co. Ltd.	Thailand	Thai baht	Associate
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	China	US\$	Joint venture
Foreign	Coromandel SQM	India	Indian rupee	Joint venture
Foreign	SQM Vitas Fzco.	Arab Emirates	Arab Emirates dirham	Joint venture
Foreign	SQM Star Qingdao Crop Nutrition Co., Ltd.	China	US\$	Joint venture
Foreign	SQM Vitas Spain	Spain	Euro	Joint venture
Foreign	SQM Vitas Holland	Dutch Antilles	Euro	Joint venture
Foreign	SQM Vitas Plantacote B.V.	Dutch Antilles	Euro	Joint venture
Foreign	Kowa Company Ltd.	Japan	US\$	Other related parties
96.511.530-7	Sociedad de Inversiones Pampa Calichera	Chile	US\$	Other related parties
96.529.340-k	Norte Grande S.A.	Chile	Chilean peso	Other related parties
79.049.778-9	Callegari Agricola S.A.	Chile	Chilean peso	Other related parties
Foreign	Coromandel Internacional	India	Indian rupee	Other related parties
Foreign	Vitas Roullier SAS	France	Euro	Other related parties
Foreign	SQM Vitas Brasil Agroindustria	Brazil	US\$	Joint control or significant influence
Foreign	SQM Vitas Perú S.A.C.	Peru	US\$	Joint control or significant influence
Foreign	SQM Vitas Southem Africa Pty.	South Africa	US\$	Joint control or significant influence

- (a) During the first half of 2013 Iodine Minera S.A. was absorbed into Soquimich European Holdings B.V.
- (b) During the first half of 2013 Soquimich European Holdings B.V. purchased shares of SQM Thailand Limited, acquiring 99.996% of the company.
- (c) On December 31, 2013, the subsidiary Orcoma Estudios SPA was incorporated into the Company with Sociedad Química y Minera de Chile S.A. making a capital contribution of US\$ 1,500, acquiring 100% ownership.

- (d) On December 31, 2013, the subsidiary Orcoma SPA, was incorporated into the Company with Sociedad Quimica y Minera de Chile S.A. making a capital contribution of US\$ 2,358, acquiring 100% ownership.

9.4 Detail of related parties and related party transactions

Transactions between the Parent and its subsidiaries are part of the Company's common transactions. Their conditions are those customary for this type of transactions in respect of terms and market prices. In addition, these have been eliminated in consolidation and are not detailed in this note.

Maturity terms for each case vary by virtue of the transaction giving rise to them.

As of December 31, 2013 and December 31, 2012, there are no allowances for doubtful accounts related to balances pending of transactions with related parties as there is no impairment in them.

As of December 31, 2013 and December 31, 2012, the detail of transactions with related parties is as follows:

Tax ID No.	Company	Nature	Country of origin	Transaction	31/12/2013 ThUS\$	31/12/2012 ThUS\$
Foreign	Doktor Tarsa Tarim Sanayi As	Associate	Turkey	Sale of products	13,844	9,587
Foreign	Doktor Tarsa Tarim Sanayi As	Associate	Turkey	Other Transactions	740	-
Foreign	Ajay Europe S.A.R.L.	Associate	France	Sale of products	35,884	37,232
Foreign	Ajay Europe S.A.R.L.	Associate	France	Dividends	5,093	3,564
Foreign	Ajay North America LLC.	Associate	United States	Sale of products	40,605	42,081
Foreign	Ajay North America LLC.	Associate	United States	Dividends	10,437	10,175
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	Sale of products	7,908	6,285
Foreign	Charlee SQM Thailand Co.Ltd.	Associate	Thailand	Sale of products	5,669	10,203
77.557.430-5	Sales de Magnesio Ltda.	Associate	Chile	Sale of products	1,186	1,472
77.557.430-5	Sales de Magnesio Ltda.	Associate	Chile	Dividends	892	1,052
96.529.340-k	Norte Grande S.A.	Other related parties	Chile	Sale of services	140	-
Foreign	Kowa Company Ltd.	Other related parties	Japan	Sale of products	77,176	123,581
Foreign	SQM Vitas Brasil Agroindustria	Joint control or significant influence	Brazil	Sale of products	52,901	40,518
Foreign	SQM Vitas Peru S.A.C.	Joint control or significant influence	Peru	Sale of products	21,255	26,123
Foreign	SQM Vitas Southern Africa Pty.	Joint control or significant influence	South Africa	Sale of products	17,908	10,930
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	Sale of products	289	120
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	Sale of services	98	-
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	Joint venture	China	Sale of products	56,254	-
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	Joint venture	China	Sale of services	282	62
Foreign	Coromandel SQM	Joint venture	India	Sale of products	5,242	2,300
Foreign	SQM Star Qingdao Crop Nutrition Co., Ltd.	Joint venture	China	Sale of services	148	-
Foreign	SQM Vitas Spain	Joint venture	Spain	Sale of products	1,624	-

9.5 Trade receivables due from related parties, current:

Tax ID No.	Company	Nature	Country of origin	Transaction	31/12/2013 ThUS\$	31/12/2012 ThUS\$
77.557.430-5	Sales de Magnesio Ltda.	Associate	Chile	Ch\$	147	303
Foreign	Charlee SQM Thailand Co. Ltd.	Associate	Thailand	US\$	331	6,098
Foreign	Doktor Tarsa Tarim Sanayi AS	Associate	Turkey	US\$	11	-
Foreign	Ajay Europe S.A.R.L.	Associate	France	Euro	4,974	4,775
Foreign	Ajay North America LLC.	Associate	United States	US\$	4,166	4,633
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	Arab Emirates dirham	2,958	1,805
Foreign	Kowa Company Ltd.	Other related parties	Japan	US\$	22,960	29,929
96.511.530-7	Soc.de Inversiones Pampa Calichera	Other related parties	Chile	US\$	8	8
Foreign	SQM Star Qingdao Crop Nutrition Co., Ltd	Joint venture	China	US\$	-	27
Foreign	SQM Vitas Brasil Agroindustria	Joint venture	Brazil	US\$	18,205	27,903
Foreign	SQM Vitas Perú S.A.C.	Joint venture	Peru	US\$	17,840	18,143
Foreign	SQM Vitas Southern Africa PTY	Joint venture	South Africa	US\$	4,553	1,478
Foreign	Coromandel SQM	Joint venture	India	Indian rupee	2,271	756
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda	Joint venture	China	US\$	47,910	4,000
79.049.778-9	Callegari Agrícola S.A.	Other related parties	Chile	Ch\$	363	844
Foreign	Coromandel Internacional	Other related parties	India	Indian rupee	-	670
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	Arab Emirates dirham	436	-
Foreign	SQM Vitas Spain.	Joint venture	Spain	Euro	760	-
Foreign	SQM Vitas Plantacote B.V.	Joint venture	Dutch Antilles	Euro	133	-
Total to-date					128,026	101,372

9.6 Trade payables due to related parties, current:

Tax ID No.	Company	Nature	Country of origin	Transaction	31/12/2013 ThUS\$	31/12/2012 ThUS\$
Foreign	SQM Vitas Fzco.	Joint ventures	United Arab Emirates	Arab Emirates dirham	-	19
Total to-date					-	19

9.7 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 25, 2013.

As of December 31, 2013, 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 on Shareholders Company, the Shareholders' Corporations Act.

During the periods covered by these 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-sharing. In addition, there were no transactions conducted between the Company, its directors or members of Senior Management.

2) Directors' Compensation

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 during the respective month.
- 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 profit for the period effectively earned by the Company during fiscal year 2013.
- 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 profit for the period effectively earned by the Company during fiscal years 2013.
- 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 years ending December 31, 2013.

- e) Therefore, the remunerations and profit sharing paid to members of the Board of Directors and Audit Committee during 2013 amount to ThUS\$4,827 (ThUS\$ 3,973 as of December 31, 2012).

2.1.2 Audit Committee

The remuneration of Directors Committee is composed of:

- 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 profit for the period effectively earned by the Company during fiscal years 2013.

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

4) Senior management compensation

As of December 31, 2013, the global compensation paid to the 117 main executives amounts to ThUS\$24,150 (ThUS\$32,888 as of December 31, 2012). 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 profit or loss. 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 2012 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 December 31, 2013 and the year ended December 31, 2012 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) In accordance with IAS 24, we should report that the Company's Director Mr. Wolf Von Appen B. is member of the Ultramar Group. During the period ended December 31, 2013, the amount of operations with this Group is approximately ThUS\$16,850 (ThUS\$22,577 as of December 31, 2012).

9.8 Key management personnel compensation

	31/12/2013 ThUS\$	31/12/2012 ThUS\$
Key management personnel compensation	24,150	32,888

10. FINANCIAL INSTRUMENTS

Financial assets in conformity with IAS 39 are detailed as follows:

10.1 Types of other financial assets

Description of other financial assets	31/12/2013 ThUS\$	31/12/2012 ThUS\$
Other current financial assets (1)	431,883	244,161
Derivatives (2)	3,283	680
Hedging assets, current	25,007	71,262
Total other current financial assets	460,173	316,103
Other non-current financial assets	95	107
Hedging assets, non-current	-	29,385
Total other non-current financial assets	95	29,492

- (1) Relates to term deposits with maturities exceeding 90 days and less than 360 days from the investment date.
- (2) Relate to forwards and options that were not classified as hedging instruments (see detail in Note 10.3).

Detail of other current financial assets

Institution	31/12/2013 ThUS\$	31/12/2012 ThUS\$
Banco Santander	131,534	41,691
BBVA	80,206	31,579
Banco de Crédito e Inversiones	79,530	82,145
Banco de Chile	42,095	42,992
Corpbanca	61,244	10,499
Banco Scotiabank	-	25,141
Banco Itaú	30,207	10,114
Banco Security	7,067	-
Total	431,883	244,161

10.2 Trade and other receivables, current and non-current

	31/12/2013			31/12/2012		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Trade receivables	314,151	-	314,151	490,770	-	490,770
Prepayments	12,127	-	12,127	14,046	-	14,046
Other receivables	4,714	1,282	5,996	5,800	1,311	7,111
Total trade and other receivables	330,992	1,282	332,274	510,616	1,311	511,927

	31/12/2013			31/12/2012		
	Assets before allowances ThUS\$	Allowance for doubtful trade receivables ThUS\$	Assets for trade receivables, net ThUS\$	Assets before allowances ThUS\$	Allowance for doubtful trade receivables ThUS\$	Assets for trade receivables, net ThUS\$
Receivables related to credit operations, current	330,052	(15,901)	314,151	507,562	(16,792)	490,770
Trade receivables, current	330,052	(15,901)	314,151	507,562	(16,792)	490,770
Prepayments, current	14,927	(2,800)	12,127	14,046	-	14,046
Other receivables, current	6,663	(1,949)	4,714	7,801	(2,001)	5,800
Current trade and other receivables	351,642	(20,650)	330,992	529,409	(18,793)	510,616
Other receivables, non-current	1,282	-	1,282	1,311	-	1,311
Non-current receivables	1,282	-	1,282	1,311	-	1,311
Total trade and other receivables	352,924	(20,650)	332,274	530,720	(18,793)	511,927

Portfolio stratification, continued

The Company's policy is to require guarantees (such as letters of credit, guarantee clauses and others) and/or maintaining insurance policies for certain accounts as deemed necessary by management.

Unsecured portfolio

As of December 31, 2013 and December 31, 2012, the detail of the unsecuritized portfolio is as follows:

	31/12/2013										
	Not overdue ThUS\$	1 - 30 days ThUS\$	31 - 60 days ThUS\$	61 - 90 days ThUS\$	91 - 120 days ThUS\$	121 - 150 days ThUS\$	151 - 180 days ThUS\$	181 - 210 days ThUS\$	211 - 250 days ThUS\$	Over 250 days ThUS\$	Total ThUS\$
Number of customers, portfolio under no renegotiated terms	3,175	1,055	515	395	332	304	303	294	312	1,817	8,502
Portfolio under no renegotiated terms	269,970	29,722	4,144	432	572	210	1,138	118	8,955	8,371	323,632
Number of customers under renegotiated terms portfolio	42	8	2	2	3	1	5	6	12	113	194
Portfolio under renegotiated terms, gross	2,964	79	15	69	42	13	87	85	447	2,619	6,420
Total gross portfolio	272,934	29,801	4,159	501	614	223	1,225	203	9,402	10,990	330,052

	31/12/2012										
	Not overdue ThUS\$	1 - 30 days ThUS\$	31 - 60 days ThUS\$	61 - 90 days ThUS\$	91 - 120 days ThUS\$	121 - 150 days ThUS\$	151 - 180 days ThUS\$	181 - 210 days ThUS\$	211 - 250 days ThUS\$	Over 250 days ThUS\$	Total ThUS\$
Number of customers, portfolio under no renegotiated terms	2,591	2,228	539	400	367	303	319	268	301	33,380	40,696
Portfolio under no renegotiated terms	408,390	20,030	1,216	46,079	38	56	332	9,816	469	11,466	497,892
Number of customers under renegotiated terms portfolio	75	13	6	9	-	5	6	11	10	210	345
Portfolio under renegotiated terms, gross	4,166	91	43	189	-	73	63	324	325	4,396	9,670
Total gross portfolio	412,556	20,121	1,259	46,268	38	129	395	10,140	794	15,862	507,562

The detail of allowances is as follows:

	31/12/2013 ThUS\$	31/12/2012 ThUS\$
Allowance and write-offs		
Allowance for portfolio under no renegotiated terms	16,711	14,627
Allowance for portfolio with renegotiated terms	4,459	5,564
Write-offs for the period	(520)	(1,398)
Total	20,650	18,793

a) 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.

10.3 Hedging assets and liabilities

The balance represents derivative instruments measured at fair value which have been classified as hedges against exchange and interest rate risks related to the total obligations relating to bonds of the Company in Chilean pesos and UF (and the exchange risk in Chilean pesos of the Company's investment plans). As of December 31, 2013, the face value of cash flows in Cross Currency Swap contracts agreed upon in US dollars amounted to ThUS\$555,303 and as of December 31, 2012 such contracts amounted to ThUS\$515,156.

Hedging assets	Derivative instruments (CCS) ThUS\$	Effect on profit or loss for the period Derivative instruments ThUS\$	Hedging reserve in gross equity ThUS\$	Deferred tax hedging reserve in equity ThUS\$	Hedging reserve in equity ThUS\$
December 31, 2013	23,602	(45,312)	(3,307)	661	(2,646)
December 31, 2012	100,647	49,853	(18,419)	3,684	(14,735)

Hedging liabilities	Derivative instruments (CCS) ThUS\$	Effect on profit or loss for the period Derivative instruments ThUS\$	Hedging reserve in gross equity ThUS\$	Deferred tax hedging reserve in equity ThUS\$	Hedging reserve in equity ThUS\$
December 31, 2013	1,339	(93)	(1,153)	-	(1,153)
December 31, 2012	1,879	27	(1,786)	-	(1,786)

The balances in the effect on profit or loss column consider the interim effects of the contracts in force as of December 31, 2013 and December 31, 2012.

Derivative contract maturities are detailed as follows:

Series	Contract amount ThUS\$	Currency	Maturity date
C	66,710	UF	01/12/2026
G	33,673	Chilean peso	05/01/2014
H	191,638	UF	05/01/2018
I	56,041	UF	01/04/2014
J	92,440	Chilean peso	01/04/2014
M	46,463	UF	01/02/2017
O	68,338	UF	01/02/2017

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 against 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 and interest payments.

Hedge Accounting

The Company classifies derivative instruments as hedging, that may include derivatives or embedded 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 hedge

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 hedged item that is attributable to the risk being hedged.

The Company documents the relationship between hedge instruments and the hedged item along with the objectives of its risk management and strategy to carry out different hedging transactions. In addition, upon commencement of the period hedged and then on a quarterly basis the Company documents whether hedge instruments have been efficient and met the objective of hedging market fluctuations for the purpose of which 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, hedges are classified as effective on the basis of the effectiveness tests. This note includes the detail of fair values of derivatives classified as hedging instruments.

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.

10.4 Financial liabilities

Other current and non-current financial liabilities

As of December 31, 2013 and December 31, 2012, the detail is as follows:

	31/12/2013			31/12/2012		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Bank borrowings	171,347	309,489	480,836	122,373	379,119	501,492
Obligations with the public	227,652	1,106,496	1,334,148	20,135	1,067,075	1,087,210
Derivatives	1,088	-	1,088	8,456	-	8,456
Hedging liabilities	1,339	1,405	2,744	1,879	-	1,879
Total	401,426	1,417,390	1,818,816	152,843	1,446,194	1,599,037

Current and non-current borrowings

As of December 31, 2013 and December 31, 2012, the detail is as follows:

	31/12/2013 ThUS\$	31/12/2012 ThUS\$
Long-term borrowings	309,489	379,119
Short-term borrowings	100,135	120,921
Current portion of long-term borrowings	71,212	1,452
Short-term loans and current portion of long-term borrowings	171,347	122,373
Total borrowings assumed	480,836	501,492

a) Bank loans, current:

As of December 31, 2013 and December 31, 2012, the detail of this caption is as follows:

Debtor		Creditor					31/12/2013 Current maturities					
Tax ID No.	Subsidiary	Country	Tax ID No.	Financial institution	Country	Currency or adjustment index	Repayment	Effective rate	Nominal rate	Up to 90 days ThUS\$	91 days to 1 year ThUS\$	Total ThUS\$
93.007.000-9	SQM.S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	US\$	Upon maturity	0,65%	0,65%	3	20,000	20,003
93.007.000-9	SQM.S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	US\$	Upon maturity	0,47%	0,47%	7	20,000	20,007
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch	United States	US\$	Upon maturity	3,10%	2,39%	1,012	-	1,012
79.626.800-K	SQM Salar S.A.	Chile	97.030.000-7	Banco Estado	Chile	US\$	Upon maturity	0,61%	0,61%	20,033	-	20,033
79.626.800-K	SQM Salar S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	US\$	Upon maturity	0,59%	0,59%	11	20,000	20,011
79.947.100-0	SQM Industrial S.A.	Chile	97.030.000-7	Banco Estado	Chile	US\$	Upon maturity	0,75%	0,75%	-	20,081	20,081
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Bank of America	United States	US\$	Upon maturity	1,75%	1,27%	-	120	120
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Export Development Canada	Canada	US\$	Upon maturity	1,69%	1,30%	-	10,014	10,014
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Cayman) Ltd.	Cayman Islands	US\$	Upon maturity	1,35%	1,24%	189	50,000	50,189
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Cayman) Ltd.	Cayman Islands	US\$	Upon maturity	1,73%	1,41%	-	139	139
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	The Bank of Tokyo-Mitsubishi UFJ, Lda. (New York)	United States	US\$	Upon maturity	1,37%	1,01%	-	10,108	10,108
Total										21,255	150,462	171,717
Borrowing costs										(26)	(344)	(370)
Total										21,229	150,118	171,347

Debtor		Creditor						31/12/2012 Current maturities				
Tax ID No.	Subsidiary	Country	Tax ID No.	Financial institution	Country	Currency or adjustment index	Repayment	Effective rate	Nominal rate	Up to 90 days ThUS\$	91 days to 1 year ThUS\$	Total ThUS\$
93.007.000-9	SQM.S.A.	Chile	97.030.000-7	Banco Estado	Chile	US\$	Upon maturity	1.70%	1.70%	-	20,175	20,175
93.007.000-9	SQM.S.A.	Chile	97.030.000-7	Banco Estado	Chile	US\$	Upon maturity	1.09%	1.09%	-	20,017	20,017
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch	United States	US\$	Upon maturity	3.01%	2.69%	1,139	-	1,139
79.626.800-K	SQM Salar S.A.	Chile	97.032.000-8	Banco BBVA Chile	Chile	US\$	Upon maturity	1.90%	1.90%	-	20,243	20,243
79.626.800-K	SQM Salar S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	US\$	Upon maturity	1.03%	1.03%	20,153	-	20,153
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Bank of America	United States	US\$	Upon maturity	1.83%	1.52%	-	141	141
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Export Development Canada	Canada	US\$	Upon maturity	1.81%	1.46%	-	20	20
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Cayman) Ltd.	Cayman Islands	US\$	Upon maturity	1.60%	1.54%	-	235	235
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Cayman) Ltd.	Cayman Islands	US\$	Upon maturity	1.92%	1.62%	-	164	164
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	The Bank of Tokyo-Mitsubishi UFJ, Lda. (New York)	United States	US\$	Upon maturity	1.49%	1.26%	-	140	140
79.947.100-0	SQM Industrial S.A.	Chile	97.030.000-7	Banco Estado	Chile	US\$	Upon maturity	1.64%	1.64%	-	20,172	20,172
79.947.100-0	SQM Industrial S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	US\$	Upon maturity	1.04%	1.04%	20,162	-	20,162
Total										41,454	81,307	122,761
Borrowing costs										(26)	(362)	(388)
Total										41,428	80,945	122,373

b) Unsecured obligations, current:

As of December 31, 2013 and December 31, 2012, the detail of current unsecured interest-bearing obligations is composed of promissory notes and bonds, as follows:

Bonds

Debtor		Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity		Effective rate	Nominal rate	31/12/2013 Current maturities				
Tax ID No.	Subsidiary Country					Payment of interest	Repayment			Up to 90 days	91 days to 1 year ThUS\$	Total ThUS\$		
93.007.000-9	SQM S.A. Chile	-	ThUS\$200,000	04/15/2014	US\$	Semiannual	Upon maturity	6.32%	6.13%	-	2,586	2,586		
93.007.000-9	SQM S.A. Chile	-	ThUS\$250,000	04/21/2014	US\$	Semiannual	Upon maturity	5.70%	5.50%	-	2,674	2,674		
93.007.000-9	SQM S.A. Chile	-	ThUS\$300,000	04/03/2014	US\$	Semiannual	Upon maturity	3.87%	3.63%	-	2,658	2,658		
93.007.000-9	SQM S.A. Chile	446	C	06/01/2014	UF	Semiannual	Semiannual	4.44%	4.00%	-	6,951	6,951		
93.007.000-9	SQM S.A. Chile	563	G	01/05/2014	\$	Semiannual	Upon maturity	7.50%	7.00%	41,377	-	41,377		
93.007.000-9	SQM S.A. Chile	564	H	01/05/2014	UF	Semiannual	Semiannual	5.10%	4.90%	4,207	-	4,207		
93.007.000-9	SQM S.A. Chile	563	I	04/01/2014	UF	Semiannual	Upon maturity	3.35%	3.00%	-	67,144	67,144		
93.007.000-9	SQM S.A. Chile	563	J	04/01/2014	\$	Semiannual	Upon maturity	6.23%	5.50%	-	100,466	100,466		
93.007.000-9	SQM S.A. Chile	700	M	02/01/2014	UF	Semiannual	Upon maturity	3.62%	3.30%	606	-	606		
93.007.000-9	SQM S.A. Chile	699	O	02/01/2014	UF	Semiannual	Upon maturity	3.95%	3.80%	1,045	-	1,045		
		Total										47,235	182,479	229,714
		Bond issuance costs										(335)	(1,727)	(2,062)
		Total										46,900	180,752	227,652

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

Debtor		Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity		Effective rate	Nominal rate	31/12/2012 Current maturities				
Tax ID No.	Subsidiary Country					Payment of interest	Repayment			Up to 90 days	91 days to 1 year ThUS\$	Total ThUS\$		
93.007.000-9	SQM S.A. Chile	-	ThUS\$200,000	15/04/2013	US\$	Semiannual	Upon expiration	6.32%	6.13%	-	2,577	2,577		
93.007.000-9	SQM S.A. Chile	-	ThUS\$250,000	21/04/2013	US\$	Semiannual	Upon expiration	5.70%	5.50%	-	2,667	2,667		
93.007.000-9	SQM S.A. Chile	446	C	01/06/2013	UF	Semiannual	Semiannual	4.44%	4.00%	-	7,464	7,464		
93.007.000-9	SQM S.A. Chile	563	G	05/07/2013	Ch\$	Semiannual	Upon expiration	7.50%	7.00%	1,465	-	1,465		
93.007.000-9	SQM S.A. Chile	564	H	05/07/2013	UF	Semiannual	Semiannual	5.10%	4.90%	4,484	-	4,484		
93.007.000-9	SQM S.A. Chile	563	I	01/04/2013	UF	Semiannual	Upon expiration	3.35%	3.00%	-	532	532		
93.007.000-9	SQM S.A. Chile	563	J	01/04/2013	Ch\$	Semiannual	Upon expiration	6.23%	5.50%	-	1,470	1,470		
93.007.000-9	SQM S.A. Chile	700	M	01/08/2013	UF	Semiannual	Upon expiration	3.62%	3.30%	644	-	644		
93.007.000-9	SQM S.A. Chile	699	O	01/08/2013	UF	Semiannual	Upon expiration	3.95%	3.80%	1,110	-	1,110		
		Total										7,703	14,710	22,413
		Bond issuance costs										(473)	(1,805)	(2,278)
		Total										7,230	12,905	20,135

c) Types of interest-bearing borrowings, non-current

Non-current interest-bearing borrowings as of December 31, 2013 and December 31, 2012 are detailed as follows:

Debtor		Creditor					31/12/2013 Years to maturity			Effective rate	Nominal rate	Over 1 years to 3 ThUS\$	Over 3 to 5 ThUS\$	Over 5 years ThUS\$	Total ThUS\$
Tax ID No.	Subsidiary	Country	Tax ID No.	Financial institution	Country	Currency or adjustment index	Repayment								
93.007.000-9	SQM S.A.	Chile	Extranjero	Banco Estado NY Branch	United States	US\$	Upon maturity	3.10%	2.39%	-	140,000	-	140,000		
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Cayman) Ltd.	Cayman Islands	US\$	Upon maturity	1.35%	1.41%	50,000	-	-	50,000		
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Bank of America	United States	US\$	Upon maturity	1.75%	1.27%	40,000	-	-	40,000		
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Export Development Canada	Canada	US\$	Upon maturity	1.69%	1.30%	40,000	-	-	40,000		
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	The Bank of Tokyo-Mitsubishi UFJ, Ltd (New York)	United States	US\$	Upon maturity	1.37%	1.01%	40,000	-	-	40,000		
Total												170,000	140,000	-	310,000
Borrowings costs												(441)	(70)	-	(511)
Total												169,559	139,930	-	309,489

Debtor		Creditor					31/12/2012 Years to maturity			Effective rate	Nominal rate	Over 1 years to 3 ThUS\$	Over 3 to 5 ThUS\$	Over 5 years ThUS\$	Total ThUS\$
Tax ID No.	Subsidiary	Country	Tax ID No.	Financial institution	Country	Currency or adjustment index	Repayment								
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch	United States	US\$	Upon maturity	3.01%	2.69%	-	140,000	-	140,000		
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Cayman) Ltd.	Cayman Islands	US\$	Upon maturity	1.60%	1.54%	50,000	-	-	50,000		
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Cayman) Ltd.	Cayman Islands	US\$	Upon maturity	1.92%	1.62%	50,000	-	-	50,000		
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Bank of America	United States	US\$	Upon maturity	1.83%	1.52%	-	40,000	-	40,000		
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Export Development Canada	Canada	US\$	Upon maturity	1.81%	1.46%	-	50,000	-	50,000		
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	The Bank of Tokyo-Mitsubishi UFJ, Ltd (New York)	United States	US\$	Upon maturity	1.49%	1.26%	-	50,000	-	50,000		
Total												100,000	280,000	-	380,000
Borrowings costs												(235)	(646)	-	(881)
Total												99,765	279,354	-	379,119

d) Non-current unsecured interest-bearing bonds

The breakdown of non-current unsecured interest-bearing bonds as of December 31, 2013 and December 31, 2012 is detailed as follows:

Debtor		Periodicity								31/12/2013 Current maturities				
Tax ID No.	Subsidiary	Country	Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Payment of interest	Repayment	Effective rate	Nominal rate	Over 1 years to 3 ThUS\$	Over 3 to 5 ThUS\$	Over 5 years ThUS\$	Total ThUS\$
93.007.000-9	SQM S.A.	Chile	-	ThUS\$200,000	15/04/2016	US\$	Semiannual	Upon maturity	6.32%	6.13%	200,000	-	-	200,000
93.007.000-9	SQM S.A.	Chile	-	ThUS\$250,000	21/04/2020	US\$	Semiannual	Upon maturity	5.70%	5.50%	-	-	250,000	250,000
93.007.000-9	SQM S.A.	Chile	-	ThUS\$300,000	03/04/2023	US\$	Semiannual	Upon maturity	3.87%	3.63%	-	-	300,000	300,000
93.007.000-9	SQM S.A.	Chile	446	C	01/12/2026	UF	Semiannual	Semiannual	4.44%	4.00%	13,328	13,328	53,322	79,978
93.007.000-9	SQM S.A.	Chile	564	H	05/01/2030	UF	Semiannual	Semiannual	5.10%	4.90%	-	-	177,729	177,729
93.007.000-9	SQM S.A.	Chile	700	M	01/02/2017	UF	Semiannual	Upon maturity	3.62%	3.30%	-	44,432	-	44,432
93.007.000-9	SQM S.A.	Chile	699	O	01/02/2033	UF	Semiannual	Upon maturity	3.95%	3.80%	-	-	66,648	66,648
Total											213,328	57,760	847,699	1,118,787
Bond issuance costs											(737)	(593)	(10,961)	(12,291)
Total											212,591	57,167	836,738	1,106,496

Debtor		Periodicity								31/12/2012 Current maturities				
Tax ID No.	Subsidiary	Country	Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Payment of interest	Repayment	Effective rate	Nominal rate	Over 1 years to 3 ThUS\$	Over 3 to 5 ThUS\$	Over 5 years ThUS\$	Total ThUS\$
93.007.000-9	SQM S.A.	Chile	-	ThUS\$200,000	15/04/2016	US\$	Semiannual	Upon maturity	6.32%	6.13%	-	200,000	-	200,000
93.007.000-9	SQM S.A.	Chile	-	ThUS\$250,000	21/04/2020	US\$	Semiannual	Upon maturity	5.70%	5.50%	-	-	250,000	250,000
93.007.000-9	SQM S.A.	Chile	446	C	01/12/2026	UF	Semiannual	Semiannual	4.44%	4.00%	14,280	14,280	64,260	92,820
93.007.000-9	SQM S.A.	Chile	564	H	05/01/2030	UF	Semiannual	Semiannual	7.5%	4.90%	-	-	190,401	190,401
93.007.000-9	SQM S.A.	Chile	563	G	05/01/2014	Ch\$	Semiannual	Upon maturity	5.10%	7.00%	43,764	-	-	43,764
93.007.000-9	SQM S.A.	Chile	563	I	01/04/2014	UF	Semiannual	Upon maturity	3.35%	3.00%	71,400	-	-	71,400
93.007.000-9	SQM S.A.	Chile	563	J	01/04/2014	Ch\$	Semiannual	Upon maturity	6.23%	5.50%	108,368	-	-	108,368
93.007.000-9	SQM S.A.	Chile	700	M	01/02/2017	UF	Semiannual	Upon maturity	3.62%	3.30%	-	47,600	-	47,600
93.007.000-9	SQM S.A.	Chile	699	O	01/02/2033	UF	Semiannual	Upon maturity	3.95%	3.80%	-	-	71,400	71,400
Total											237,812	261,880	576,061	1,075,753
Bond issuance costs											(631)	(1,420)	(6,627)	(8,678)
Total											237,181	260,460	569,434	1,067,075

e) Additional information

Bonds

On the 31st of December 2013 and the 31st of December 2012, short term bonds of MUS\$ 227,652 and MUS\$ 20,135 respectively were classified as short-term, consisting of the current portion due plus accrued interest to date, excluding bond issue costs. The non-current portion consisted of MUS\$1,106,496 on the 31st December 2013 and MUS\$1,067,075 on the 31st December 2012, corresponding to the issuance of series C bonds, Single series bonds (ThUS\$ 200), series G bonds, series H bonds, series I bonds, series J bonds, second issue single series bonds (ThUS\$ 250), series M bonds, series O bonds and third issue single series bonds (ThUS\$ 300), excluding debt issue costs.

As of December 31, 2013 and December 31, 2012, the details of each issuance are as follows

Series "C" bonds

On January 24, 2006, the Company issued Series C bonds for UF 3,000,000 (ThUS\$101,918) at an annual rate of 4.00%.

As of December 31, 2013 and December 31, 2012, the Company has made the following payments with a charge to the Series C bonds:

Payments made	31/12/2013 ThUS\$	31/12/2012 ThUS\$
Principal	6,780	6,858
Interest payment	3,694	4,004

Single series first issue ThUS\$200,000

On April 5, 2006, the Company issued 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 December 31, 2013 and December 31, 2012, the Company has made the following payments with a charge to the Single Series bonds:

Payments made	31/12/2013 ThUS\$	31/12/2012 ThUS\$
Payments of interest	12,250	12,250

Series "G" and "H" bonds

On January, 13, 2009, the Company issued 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 issued 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 December 31, 2013 and December 31, 2012, the Company has made the following payments with a charge to the Series G and H bonds:

Payments made	31/12/2013 ThUS\$	31/12/2012 ThUS\$
Payments of interest, Series G bonds	2,962	2,845
Payments of interest, Series H bonds	9,062	8,565

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 issued 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 issued at a term of 5 years with single payment at the maturity of the term and annual interest rate of 3.00%.

As of December 31, 2013 and December 31, 2012, the Company has made the following payments with a charge to the Series J and I bonds:

Payments made	31/12/2013 ThUS\$	31/12/2012 ThUS\$
Payment of interest, Series J bonds	5,790	5,879
Payment of interest, Series I bonds	2,106	2,100

Single series bonds, second issue ThUS\$250,000

On April 21, 2010, the Company informed the Chilean Superintendence of Securities and Insurance of its issuance in international markets of an unsecured bond of ThUS\$250,000 with a maturity of 10 years beginning on the aforementioned date with annual an interest rate of 5.5% for the purpose of refinancing long-term liabilities.

As of December 31, 2013 and December 31, 2012, the detail of payments charged to the line of single series bonds, second issue is as follows:

Payments made	31/12/2013 ThUS\$	31/12/2012 ThUS\$
Interest payment	13,750	13,750

Series "M" and "O" bonds

On April 4, 2012, the Company issued two bond series in the domestic market. Series M for UF 1,000,000 (ThUS\$46,601) was issued at a term of 5 years with a single payment at the maturity of the term and an annual interest rate of 3.3%, and Series O for UF 1,500,000 (ThUS\$69,901) was issued at a term of 21 years with a single payment at the maturity of the term and an annual interest rate of 3.80%.

As of December 31, 2013, and December 31, 2012 the Company has made the following payments with a charge to the Series M and O bonds:

Payments made	31/12/2013 ThUS\$	31/12/2012 ThUS\$
Payment of interest, Series M bonds	1,522	765
Payment of interest, Series O bonds	2,626	1,320

Single series bonds, third issue ThUS\$300,000

On April 3, 2013, the Company issued in the United States a non-guaranteed bond with a value of US\$ 300 million. The bond is for a 10 year term with an annual coupon rate of 3.625% and an annual yield of 3.716%. This rate equates to a difference of 180 basis points to comparable US Treasury bonds. The funds raised will be used to refinance long term liabilities and finance general corporate objectives.

The detail of payments charged to the line of singles series bonds is as follows:

	31/12/2013 ThUS\$	31/12/2012 ThUS\$
Pagos efectuados		
Payment of interest	5,438	-

10.5 Trade and other payables

	31/12/2013			31/12/2012		
	Current ThUS\$	Non- current ThUS\$	Total ThUS\$	Current ThUS\$	Non- current ThUS\$	Total ThUS\$
Accounts payable	150,322	-	150,322	207,429	-	207,429
Deferred income	-	-	-	-	-	-
Retained (or accrued)	638	-	638	515	-	515
Total	150,960	-	150,960	207,944	-	207,944

Purchase commitments held by the Company are recognized as liabilities when the goods and services are received by the Company. As of December 31, 2013, the Company has purchase orders amounting to ThUS\$29,395 (ThUS\$127,484 as of December 31, 2012).

10.6 Financial liabilities at fair value through profit or loss

This balance relates to derivative instruments measured at their fair value, which has generated balances against the Company. The detail of this type of instrument is as follows:

	31/12/2013 ThUS\$	Effect on profit or loss as of 31/12/2013 ThUS\$	31/12/2012 ThUS\$	Effect on profit or loss as of 31/12/2012 ThUS\$
Financial liabilities at fair value through profit or loss				
Current				
Derivative instruments (forward)	423	5,100	5,612	(4,559)
Derivative instruments (options)	665	1,827	2,492	(1,456)
Derivative instruments (IRS)	1,339	251	2,231	(240)
	2,427	7,178	10,335	(6,255)

Balances in the column effect on profit or loss consider the annual effects of agreements which were in force as of December 31, 2013.

10.7 Financial asset and liability categories

a) Financial Assets

Description of financial assets	31/12/2013			31/12/2012		
	Current Amount ThUS\$	Non-current Amount ThUS\$	Total Amount ThUS\$	Current Amount ThUS\$	Non-current Amount ThUS\$	Total Amount ThUS\$
Financial assets measured at amortized cost	431,883	-	431,883	244,161	-	244,161
Investments held-to-maturity measured at amortized cost	-	95	95	-	107	107
Loans and receivables measured at amortized cost	330,992	1,282	332,274	510,616	1,311	511,927
Total financial assets measured at amortized cost	762,875	1,377	764,252	754,777	1,418	756,195
Financial assets at fair value through profit or loss	3,283	-	3,283	680	-	680
Financial assets at fair value through other comprehensive income	25,007	-	25,007	71,261	29,385	100,646
Total financial assets at fair value	28,290	-	28,290	71,941	29,385	101,326
Total financial assets	791,165	1,377	792,542	826,718	30,803	857,521

b) Financial liabilities

Description of financial liabilities	31/12/2013			31/12/2012		
	Current Amount ThUS\$	Non-current Amount ThUS\$	Total Amount ThUS\$	Current Amount ThUS\$	Non-current Amount ThUS\$	Total Amount ThUS\$
Financial liabilities at fair value through profit or loss	2,427	1,405	3,832	10,335	-	10,335
Financial liabilities at fair value through profit or loss	2,427	1,405	3,832	10,335	-	10,335
Financial liabilities measured at amortized cost	549,959	1,415,985	1,965,944	350,452	1,446,194	1,796,646
Total financial liabilities measured at amortized cost	549,959	1,415,985	1,965,944	350,452	1,446,194	1,796,646
Total financial liabilities	552,386	1,417,390	1,969,776	360,787	1,446,194	1,806,981

10.8 Fair Value Measurement of Assets and Liabilities

Financial assets and liabilities measured at fair value consist of Options and Forwards hedging the mismatch in the balance sheet and cash flows, Cross Currency Swaps (CCS) to hedge bonds against issued in local currency (\$/UF), and Interest Rate Swaps (IRS) to hedge against LIBOR rate debt issued.

The value of the Company's assets and liabilities recognised by CCS contracts is calculated as the difference between the present value of discounted cash flows of the asset (pesos/UF) and liability (USD) parts of the derivative. In the case of the IRS, the asset value recognised is calculated as the difference between the discounted cash flows of the asset (variable rate) and liability (fixed rate) parts of the derivative. Forwards: Are calculated as the difference between the strike price of the contract and the spot price plus the forwards points at the date of the contract. Options: The value recognised is calculated using the Black-Scholes method.

In the case of CCS, the entry data used for the valuation models are UF, peso, and basis swap rates. In the case of fair value calculations for IRS, the FRA (Forward Rate Agreement) rate and ICVS 23 Curve (Bloomberg: cash/deposits rates, futures, swaps). In the case of forwards, the forwards curve for the currency in question is used. Finally, with options, the spot price, risk-free rate and volatility of exchange rate are used, all in accordance with the currencies used in each valuation. The financial information used as entry data for the Company's valuation models is obtained from Bloomberg, the well-known financial software company. Conversely, the fair value provided by the counterparties of derivatives contracts is used only as a control and not for valuation.

The effects on profit or loss of movements in these amounts may be recognized within Finance costs, foreign currency translation gain (loss) or cash flow hedges in the statement of comprehensive income, depending on each particular case.

The fair value measurement of debt is only performed to determine the actual market value of guaranteed and non-guaranteed long-term obligations; bonds denominated in local currency (\$/UF) and foreign currency (USD), credits denominated in foreign currency (USD).

The value of the Company's reported liabilities is calculated as the present value of discounted cash flows at market rates at the time of valuation, taking into account the maturity date and exchange rate. The entry data used for the model

includes the UF and peso rates, which are obtained using Bloomberg, the well-known financial software company and the 'Asociación de Bancos e Instituciones Financieras' (ABIF) (Association of Banks and Financial Institutions').

10.9 Financial assets pledged as guarantee

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

As of December 31, 2013 and December 31, 2012, assets pledged as guarantees are as follows:

	31/12/2013	31/12/2012
Restricted cash	ThUS\$	ThUS\$
Isapre Norte Grande Ltda.	708	571
Total	708	571

10.10 Estimated fair value of financial instruments and financial derivatives

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 features.

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

- Cash equivalent approximates 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 original maturity of more than a year, fair values are calculated at 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.

The detail of the Company's instruments at carrying value and estimated fair value is as follows:

	31/12/2013		31/12/2012	
	Carrying value ThUS\$	Fair value ThUS\$	Carrying value ThUS\$	Fair value ThUS\$
Cash and cash equivalents	476,622	476,622	324,353	324,353
Current trade and other receivables	330,992	330,992	510,616	510,616
Other financial assets, current:				
- Time deposits	431,883	431,883	244,161	244,161
- Derivative instruments	3,283	3,283	680	680
- Current hedging assets	25,007	25,007	71,262	71,262
Total other current financial assets	460,173	460,173	316,103	316,103
Non-Current Trade Receivables	1,282	1,282	1,311	1,311
Other non-current financial assets:	95	95	107	107
Non-current hedging assets	-	-	29,385	29,385
Other non-current financial assets:	95	95	29,492	29,492
Other financial liabilities, current:				
- Bank loans	171,347	171,347	122,373	122,373
- Derivative instruments	1,088	1,088	8,456	8,456
- Hedging liabilities	1,339	1,339	1,879	1,879
- Unsecured obligations	227,652	227,652	20,135	20,135
Other financial liabilities, current	401,426	401,426	152,843	152,843
Current and non-current accounts payable	150,960	150,960	207,944	207,944
Other non-current financial liabilities:				
- Bank loans	309,489	324,246	379,119	401,465
- Unsecured obligations	1,106,496	1,077,049	1,067,075	1,137,363
- Non-current hedging liabilities	1,405	1,405	-	-
Other non-current financial liabilities	1,417,390	1,402,700	1,446,194	1,538,828

Fair value hierarchy

Fair value hierarchies are as follows:

- Level 1: When only quoted (unadjusted) prices have been used in active markets.
- Level 2: When in a phase in the valuation process, variables other than prices quoted in Level 1 have been used, which are directly observable in markets.
- Level 3: When in a phase in the valuation process, variables which are not based in observable market data have been used.

The valuation techniques used to determine the fair value of our hedging instruments are those indicated in level 2.

10.11 Nature and scope of risks arising from financing instruments

As indicated in paragraphs 33 to 42 of IFRS 7, disclosures of information associated with the nature and scope of risks arising from financial instruments is presented in Note 4 - Financial Risk Management.

11. EQUITY-ACCOUNTED INVESTEEES

11.1 Investments in Associated companies recognized according to the equity method of accounting

As of December 31, 2013 and December 31, 2012, in accordance with criteria established in Note 2.6 and Note 3.19, investment in associated companies recognized according to the equity method of accounting are as follows:

Associated Companies	Equity-accounted investees		Share on profit (loss) of associated companies and joint ventures accounted for using the equity method		Share on other comprehensive income of associated companies and joint ventures accounted for using the equity method, net of tax		Share on total other comprehensive income of associated companies and joint ventures accounted for using the equity method	
	31/12/2013 ThUS\$	31/12/2012 ThUS\$	31/12/2013 ThUS\$	31/12/2012 ThUS\$	31/12/2013 ThUS\$	31/12/2012 ThUS\$	31/12/2013 ThUS\$	31/12/2012 ThUS\$
Sales de Magnesio Ltda.	1,649	1,656	1,005	1,088	-	-	1,005	1,088
Abu Dhabi Fertilizer Industries WWL	11,453	9,890	1,596	1,628	-	-	1,596	1,628
Doktor Tarsa Tarim Sanayi AS	15,193	15,346	2,192	4,134	-	-	2,192	4,134
Ajay North America	13,125	15,357	7,919	10,927	-	-	7,919	10,927
Ajay Europe SARL	7,924	8,495	3,825	6,295	-	-	3,825	6,295
SQM Eastmed Turkey	142	85	132	-	-	-	132	-
Charlee SQM Thailand Co. Ltd.	1,589	126	237	32	-	-	237	32
Total	51,075	50,955	16,906	24,104	-	-	16,906	24,104

Associate	Description of the nature of the relationship	Domicile	Country of incorporation	Share of ownership in associated companies	Dividends received	
					12/31/2013 ThUS\$	31/12/2012 ThUS\$
Sales de Magnesio Ltda.	Commercialization of magnesium salts.	El Trovador 4285, Las Condes	Chile	50%	892	1.052
Abu Dhabi Fertilizer Industries WWL	Distribution and commercialization of specialty plant nutrients in the Middle East.	PO Box 71871, Abu Dhabi	United Arab Emirates	50%	-	-
Doktor Tarsa Tarim Sanayi AS	Distribution and commercialization of specialty plant nutrients in Turkey.	Organize Sanayi Bolgesi, Ikinci Kisim, 22 cadde TR07100 Antalya	Turkey	50%	-	-
Ajay North America	Production and commercialization of iodine derivatives.	1400 Industry RD Power Springs GA 30129	United States	49%	10.437	10.628
Ajay Europe SARL	Production and commercialization of iodine derivatives.	Z.I. du Grand Verger BP 227 53602 Evron Cedex	France	50%	5.093	3.446
SQM Eastmed Turkey	Production and commercialization of specialty products.	Organize Sanayi Bolgesi, Ikinci Kisim, 22 cadde TR07100 Antalya	Turkey	50%	-	-
Charlee SQM Thailand Co. Ltd.	Distribution and commercialization of specialty plant nutrients.	31 Soi 138 (Meesuk) LLapdrawrd, Bangkapi, 10240 Bangkok	Thailand	40%	-	-

11.2 Assets, liabilities, revenue and expenses of associated companies

	31/12/2013				Revenue ThUS\$	31/12/2013		
	Assets		Liabilities			Gain (loss) from continuing operations ThUS\$	Other comprehensive income ThUS\$	Comprehensive income ThUS\$
	Current ThUS\$	Non- current ThUS\$	Current ThUS\$	Non- current ThUS\$				
Sales de Magnesio Ltda.	4,519	309	1,512	18	14,370	2,009	-	2,009
Abu Dhabi Fertilizer Industries WWL	26,645	2,321	6,059	-	44,689	3,192	-	3,192
Doktor Tarsa Tarim Sanayi AS	67,603	6,563	37,696	6,082	73,905	4,385	-	4,385
Ajay North America	23,728	9,289	6,230	-	72,297	16,161	-	16,161
Ajay Europe SARL	22,247	2,370	8,770	-	67,361	7,649	-	7,649
SQM Eastmed Turkey	149	305	169	-	139	265	-	265
Charlee SQM Thailand Co. Ltd.	6,104	572	2,706	-	19,179	593	-	593
Total	150,995	21,729	63,142	6,100	291,940	34,254	-	34,254

	31/12/2012				Revenue ThUS\$	31/12/2012		
	Assets		Liabilities			Gain (loss) from continuing operations ThUS\$	Other comprehensive income ThUS\$	Comprehensive income ThUS\$
	Current ThUS\$	Non- current ThUS\$	Current ThUS\$	Non- current ThUS\$				
Sales de Magnesio Ltda.	4,662	364	1,713	-	14,259	2,177	-	2,177
Abu Dhabi Fertilizer Industries WWL	21,885	2,187	4,291	-	42,899	3,255	-	3,255
Doktor Tarsa Tarim Sanayi AS	67,345	7,982	36,332	8,304	77,839	8,267	-	8,267
Ajay North America	28,914	8,719	6,292	-	83,340	22,300	-	22,300
Ajay Europe SARL	27,587	2,091	12,688	-	84,203	12,591	-	12,591
SQM Eastmed Turkey	16	412	258	-	-	-	-	-
Charlee SQM Thailand Co. Ltd.	12,898	462	13,048	-	13,536	81	-	81
Total	163,307	22,217	74,622	8,304	316,076	48,671	-	48,671

11.3 Other information

The Company has no participation in unrecognized losses in investments in associated companies.

The Company presents no investments not accounted for according to the equity method of accounting.

The equity method was applied to the Statement of Financial Position as of December 31, 2013 and December 31, 2012.

The basis of preparation of the financial information of associates corresponds to the amounts included in the financial statements in conformity with the entity's IFRS.

12. JOINT VENTURES

12.1 Policy for the accounting for equity accounted investment in joint ventures

The method for the recognition of joint ventures is that in which participation is initially recorded at cost and subsequently adjusted considering changes after the acquisition in the portion of the entity's net assets of the entity which correspond to the investor. Profit or loss for the period of the investor will collect the portion which belongs to it in the results of the controlled entity as a whole

12.2 Disclosures of interest in joint ventures

a) Operations conducted in 2013

As of December 31, there are no changes in the composition of the interest in joint ventures.

b) Operations conducted in 2012

On March 2012, the Company Coromandel SQM increased its capital by ThUS\$394. This Company has an ownership of 50% in Soquimich European Holding B.V.

12.3 Investment in joint ventures accounted for under the equity method of accounting

Joint venture	Description of the nature of the relationship	Domicile	Country of incorporation	Share of interest in ownership	Dividends received	
					31/12/2013 ThUS\$	31/12/2012 ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltda.	Production and distribution of soluble fertilizers.	Huangjing Road, Dawan Town, Qingbaijiang District, Chengdu Municipality, Sichuan Province	China	50%	-	-
Coromandel SQM	Production and distribution of potassium nitrate.	1-2-10, Sardar Patel Road, Secunderabad - 500003 Andhra Pradesh	India	50%	-	-
SQM Vitas Fzco.	Production and commercialization of specialty plant and animal nutrition and industrial hygiene.	Jebel ALI Free Zone P.O. Box 18222, Dubai	United Arab Emirates	50%	-	-
SQM Star Qingdao Crop Nutrition Co., Ltd.	Production and distribution of nutrient plant solutions with specialties NPK soluble	Longquan Town, Jimo City, Qingdao Municipality, Shandong Province	China	50%	-	-
SQM Vitas Brazil Agroindustria	Production and commercialization of specialty plant and animal nutrition and industrial hygiene.	Via Cndeias, Km. 01 Sem Numero, Lote 4, Bairro Cia Norte, Candeias, Bahia.	Brazil	49,99%	-	-
SQM Vitas Perú S.A.C.	Production and commercialization of specialty plant and animal nutrition and industrial hygiene	Av. Juan de Arona 187, Torre B, Oficina 301-II, San Isidro, Lima	Peru	50%	-	-
SQM Vitas Southern Africa Pty.	Production and commercialization of specialty plant and animal nutrition and industrial hygiene	33 Waterford Office Park Waterford Drive Fourways, 2055 South Africa	South Africa	50%	-	-
SQM Vitas Spain	Production and commercialization of specialty plant nutrition	C/Manuel Echeverría Manzana 2 Muelle de la Cab (Puerto Real)	Spain	50%	-	-
SQM Vitas Holland	Without information	Herikerbergweg 238, 1101 CM Amsterdam Zuidoost	Dutch Antilles	50%	-	-
SQM Vitas PlantacoteB.V.	Production and commercialization of controlled-released fertilizers	Herikerbergweg 238, 1101 CM Amsterdam Zuidoost	Dutch Antilles	50%	-	-

Joint Venture	Equity-accounted investees		Share on profit (loss) of associates and joint ventures accounted for using the equity method		Share on other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax		Share on total other comprehensive income of associates and joint ventures accounted for using the equity method	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltda.	11,504	10,428	255	287	13	-	267	287
Coromandel SQM	801	683	90	184	-	(87)	89	98
SQM Vitas Fzco.	12,762	7,153	1,807	(266)	(339)	(159)	1,467	(425)
SQM Star Qingdao Crop Nutrition Co. Ltd.	1,475	1,079	396	48	-	-	395	48
SQM Vitas Holland	(599)	-	-	-	-	-	(667)	-
Total	25,943	19,343	2,548	253	(326)	(246)	1,551	8

The following companies are subsidiaries of SQM Vitas Fzco.

	Equity-accounted investees		Share on profit (loss) of associates and joint ventures accounted for using the equity method		Share on other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax		Share on total other comprehensive income of associates and joint ventures accounted for using the equity method	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Vitas Brazil	4,747	2,799	2,538	(621)	-	(306)	1152	(927)
SQM Vitas Perú	4,314	2,525	(224)	(28)	-	(26)	93	(54)
SQM Vitas Southern Africa	1,096	506	55	(238)	-	14	102	(224)
SQM Vitas Spain	-	248	-	-	-	-	(177)	-
SQM Vitas PlantacoteB.V.	-	-	-	-	-	-	(385)	-
Total	10,157	6,078	2,369	(887)	-	(318)	785	(1,205)

12.4 Assets, liabilities, revenue and expenses from Joint Ventures:

	31/12/2013							
	Assets		Liabilities		Revenue ThUS\$	Gain (loss) from continuing operations ThUS\$	Other comprehensive income ThUS\$	Comprehensive income ThUS\$
	Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$				
Sichuan SQM Migao Chemical Fertilizers Co Ltda.	68,241	9,414	54,650	-	41,744	509	26	535
Coromandel SQM	4,545	1,158	4,037	63	7,842	179	-	179
SQM Vitas Fzco.	12,790	13,772	1,039	-	18,779	3,614	(679)	2,935
SQM Star Qingdao Crop Nutrition Co., Ltd.	3,570	228	838	10	7,649	791	-	791
SQM Vitas Brazil	31,243	7,158	25,615	8,039	87,927	2,305	-	2,305
SQM Vitas Perú	21,481	1,722	18,890	-	35,267	185	-	185
SQM Vitas Southern Africa	5,164	829	4,896	-	21,234	204	-	204
SQM Vitas Spain	1,318	949	2,492	-	1,854	(355)	-	(355)
SQM Vitas Holland	95	-	316	977	-	(1,335)	-	(1,335)
SQM Vitas PlantacoteB.V.	1,323	6,548	8,623	-	2,157	(770)	-	(770)
Total	149,770	41,778	121,396	9,089	224,453	5,327	(653)	4,674

	31/12/2012							
	Assets		Liabilities		Revenue ThUS\$	Gain (loss) from continuing operations ThUS\$	Other comprehensive income ThUS\$	Comprehensive income ThUS\$
	Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$				
Sichuan SQM Migao Chemical Fertilizers Co Ltda.	21,843	9,984	6,899	4,072	29,980	573	-	573
Coromandel SQM	4,388	1,397	4,419	-	5,633	369	(174)	195
SQM Vitas Fzco.	4,568	10,522	785	-	19,643	(532)	(318)	(850)
SQM Star Qingdao Crop Nutrition Co., Ltd.	1,986	304	132	-	5,028	95	-	95
SQM Vitas Brazil	36,874	6,865	32,331	8,609	53,955	(621)	(306)	(927)
SQM Vitas Perú	23,308	1,512	20,149	2,145	32,376	(28)	(26)	(54)
SQM Vitas Southern Africa	2,730	101	2,325	-	12,850	(238)	14	(224)
SQM Vitas Spain	-	-	-	-	-	-	-	-
Total	95,697	30,685	67,040	14,826	159,465	(382)	(810)	(1,192)

12.5 Other Joint Venture disclosures:

	Cash and cash equivalents		Other current financial liabilities		Other non-current financial liabilities	
	12/31/2013 ThUS\$	12/31/2012 ThUS\$	12/31/2013 ThUS\$	12/31/2012 ThUS\$	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltda.	8,049	485	7,660	-	-	-
Coromandel SQM	197	248	880	1,289	-	-
SQM Vitas Fzco.	10,605	7,977	-	-	-	-
SQM Star Qingdao Crop Nutrition Co., Ltd.	1,988	524	-	-	-	-
SQM Vitas Brazil	854	549	-	66	8,600	8,039
SQM Vitas Peru	1,166	286	-	-	-	-
SQM Vitas Southern Africa	351	179	-	-	-	-
SQM Vitas Spain	310	-	-	-	-	-
SQM Vitas Holland	26	-	-	-	-	-
SQM Vitas Plantacote B.V.	109	-	5,567	-	-	-
Total	23,655	10,248	14,107	1,355	8,600	8,039

	Depreciation and amortization expense		Interest expense		Income tax expense, continuing operations	
	12/31/2013 ThUS\$	12/31/2012 ThUS\$	12/31/2013 ThUS\$	12/31/2012 ThUS\$	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltda.	(549)	(702)	(813)	-	(12)	(97)
Coromandel SQM	(2)	(91)	(87)	(75)	(92)	(56)
SQM Vitas Fzco.	(1,001)	(982)	(16)	(15)	-	-
SQM Star Qingdao Crop Nutrition Co., Ltd.	(71)	(74)	-	-	(242)	(27)
SQM Vitas Brazil	(328)	(247)	(931)	(463)	-	-
SQM Vitas Peru	(82)	(32)	(445)	(102)	91	-
SQM Vitas Southern Africa	(67)	(29)	(104)	(37)	-	-
SQM Vitas Spain	-	-	(14)	-	-	-
SQM Vitas Holland	-	-	(2)	-	-	-
SQM Vitas Plantacote B.V.	-	-	(176)	-	-	-
Total	(2,100)	(2,157)	(2,588)	(692)	(255)	(180)

The basis of preparation of the financial information of joint ventures corresponds to the amounts included in the financial statements in conformity with the entity's IFRS.

13. INTANGIBLE ASSETS AND GOODWILL

13.1 Balances

	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Intangible assets other than goodwill	104,363	99,754
Goodwill	38,388	38,388
Total	142,751	138,142

13.2 Disclosures on intangible assets and goodwill

Intangible assets include goodwill, water rights, trademarks, industrial patents, rights of way, software, and mining claims which correspond to mineral rights acquired from third-parties.

Balances and movements in the main types of intangible assets as of December 31, 2013 and December 31, 2012 are detailed as follows:

Intangible assets and goodwill	Useful life	12/31/2013		
		Gross amount ThUS\$	Accumulated Amortization ThUS\$	Net Value ThUS\$
Trademarks	Finite	3,821	(3,821)	-
Software	Finite	5,342	(3,146)	2,196
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	Finite	1,576	(882)	694
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	Indefinite	97,392	-	97,392
Other intangible assets	Indefinite	4,081	-	4,081
Intangible assets other than goodwill		112,212	(7,849)	104,363
Goodwill	Indefinite	38,388	-	38,388
Total intangible assets and goodwill		150,600	(7,849)	142,751

Assets intangibles y plusvalía	Useful life	12/31/2012		
		Gross amount ThUS\$	Accumulated Amortization ThUS\$	Net Value ThUS\$
Trademarks	Finite	3,821	(3,821)	-
Software	Finite	3,765	(2,115)	1,650
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	Finite	1,198	(820)	378
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	Indefinite	96,366	-	96,366
Other intangible assets	Indefinite	1,360	-	1,360
Intangible assets other than goodwill		106,510	(6,756)	99,754
Goodwill	Indefinite	38,388	-	38,388
Total intangible assets and goodwill		144,898	(6,756)	138,142

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 which constitute its useful life.

The estimated useful life for software is 3 years for other finite useful life assets, the period in which they are amortized relate to periods defined by contracts or rights which generate them.

Intellectual property rights, patents and other industrial property rights, service and exploitation rights, mainly relate to water rights and have a finite useful life when they are subjected to a fixed term contract and indefinite otherwise.

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

The method used to express the amortization is useful life, and in the case of mining claims, estimated tons to be extracted.

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

Estimated useful lives or amortization rate	Minimum life or rate	Maximum life or rate
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	Indefinite	Indefinite
Intangible assets other than goodwill	Indefinite	Indefinite
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	1 year	16 years
Trademarks	1 year	5 years
Software	2 years	3 years

d) Information to be disclosed on assets generated internally

The Company has no internally generated intangible assets.

e) Other information to disclose on intangible assets

SQM has property rights and mining concessions from the Chilean Government, intended for the exploration and exploitation of saltpeter and brine. Such rights, have had no initial cost other than registration costs, which are insignificant.

Also, SQM has acquired from third-parties other than the Chilean Government, mining concessions, which have been recognized at acquisition cost, which are amortized as the corresponding area is exploited based on the tons estimated to be extracted.

Costs incurred prior to obtaining mining concessions are recognized as expenses when incurred.

f) Movements in identifiable intangible assets as of December 31, 2013:

Movements in identifiable intangible assets	Trademarks Net ThUS\$	Software Net ThUS\$	Intellectual property rights, patents and other industrial property rights, service and exploitation right, rights of way, Net ThUS\$	Intellectual property rights, patents and other industrial property rights, service and exploitation right, rights of way, Net ThUS\$	Other intangible assets, Net ThUS\$	Goodwill, Net ThUS\$	Identifiable intangible assets, Net ThUS\$
Opening balance	-	1,650	378	96,366	1,360	38,388	138,142
Additions		1,577	377	3,394	2,721	-	8,069
Amortization		(1,019)	(61)	(12)	-	-	(1,092)
Other increases (decreases)		(12)	-	(2,356)	-	-	(2,368)
Final balance	-	2,196	694	97,392	4,081	38,388	142,751

g) Movements in identifiable intangible assets as of December 31, 2012:

Movements in identifiable intangible assets	Trademarks Net ThUS\$	Software Net ThUS\$	Intellectual property rights, patents and other industrial property rights, service and exploitation right, rights of way, Net ThUS\$	Intellectual property rights, patents and other industrial property rights, service and exploitation right, rights of way, Net ThUS\$	Other intangible assets, Net ThUS\$	Goodwill, Net ThUS\$	Identifiable intangible assets, Net ThUS\$
Opening balance	-	1,938	440	1,542	396	38,605	42,921
Additions		501	-	19,080	964	-	20,545
Amortization		(789)	(62)	-	-	-	(851)
Other increases (decreases)		-	-	75,744	-	(217)	75,527
Final balance	-	1,650	378	96,366	1,360	38,388	138,142

14. PROPERTY, PLANT AND EQUIPMENT

As of December 31, 2013 and December 31, 2012, the detail of property, plant and equipment is as follows:

14.1 Types of property, plant and equipment

Description of types of property, plant and equipment	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Property, plant and equipment, net		
Land	33,812	33,320
Buildings	190,529	169,731
Machinery	465,327	438,331
Transport equipment	105,979	88,954
Furniture and fixtures	9,534	6,736
Office equipment	6,062	5,249
Constructions in progress	415,740	423,184
Other property, plant and equipment (1)	827,394	747,044
Total	2,054,377	1,912,549
Property, plant and equipment, gross		
Land	33,812	33,320
Buildings	364,695	329,397
Machinery	1,179,860	1,065,641
Transport equipment	263,268	224,462
Furniture and fixtures	27,575	22,667
Office equipment	39,142	36,215
Constructions in progress	415,740	423,184
Other property, plant and equipment	1,506,708	1,336,991
Total	3,830,800	3,471,877

Accumulated depreciation and value impairment of property, plant and equipment, total	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Accumulated depreciation and value impairment of buildings	174,166	159,666
Accumulated depreciation and value impairment of machinery	714,533	627,310
Accumulated depreciation and value impairment of transport equipment	157,289	135,508
Accumulated depreciation and value impairment of furniture and fixtures	18,041	15,931
Accumulated depreciation and value impairment of office equipment	33,080	30,966
Accumulated depreciation and value impairment of other property, plant and equipment	679,314	589,947
Total	1,776,423	1,559,328

(1) The detail of other property, plant and equipment is as follows:

Other property, plant and equipment, net	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Conveyor belt	53,783	52,582
Tank (TK)	25,781	26,810
Geomembrane / liner	169,255	143,585
Electric facilities	21,889	29,725
Lights	28,748	23,945
Other constructions	62,390	59,230
Piping	22,499	23,952
Pool	181,844	180,348
Well (water)	39,963	20,737
Pipes / HD lines	101,886	78,244
Railroad track	21,628	21,719
Other property, plant and equipment	97,728	86,167
Total	827,394	747,044

14.2 Reconciliation of changes in property, plant and equipment by type as of December 31, 2013 and December 31, 2012:

Reconciliation entries of changes in property, plant and equipment by type as of December 31, 2013	Land ThUS\$	Buildings, net ThUS\$	Machinery, net ThUS\$	Transport equipment, net ThUS\$	Furniture and fixtures, net ThUS\$	Office equipment, net ThUS\$	Constructions in progress ThUS\$	Other property, plant and equipment, net ThUS\$	Property, plant and equipment, net ThUS\$
Opening balance	33,320	169,731	438,331	88,954	6,736	5,249	423,184	747,044	1,912,549
Changes									
Additions	778	47	2,100	3	60	845	416,471	3,327	423,631
Divestitures	-	(14)	(49)	(35)	-	-	(5,045)	(24)	(5,167)
Depreciation expense	-	(14,520)	(87,989)	(21,787)	(2,112)	(2,055)	-	(88,358)	(216,821)
Increase(decrease) in foreign currency exchange	(36)	(12)	(12)	(15)	-	(36)	-	(86)	(197)
Reclassification	-	35,700	115,281	38,845	4,874	2,156	(366,516)	169,660	-
Other increases (decreases) (*)	(250)	(403)	(2,335)	14	(24)	(97)	(52,354)	(4,169)	(59,618)
Total changes	492	20,798	26,996	17,025	2,798	813	(7,444)	80,350	141,828
Final balance	33,812	190,529	465,327	105,979	9,534	6,062	415,740	827,394	2,054,377

(*) The net balance of Other increases (decreases) corresponds to: 1) investment plan expenses which are charged to profit or loss (as a component of cost of sales and other expenses per function, as appropriate), 2) the variation representing the purchase and use of materials and spare parts and 3) projects corresponding mainly to exploration expenditures and stain development.

Reconciliation entries of changes in property, plant and equipment by type as of December 31, 2012	Land ThUS\$	Buildings, net ThUS\$	Machinery, net ThUS\$	Transport equipment, net ThUS\$	Furniture and fixtures, net ThUS\$	Office equipment, net ThUS\$	Constructions in progress ThUS\$	Other property, plant and equipment, net ThUS\$	Property, plant and equipment, net ThUS\$
Opening balance	33,252	146,532	424,460	82,822	5,015	5,312	297,996	683,913	1,679,302
Changes									
Additions	36	-	1,092	34	70	323	443,349	972	445,876
Divestitures	-	-	(115)	-	(67)	(12)	(2,936)	(78)	(3,208)
Depreciation expense	-	(14,800)	(79,534)	(18,400)	(1,858)	(1,857)	-	(79,709)	(196,158)
Increase(decrease) in foreign currency exchange	32	(1)	5	15	-	(13)	-	67	105
Reclassification	-	37,916	92,441	24,535	3,576	1,478	(287,291)	127,345	-
Other increases (decreases) (*)	-	84	(18)	(52)	-	18	(27,934)	14,534	(13,368)
Total changes	68	23,199	13,871	6,132	1,721	(63)	125,188	63,131	233,247
Final balance	33,320	169,731	438,331	88,954	6,736	5,249	423,184	747,044	1,912,549

(*) The net balance of Other increases (decreases) corresponds to: 1) investment plan expenses which are charged to profit or loss (as a component of cost of sales and other expenses per function, as appropriate), 2) the variation representing the purchase and use of materials and spare parts and 3) projects corresponding mainly to exploration expenditures and stain development.

14.3 Detail of property, plant and equipment pledged as guarantee

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

14.4 Additional information

Interest capitalized in construction-in-progress:

Capitalized interest amounted to ThUS\$17,232 as of December 31, 2013 and ThUS\$ 14,153 as of December 31, 2012.

Financing costs are not capitalized for periods which exceed the normal term of acquisition, construction or installation of the asset, such as the case of delays, interruptions or temporary suspension of the project due to technical, financial or other issues, which prevent the asset from being maintained in good conditions for its use.

14.5 Impairment of assets

As stated in Note 3.22, the recoverable amount of property, plant and equipment is measured whenever there is an indication that the asset may be impaired. As of December 31, 2013, certain assets have suffered impairment for which a provision has been recognized for an amount of ThUS\$10,085. As of December 31, 2012, no impairment adjustments were generated.

14.6 Reclassifications

For comparative purposes, ThUS\$75,740 were reclassified from property, plant and equipment (land) to the intangible assets, corresponding to mining concessions that SQM has acquired from third-parties, which have been registered at acquisition cost, and amortized as the corresponding area is exploited based on the tons estimated to be extracted.

15. EMPLOYEE BENEFITS

15.1 Provisions for employee benefits

Benefits and expenses by employee	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Current		
Profit sharing and bonuses	25,236	33,974
Total	25,236	33,974
Non-current		
Profit sharing and bonuses	277	6,056
Severance indemnity payments	32,137	34,431
Pension Plan	-	409
Total	32,414	40,896

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, sickness leaves and other leaves, profit sharing and incentives and non-monetary benefits; e.g., healthcare service, housing, subsidized or free goods or services. These will be paid within a term which does not exceed twelve months.

The Company only provides compensation and benefits to active employees, with the exception of SQM North America which applies the definitions under 15.4 below.

SQM maintains incentive programs for its employees based on personal performance, the Company's performance and other short-term, mid-term and long-term indicators.

For each incentive bonus delivered to the Company's employees, there will be a disbursement in the first quarter of the following year based on Profit at the end of each period applying a rate obtained subsequent to the employee's evaluation.

Employee benefits include retention bonuses for the Company's executives, which are linked to the Company's share price and are paid in cash. The short-term portion is presented as a provision for current employee benefits and the long-term portion.

The bonus provided to the Company's directors is calculated based on Profit for the period at each year-end and also considers the application of certain factors.

The benefit related to vacations (short-term benefits to employees, current), which is provided in accordance with the Labor Laws indicate that employees with more than a year of service will be entitled to annual holidays for a period not less than fifteen business days. The Company provides the benefit of two additional vacation days.

Staff severance indemnities are agreed and payable based on the last salary for each year of service for the Company or with certain maximum limits in respect to the number of years to be considered or in 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 for its collection can be acquired because of 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 which became effective on October 1, 2002 required "Compulsory Unemployment Insurance" in favor of all depending employees regulated by the Chilean Labor Code. Article 5 of this law establishes the financing for this insurance through monthly contributions payments by both the employee and the employer.

15.3 Other long-term benefits

The other long-term benefits relate to staff severance indemnities and are recorded at their actuarial value.

Staff severance indemnities at actuarial value	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Staff severance indemnities, Chile	31,470	33,731
Other obligations in companies elsewhere	667	700
Total other non-current liabilities	32,137	34,431
SQM North America's pensions plan	-	409
Total post-employment obligations	-	409

Staff severance indemnities have been calculated under the actuarial assessment method of the Company's obligations with respect to staff

severance indemnities, which relate to defined benefit plans which consist of days of remuneration per year served at the time of retirement under conditions agreed in the respective agreements established between the Company and its employees.

Under this benefit plan, the Company retains the obligation for the payment of staff severance indemnities related to retirements without establishing a separate fund with specific assets, which is referred to as unfunded. The discount interest rate of expected flows to is 6%.

Benefit payment conditions

The staff severance indemnity benefit relates to remuneration days for each year worked for the Company with no limit of salary or years of service for 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 pensions system provided in Decree 3.500 of 1980.

Methodology

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

The Company's total liability is based on an actuarial model applied to 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 developed from the beginning of his/her employment contract or when he/she started earning benefits up to the month in which he/she 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 the retirement age, the employee finishes his/her service for the Company and receives indemnity related to retirement.

The following methodology to determine the accrual for all the employees included in 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 on Retirement Benefit Costs.

15.4 Post-employment benefit obligations

Our subsidiary SQM North America, has established with its employees a pension plan until 2002 called "SQM North America Retirement Income Plan", of which an obligation is calculated measuring the expected future forecasted staff severance indemnity obligation using salary rates adjusted for inflation, mortality and turnover assumptions discounted to their present value using the interest rate defined by the authorities.

Since 2003, SQM North America has offered its employees a 401 K benefit plan, which does

not generate obligations for the Company.

The table below shows the plan financing status and the amounts recognized in the consolidated Statement of Financial Position.

Reconciliation table	2013 ThUS\$	2012 ThUS\$
Variation in the benefit obligation:		
Benefit obligation at January 1	6,482	6,620
Service cost	1	1
Interest cost	412	406
Actuarial gain (loss)	387	(236)
Benefits paid	(360)	(309)
Benefit obligation at December 31	6,922	6,482

	2013 ThUS\$	2012 ThUS\$
Variation in plan assets:		
Fair value of plan assets as of January 1	6,073	5,206
Employer contributions	453	436
Actual return (loss) on plan assets	1,743	740
Benefits paid	(360)	(309)
Fair value of plan assets as of December 31	7,909	6,073
Financing status	987	(409)

	2013 ThUS\$	2012 ThUS\$
Items not yet recognized as net periodical pension and healthcare cost elements:		
Net actuarial loss at the beginning of the period	(2,243)	(2,954)
Amortization during the period	109	131
Net profit or loss expected to occur during the period	903	580
Adjustment to recognize a minimum pension and healthcare obligation	(1,231)	(2,243)

As of December 31, 2013 and 2012, the net periodical pension and healthcare expense comprised the following elements.

Reconciliation	2013 ThUS\$	2012 ThUS\$
Cost of benefits from services obtained during the period	2	2
Interest cost on benefit obligation	412	406
Actual return on plan assets	1,743	739
Amortization for prior period losses	109	131
Net loss during the period	(1,290)	(344)
Net periodic provisional expense	69	142

15.5 Staff severance indemnities

As of December 31, 2013 and December 31, 2012, severance indemnities calculated at the actuarial value are as follows:

	2013 ThUS\$	2012 ThUS\$
Opening balance	(34,431)	(28,188)
Current cost of service	(107)	(8,087)
Interest cost	(2,248)	(1,037)
Actuarial gain/loss	(127)	40
Exchange rate difference	2,946	(2,237)
Benefits paid during the year	1,830	5,078
Balance	(32,137)	(34,431)

The liability recorded for staff severance indemnity is valued using the actuarial value method, using the following actuarial assumptions:

	12/31/2013	12/31/2012	
Mortality rate	RV - 2012	RV - 2011	
Actual annual interest rate	6%	6%	
Voluntary retirement rotation rate:			
Men	0.96%	0.9%	annual
Women	1.36%	1.53%	annual
Salary increase	3.0%	3.0%	annual
Retirement age:			
Men	65	65	years
Women	60	60	years

16. EXECUTIVE COMPENSATION PLAN

The Company has established two compensation plans to motivate the Company's executives and encourage them to stay in the Company, by granting payments based on the changes in SQM's share price.

1) Shares

Liquidated in cash, executives are able to exercise their rights until 2016.

Characteristics of the plan

This compensation plan is related to the company's performance through the SQM series B share price (Santiago Stock Exchange).

Participants in this plan

This compensation plan includes 10 executives of the Company who are entitled to this benefit, provided that they stay with the Company during the dates these options are executed. The dates for exercising these options will be the first 7 calendar days of May following the fiscal year.

Compensation

The compensation for each executive is the difference between the average share price 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 share options.

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 December 31, 2013 and December 31, 2012 are the following:

Movement for the period	2013	2012
In effect as of January 1	2,200,500	2,340,000
Granted during the fiscal year	45,000	103,500
Redundant workers	(187,500)	(103,500)
Exercised during the fiscal year	-	(139,500)
Changes in benefit plan	(522,000)	-
In circulation as of December 31, 2013	1,536,000	2,200,500
Average contractual life	28 months	40 months
Executives	10	40

The amounts accrued by the plan, as of December 31, 2013 and December 31, 2012, amount to:

	2013	2012
Effect on profit or loss	ThUS\$	ThUS\$
Effect on profit or loss	8,200	(3,142)

2) Average Share Price Spread

Plan characteristics

This compensation plan is also related to the Company's performance through the SQM Series B share price (Santiago Stock Exchange).

Plan participants

This compensation plan includes 30 executives who obtain this benefit provided they are still with the Company at the payment dates. The payments dates, if any, will be the first of January 2016, 2017 and 2018.

Compensation

The compensation for each executive is the difference between the average share price during each of the months of December 2015, December 2016 and December 2017, respectively, in its equivalent in US dollars and the reference prices, with the latter being the value between US\$28 and the average weighted price of the trading of SQM Series B shares in the Santiago Stock Exchange during December 2014. The difference cannot exceed US\$15.00 and will be multiplied by 5,000. If the amount calculated is negative or zero, no bonus will be paid during that period, but in such case, the bonus payable in the following period to the employee, will be equal to the product of multiplying the difference by 10,000. If the value was negative or zero in December 2015 and also

in December 2016, for calculating the bond of December 2017, the differential will be multiplied by 15,000.

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 December 31, 2013 and December 31, 2012 are the following:

Movement for the period	2013	2012
In effect as of January 1	-	-
Granted during the fiscal year	450,000	-
In circulation as of December 31, 2013	450,000	-
Average weighted contractual life	48 months	-
Executives	30	-

17. DISCLOSURES ON EQUITY

Detail and changes in 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 financial debt and equity is to ensure the regular conduct of operations and business continuity in the long

term, 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. Within this framework, decisions are made in order to maximize the value of SQM.

Capital management must comply with, others things, the limits considered in the Financing Policy approved Board of Directors, which establish a maximum consolidated debt level of 1.5 times the debt/equity. This limit can be exceeded only if the Company's management has a written and previously granted authorization issued at the Extraordinary Shareholders' Meeting.

In addition, capital management must comply with the external capital requirements imposed (or covenants) in its financial obligations, which regulate the debt level at 1.4 times, in its more strict level.

In conjunction with the level of indebtedness, it is also important for the Company to maintain a comfortable profile of maturities for its financial obligations, to oversee the relation between its short-term financial obligations and the long-term maturities, and the relation they have with the Company's asset distribution. Consequently, the Company has maintained a liquidity level of 2,8 times during the last periods.

The Company's management controls capital management based on the following ratios:

Capital management	12/31/2013	12/31/2012	Description (1)	Calculation (1)
Net Financial Debt MUS\$	882,020	929,197	Financial Debt - Financial Resources	Other current Financial Liabilities + Other Non-Current Financial Liabilities - Cash and Cash Equivalents - Other Current Financial Assets - Hedging Assets, non-current
Liquidity	3.40	3.69	Current Asset divided by Current Liability	Total Current Assets / Total Current Liabilities
Net Debt / Capitalization	0.27	0.30	Net Financial Debt divided by Total Equity	Net financial debt / (Net financial debt + Total Equity)
ROE	19.5%	30.1%	Income divided by Total Equity	Total Income / Equity (UH 12 months)
ROA	16.4%	25.1%	EBITDA - Depreciation divided by Net Total Assets of financial resources less related parties investments	(Gross Income - Administrative Expenses) / (Total Assets - Cash and Cash Equivalents - Other Current Financial Assets - Other Non-Current Financial Assets - Equity-accounted Investees) (UH 12 months)
Indebtedness	0.96	1.02	Total Liability on Equity	Total Liabilities / Total Equity

(1) Assumes the absolute value of the accounting records.

The Company's capital requirements change depending on variables such as: work capital requirements, new investment financing and dividends, among others. 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 to 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. No breaches of external requirements of capital imposed (or covenants) have been recorded.

17.2 Disclosures on preferred 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 Company's President 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 December 31, 2013 and December 31, 2012, the Group does not maintain shares in the parent either directly or through its companies in which it has investments.

Detail of types of capital in preference shares:

Type of capital in preferred shares Description of type of capital in preferred shares	12/31/2013		12/31/2012	
	Series A	Series B	Series A	Series B
Number of authorized shares	142,819,552	120,376,972	142,819,552	120,376,972
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	-	-	-	-
Par value of shares in US\$	0.9435	2.8464	0.9435	2.8464
Increase (decrease) in the number of current shares	-	-	-	-
Number of current shares	142,819,552	120,376,972	142,819,552	120,376,972
Number of shares owned by the entity or its subsidiaries or associates	-	-	-	-
Number of shares whose issuance is reserved due to the existence of options or agreements to dispose shares	-	-	-	-
Capital amount in shares ThUS\$	134,750	342,636	134,750	342,636
Amount of premium issuance ThUS\$	-	-	-	-
Amount of reserves ThUS\$	-	-	-	-
Total number of subscribed shares, total	142,819,552	120,376,972	142,819,552	120,376,972

As of December 31, 2013 and December 31, 2012, the Company has not placed any new issuances of shares on the market.

17.3 Disclosures on reserves in equity

As of December 31, 2013 and 2012, this caption comprises the following:

	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Reserve for currency exchange conversion	(3,817)	(330)
Reserve for cash flow hedges	(3,766)	(16,522)
Reserve for actuarial gains or losses in defined benefit plans	(1,231)	(2,243)
Other reserves	(1,677)	(1,677)
Total other reserves	(10,491)	(20,772)

Reserves for currency exchange conversion

This balance reflects retained earnings for changes in the exchange rate, when converting financial statements of subsidiaries whose functional currency is from each company's origin country and the presentation currency is the US dollar.

Reserve for cash flow hedges

The Company maintains as hedge instruments, financial derivatives related to obligations with the public issued in Unidades de Fomento and Chilean pesos. Changes from the fair value of derivatives designated and classified as hedges are recognized under this classification.

Reserve for actuarial gains or losses in defined benefit plans

Our subsidiary SQM North America has established pension plans for its retired employees that are calculated by measuring the projected obligation of IAS using a net salary progressive rate net of adjustments to inflation, mortality and turnover assumptions, deducting the resulting amounts at present value using a 6.5% interest rate for 2013 and 2012.

Other reserves

Corresponds to the acquisition of the subsidiary SQM Iberian S.A., which was already under ownership of the Company at the acquisition date (IAS 27 R).

17.4 Dividend policies

As required by Article 79 of the Chilean Companies Act, unless otherwise decided by unanimous vote of the holders of issued and subscribed shares, we must distribute a cash dividend in an amount equal to at least 30% of our consolidated Profit for the period for year ended as of 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 2013 is as follows:

- Distribution and payment in favor of each shareholder of a final dividend which will be equivalent to 50% of Profit for the period obtained in 2013.
- Distribution and payment, if possible during 2013, of an interim dividend which will be recorded against the aforementioned final dividend. This provisional dividend will be paid probably during the last quarter of 2013 and its amount could not exceed 50% of the retained earnings for distribution obtained during 2013, which are reflected in the Company's financial statements as of September 31, 2013.
- The distribution and payment by the Company of the remaining balance of the final dividend related to Profit for the period for the 2013 commercial year in up to two installments, which will have to be effectively paid and distributed prior to June 30, 2014.
- An amount equivalent to the remaining 50% of the Company's Profit for the period 2013 will be retained and used for the financing of operations of one or more of the Company's investment projects with no prejudice of the possible future capitalization of the entirety or a portion of this.
- The Board of Directors does not consider the payment of any additional and interim dividends.
- The Board of Directors considers it 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.

17.5 Interim dividends

On November 19, 2013, the Board of Directors of Sociedad Química y Minera de Chile S.A, agreed to pay and distribute to the Company's shareholders, starting from December 12, 2013, a provisional dividend of US\$0.75609 per share, equivalent, approximately, to ThUS\$199,000 or 49.9% of the net distributable profit for the commercial year 2013, accumulated at September 30 of such year. The above is also charged against income of said commercial year, in favor of the Shareholders who appeared registered in SQM's Shareholders Registry by the 5th working day prior to December 12, and in its equivalent in Chilean pesos according to the value of the "Observed dollar" or "USA dollar" that appears published in the Official Gazette on December 6, 2013.

On April 25th, 2013, at the 38th ordinary shareholders' meeting, a definitive dividend payment of US\$1.23323 per share was approved, based on the net profit earned during the commercial year 2012. US\$0.94986 per share that was already paid as provisional dividend should be discounted from the abovementioned dividend, and the balance, amounting to US\$0.28337 per share will be paid and distributed in favor of the Shareholders who appeared registered in SQM's Shareholders Registry by the 5th working day prior to the day in which the dividend will be paid. The mentioned amount, if corresponds, will be paid in its equivalent in Chilean pesos according to the value of the "Observed dollar" or "USA dollar" that appears published in the Official Gazette on April 25, 2013.

Dividends presented deducted from equity are:

	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Dividends attributable to owners of the parent	203,401	253,438
Dividends payable	36,583	76,267
Total	239,984	329,705

18. PROVISIONS AND OTHER NON-FINANCIAL LIABILITIES

18.1 Types of provisions

	12/31/2013			12/31/2012		
	Current ThUS\$	Non- current ThUS\$	Total ThUS\$	Current ThUS\$	Non- current ThUS\$	Total ThUS\$
Provision for legal complaints (*)	8,567	3,000	11,567	5,567	3,000	8,567
Restructuring	-	-	-	-	-	-
Provision for dismantling, restoration and rehabilitation cost	-	5,633	5,633	-	4,357	4,357
Other provisions	9,386	-	9,386	12,922	-	12,922
Total	17,953	8,633	26,586	18,489	7,357	25,846

(*) 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. This provision relates mainly to the litigation of its subsidiary located in Brazil and United States (see note 19.1) and other litigations.

18.2 Description of other provisions

Description of other provisions	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Current provisions, other short-term provisions		
Provision for tax loss in fiscal litigation	1,401	1,606
Royalties, agreement with CORFO (the Chilean Economic Development Agency)	4,782	7,712
Fine to pay to the Brazilian Government	2,500	2,500
Miscellaneous provisions	703	1,104
Total	9,386	12,922
Other long-term provisions		
Mine closure	5,633	4,357
Total	5,633	4,357

18.3 Other non-financial liabilities, current

Description of other liabilities	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Tax withholdings	12,334	11,887
VAT payable	2,531	16,481
Guarantees received	1,000	872
Accrual for dividend	36,583	76,267
Monthly tax provisional payments	6,601	22,073
Deferred income	13,475	16,291
Withholdings from employees and salaries payable	4,087	7,546
Accrued vacations	18,652	20,710
Other current liabilities	90	73
Total	95,353	172,200

18.4 Changes in provisions as of 12/31/2013

Description of items that gave rise to variations	Guarantee ThUS\$	Restructuring ThUS\$	Legal complaints ThUS\$	Onerous contracts ThUS\$	Provision for dismantling, restoration and rehabilitation cost ThUS\$	Other provisions ThUS\$	Total ThUS\$
Total provisions, initial balance	-	-	8,567	-	4,357	12,922	25,846
Changes in provisions:							
Additional provisions	-	-	3,000	-	1,276	12,608	16,884
Provision used	-	-	-	-	-	(15,943)	(15,943)
Increase(decrease) in foreign currency exchange	-	-	-	-	-	(201)	(201)
Total provisions, final balance	-	-	11,567	-	5,633	9,386	26,586

18.4 Changes in provisions as of 12/31/2012

Description of items that gave rise to variations	Guarantee ThUS\$	Restructuring ThUS\$	Legal complaints ThUS\$	Onerous contracts ThUS\$	Provision for dismantling, restoration and rehabilitation cost ThUS\$	Other provisions ThUS\$	Total ThUS\$
Total provisions, initial balance	-	-	7,571	-	3,724	14,237	25,532
Changes in provisions:							
Additional provisions	-	-	1,000	-	633	8,863	10,496
Provision used	-	-	(4)	-	-	(10,061)	(10,065)
Increase (decrease) in foreign currency exchange	-	-	-	-	-	(117)	(117)
Total provisions, final balance	-	-	8,567	-	4,357	12,922	25,846

18.5 Detail of main types of provisions

Legal expenses: This provision depends on the pending resolution of a legal lawsuit, to pay the expenses associated to and incurred during such 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.

To date, the Company and its subsidiaries have no significant uncertainties about the timing and amount of any class of provision.

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

- Plaintiff:** JB Comércio de Fertilizantes and Defensivos Agrícolas Ltda. (JB)

Defendant: Nitratos Naturais do Chile Ltda. (NNC)

Date: December 1995

Court: MM 1ª, Vara Cível de Comarca de Barueri, Brazil.

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: Lower court ruling against Nitratos Naturais do Chile Ltda. and recourse of appeal pending resolution.

Nominal value: ThUS\$ 1,800

2. **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: Evidence
Nominal value: ThUS\$550

3. **Plaintiff:** City of Pomona, California USA
Defendant: SQM North America Corporation
Date: December 2010
Court: United States District Court Central District of California
Reason: Payment of expenses and other amounts related to the treatment of groundwater to allow for consumption by removing the existing perchlorate in such groundwater and that supposedly come from Chilean fertilizer.
Status: Conditional waiver as a result of pending appeal. Appeal will be reviewed in a hearing in October of 2013. Sentence pending.
Nominal value: Not possible to determine

4. **Plaintiff:** City of Lindsay, California USA
Defendant: SQM North America Corporation
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 Eastern District of California
Reason: Payment of expenses and other amount related to the treatment of groundwater to allow for consumption by removing the existing perchlorate in such groundwater and that supposedly come from Chilean fertilizer.
Status: Claim. Suspended procedure
Nominal value: Not possible to determine

5. **Plaintiff:** Metalúrgica FAT Limitada
Defendant: SQM Salar S.A.
Date: August 2011
Court: 9th Civil Court in Santiago
Reason: Compensation for early termination of supply contract and installation of metal structures
Status: Verdict of \$40m in damages. Appeal pending.
Nominal value: ThUS\$175

6. **Plaintiff:** Angelina Castillo Figueroa and others
Defendant: SQM Nitratos S.A. and its insurers
Date: June 2012
Court: 2nd Civil Court in Santiago
Reason: Compensation claim for alleged civil liability under tort derived from explosion occurred on September 6, 2010 near Baquedano causing the death of 6 workers
Status: Evidence.
Nominal value: ThUS\$9,400

7. **Plaintiff:** María Angélica Alday Fuentes
Defendant: Vladimir Roco Alvarez, Compass Catering S.A. and SQM S.A.
Date: August 2012
Court: 1st Civil Court in Antofagasta
Reason: Compensation for moral damages for attempted sexual assault.
Status: Replay to claim.
Nominal value: ThUS\$200

8. **Plaintiff:** Workers Union of the Sociedad Industrial Minera Nueva Victoria
Defendant: SQM S.A. and SQM Industrial S.A.
Date: May 2013
Court: Iquique Labor Court of First Instance
Reason: Charging of benefits allegedly owed due to possible issue of bonus for meeting goals
Status: Trial Preparation Hearings (2)
Nominal value: ThUS\$400

9. **Plaintiff:** Cristián Plaza Portilla, Sergio Herrera Contreras and other
Defendant: SQM Salar S.A.
Date: August 2013
Court: Antofagasta Labor Court of First Instance
Reason : Charging of benefits allegedly owed due to possible issue of bonus for meeting goals
Status: Trial Preparation Hearings (8)
Nominal value: ThUS\$1,120

10. **Plaintiff:** E-CL S.A
Defendant: Sociedad Química y Minera de Chile S.A.
Date: September 2013
Court: Arbitration
Reason: Early termination of the Power Supply Contract entered into on February 12, 1999 (which matures in March 2016), on the basis of the alleged incompliance of a prior sentence between both parties that was resolved in favor of SQM S.A.
Status: Evidentiary stage
Nominal value: ThUS\$5,100

11. **Plaintiff:** Workers Union of the Sociedad Industrial Minera Nueva Victoria
Defendant: SQM S.A. and SQM Industrial S.A.
Date: October 2013
Court: Iquique Labor Court of First Instance
Reason: Charging of benefits allegedly owed due to possible issue of bonus for meeting goals
Status: Response to law suit (2)
Nominal value: ThUS\$400

The Company and its subsidiaries have been involved in and will probably continue to be involved in 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 regulators 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 and its subsidiaries.

Soquimich Comercial S.A. has been involved in and will probably continue to be involved in 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 to make efforts to obtain payment of certain amounts that are still owed to 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.

The Company and its subsidiaries have 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 to management or financial limits

Credit contracts subscribed to by the SQM Group with domestic and foreign banks and for issuance of bonuses in the local and international market, requires the Company to comply with the following level of consolidated financial indicators, calculated for a moving period which considers the last twelve months:

- To maintain a minimum equity of ThUS\$900,000.
- To maintain a Net Financial Debt and EBITDA ratio not higher than 3 times.
- To maintain a Total Indebtedness Ratio not higher than 1.4 times Total Indebtedness level defined as the Total Liabilities ratio divided by Total Equity.
- To maintain a ratio between the operating subsidiaries SQM Industrial S.A. and SQM Salar S.A., or their respective legal successor' financial debt and the total Issuer's consolidated current assets not higher than 0.3 times.

As of December 31, 2013, the aforementioned financial indicators are as follows:

Indicator	12/31/2013	12/31/2012
Equity ThUS\$	2,432,241	2,187,446
Net Financial Debt/ EBITDA	1.06	0.83
Indebtedness	0.96	1.02
SQM Industrial and SQM Salar debt / Current assets	0.02	0.04

Issuance contracts for bonuses issued abroad require that the Company does not merge or dispose of any title of an asset as a whole or as a substantial part of it, unless the following copulative conditions are met: (i) the legal successor is an entity subject to Chilean or United States' laws, and assumes under a complimentary contract the Company's obligations, (ii) the Issuer does not fail to comply immediately after the merge or disposal, and (iii) The Issuer delivers a legal opinion stating the merge or disposal and the complimentary contract meet the requirements described in the original contract.

In addition, SQM S.A. is committed to disclose financial information on quarterly basis.

The Company and its subsidiaries have complied and are fully complying with all aforementioned limitations, restrictions and obligations.

19.3 Commitments

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\$22,885 as of December 31, 2013 (ThUS\$ 27,193 as of December 31, 2012).

On 15 November 2013, Corporación de Fomento de la Producción (CORFO) sent a letter to SQM Salar S.A. (SQMS) stating its intention to a) collect the amount of Ch\$2,530,298,919 (ThUS\$4,823) that in CORFO's opinion, SQMS owed to it for the calculation and payment of rental payments according to the "Lease Agreement of OMA Mining Claims located in the Atacama Salt Flat" entered into between CORFO and SQMS on November 12, 1993 (the AGREEMENT) and b) require the constitution of an instance of arbitrage stated in the AGREEMENT with the purpose that the arbitrator appointed by the "Arbitration Center of the Santiago Chamber of Commerce" determines if other alleged lease payment obligations may exist that SQMS could owe to CORFO under the AGREEMENT. SQMS differs completely from CORFO's claims. In fact, the AGREEMENT has been in force for more than 20 years and during all this time, SQMS has paid to CORFO more than 80 quarterly payments in their entirety and on a timely basis that CORFO has received satisfactorily. Each of the parties, CORFO and SQMS, have requested the formation of an appropriate arbitration and such processes have not yet began.

19.4 Restricted or pledged cash

The subsidiary Isapre Norte Grande Ltda. 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 December 31, 2013, the guarantee amounts to ThUS\$708.

19.5 Securities obtained from third parties

The main security 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\$14,178 as of December 31, 2013; which is detailed as follows:

Company	31/12/2013 ThUS\$
Agrícola Lobert Ltda.	1,271
Agroc Patricio Bornand L. Eirl	392
Agrocomercial Bornand Ltda.	344
Agroindustrial Orzonaga Ltda.	133
Aldo Epple Davazno	935
Bernardo Guzman Schmidt	139
Coop. Ag. Lechera Bio Bio Ltda.	3,431
Comercial Agrosal Ltda.	116
Contador Frutos S.A.	1,447
Dante Hauri Gomez	126
Gilberto Rivas Y Cia. Ltda.	136
Hortofruticola La Serena	323
Jose Antonio Gonzalez	118
Juan Luis Gaete Chesta	425
Lemp Martin Julian	124
Neyib Farran Y Cia. Ltda.	133
Patricio Meneses Saglieto	953
Sebastian Urrutia Araya	116
Soc.Agr. Huifquenco Cia Ltda.	117
Soc. Agrocom. Julio Polanco	132
Tattersall S.A.	1,789
Vicente Oyarce Castro	525
Vito Leopolo Llanos	953
Total	14,178

19.6 Indirect guarantees

Guarantees in which there is no pending balance indirectly reflect that the respective guarantees are in force and approved by the Company's Board of Directors and have not been used by the respective subsidiary.

Creditor of the guarantee	Debtor			Pending balances as of the closing date of the financial statements	
	Name	Relationship	Type of guarantee	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Australian and New Zealand Bank	SQM North America Corp	Subsidiary	Bond	-	-
Australian and New Zealand Bank	SQM Europe N.V.	Subsidiary	Bond	-	-
Generale Bank	SQM North America Corp	Subsidiary	Bond	-	-
Generale Bank	SQM Europe N.V.	Subsidiary	Bond	-	-
Kredietbank	SQM North America Corp	Subsidiary	Bond	-	-
Kredietbank	SQM Europe N.V.	Subsidiary	Bond	-	-
Banks and financial institutions	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
Banks and financial institutions	SQM Europe N.V.	Subsidiary	Bond	-	-
Banks and financial institutions	SQM North America Corp	Subsidiary	Bond	-	-
Banks and financial institutions	Nitratos Naturais do Chile Ltda.	Subsidiary	Bond	-	-
Banks and financial institutions	SQM México S.A. de C.V.	Subsidiary	Bond	-	-
Banks and financial institutions	SQM Brasil Ltda.	Subsidiary	Bond	-	-
"BNP"	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
Sociedad Nacional de Minería A.G.	SQM Potasio S.A.	Subsidiary	Bond	-	-
Scotiabank & Trust (Cayman) Ltd.	Royal Seed Trading A.V.V.	Subsidiary	Bond	50,189	50,235
Scotiabank & Trust (Cayman) Ltd.	Royal Seed Trading A.V.V.	Subsidiary	Bond	50,139	50,164
Bank of America	Royal Seed Trading A.V.V.	Subsidiary	Bond	40,120	40,141
Export Development Canada	Royal Seed Trading A.V.V.	Subsidiary	Bond	50,014	50,020
The Bank of Tokyo-Mitsubishi UFJ Ltd.	Royal Seed Trading A.V.V.	Subsidiary	Bond	50,108	50,140
JP Morgan Chase Bank	SQM Industrial S.A.	Subsidiary	Bond	-	-
The Bank of Nova Scotia	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
Morgan Stanley Capital Services	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
The Bank of Tokyo-Mitsubishi UFJ Ltd.	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
HSBC	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
Deutsche Bank AG	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
Credit Suisse International	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-

20. REVENUE

As of December 31, 2013 and 2012, revenue is detailed as follows:

Types of revenue	January to December	
	2013 ThUS\$	2012 ThUS\$
Sales of goods	2,191,650	2,420,357
Lending of services	11,490	8,803
Total	2,203,140	2,429,160

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:

Basic earnings per share	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Earnings (losses) attributable to owners of the parent	467,113	649,167

	12/31/2013 Units	12/31/2012 Units
Number of common shares in circulation	263,196,524	263,196,524

	12/31/2013	12/31/2012
Basic earnings per share (US\$ per share)	1.7748	2.4665

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

22. BORROWING COSTS

The cost of interest is recognized as an expense 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 which comply with the requirements of IAS 23. As of December 31, 2013, total interest expenses incurred amount to ThUS\$58,608 (ThUS\$54,095 as of December 31, 2012).

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:

	12/31/2013	12/31/2012
Capitalization rate of costs for capitalized interest, property, plant and equipment	7%	7%
Amount of costs for interest capitalized in ThUS\$	17,232	14,153

23. EFFECT OF FLUCTUATIONS ON 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:

	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Foreign exchange conversion gains (losses) recognized in the result of the year.	(11,954)	(26,787)
Foreign exchange conversion reserves attributable to the owners of the controlling entity	(3,487)	921
Foreign exchange conversion reserves attributable to the non-controlling entity	(72)	61

b) Reserves for foreign currency exchange differences:

As of December 31, 2013, and December 31, 2012, foreign currency exchange differences are detailed as follows:

Detail	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Changes in equity generated through the equity method:		
Comercial Hydro S.A.	1,004	1,004
SQMC Internacional Ltda.	22	39
Proinsa Ltda.	16	29
Comercial Agrorama Ltda.	36	87
Isapre Norte Grande Ltda.	15	59
Almacenes y Depósitos Ltda.	69	99
Sales de Magnesio Ltda.	103	209
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	9	20
Agrorama S.A.	(16)	(6)
Doktor Tarsa	(3,647)	(1,074)
SQM Vitas Fzco	(657)	(318)
Ajay Europe	146	(275)
SQM Eastmed Turkey	(42)	(42)
Charlee SQM (Thailand) Co. Lta.	(129)	(32)
Coromandel SQM India	(231)	(118)
SQM Italia SRL	89	28
SQM Oceania Pty Limited	(619)	(39)
SQM Indonesia S.A.	15	-
Total	(3,817)	(330)

c) Functional and presentation currency

The functional currency in these companies corresponds to the currency of the country of origin of each entity, and its presentation currency is the US dollar.

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

- The total revenues of these subsidiaries are associated with the local currency.
- 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).

24. 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.

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 and 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 MP10 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. 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.

24.2 Detail of information on disbursements related to the environment

The accumulated disbursements in which the Company incurred as of December 31, 2013 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\$20,043 and are detailed as follows:

Accumulated expenses as of 12/31/2013

Identification of the Parent 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	Actual or estimated date on which disbursements were or will be made
Others	Environmental-operational area	Not classified	Expense	Not-classified	1,753	12-31-2013
SQM Industrial S.A.	CQLX-S Carmen and Lagarto hazardous waste yard	Sustainability	Asset/expense	Not classified	98	12-31-2012
SQM Industrial S.A.	FP55 - FPXA-EIA Pampa Blanca Expansion	Environmental processing	Asset	Not classified	1,493	12-30-2012
SQM Industrial S.A.	IQWZ - Normalization TK NV liquid fuels	Sustainability: Environment and Risk prevention	Asset	Not classified	24	04-01-2014
SQM Industrial S.A.	JQ8K - DIA Line 4 Floor Drying, Coya Sur	Environmental processing	Asset	Not classified	32	09-01-2012
SQM Industrial S.A.	JQB6 - DIA Plant NPT4, Coya Sur	Environmental processing	Asset	Not classified	84	04-30-2012
SQM Industrial S.A.	JQH9 - Purchase of Bertrams Boiler	Sustainability: Environment and Risk prevention	Asset	Development	612	08-01-2013
SQM Industrial S.A.	MNYS - Measures of Technological Change Cultural Heritage Dissemination Maria Elena	Environmental processing	Expense	Not classified	37	12-31-2012
SQM Industrial S.A.	MP5W - Normalization TK's Combustibles	Sustainability: Environment and Risk prevention	Asset	Not classified	2,114	06-30-2008
SQM Industrial S.A.	MPQU - Construction of Hazardous Chemical Supplies warehouse	Sustainability: Environment and Risk prevention	Asset	Development	449	12-15-2010
SQM Industrial S.A.	MQA8- Normalization gas system, external cafeterias (Stage 1: projects)	Sustainability: Environment and Risk prevention	Asset/Expense	Not classified	139	12-31-2012

(continued)

Identification of the Parent 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	Actual or estimated date on which disbursements were or will be made
SQM Industrial S.A.	MQBM-Archaeological Digging Deployment Maria Elena - Toco	Sustainability: Environment and Risk prevention	Expense	Not classified	14	12-31-2012
SQM Industrial S.A.	MQHF -Sustaining of batteries ME	Sustainability: Environment and Risk prevention	Asset/Expense	Not classified	310	08-01-2013
SQM Industrial S.A.	MQK2-Elimination of PCBs I	Sustainability: Environment and Risk prevention	Expense	Not classified	17	03-31-2014
SQM Industrial S.A.	PPC1-Remove switches park PCB sub 3 and 1/12 Pedro de Valdivia	Sustainability: Environment and Risk prevention	Asset/Expense	Not classified	147	05-31-2009
SQM Industrial S.A.	PPZU - Standardize and certify Plant Fuel Tanks	Environmental processing	Asset	Not classified	2,644	07-01-2011
SQM Industrial S.A.	PQLV-DIA Pedro de Valdivia Mine	Environmental processing	Asset	Not classified	271	06-01-2013
SQM Industrial S.A.	SQ7X-Reach 2011-2013	Sustainability: Environment and Risk prevention	Expense	Not classified	341	01-31-2014
SQM Industrial S.A.	TQA2 - Drainage Improvement Villa Prat	Sustainability: Environment and Risk prevention	Expense	Not classified	17	12-31-2012
SQM Industrial S.A.	PQXM - Elaboration DIA Operation with batteries in PV	Environmental processing	Asset	Not classified	89	12-01-2014
SQM S.A.	IP83-DIA Expansion TLN-15	Environmental Processing	Asset	Not Classified	23	12-31-2009
SQM S.A.	IPFT-Cultural Heritage Region I	Sustainability	Expense	Not classified	174	12-31-2012
SQM S.A.	IPXE-Environmental monitoring plan Llamara Salt Flat	Cost Reduction	Expense	Not classified	1,013	12-31-2012
SQM S.A.	IPXF-Environmental monitoring plan Pampa del Tamarugal	Sustainability: Environment and Risk prevention	Expense	Not Classified	951	12-31-2012
SQM S.A.	IQ1M-PSA Re-injection of water to Puquíos Llamara	Sustainability: Environment and Risk prevention	Asset	Not Classified	2,320	03-31-2013
SQM S.A.	IQ3S-Hazardous Materials Management Standardization	Sustainability	Asset-Expense	Not Classified	378	12-30-2012
SQM S.A.	IQ54-Cultural heritage Pampa Hermosa	Minor projects (between ThUS\$50 and ThUS\$299)	Asset	Not Classified	506	12-31-2012
SQM S.A.	IQOW-Deposit authorization for Humberstone heritage	Sustainability: Environment and Risk prevention	Expense	Not Classified	1	12-31-2012
SQM S.A.	IQPJ-Mine Area equity measures Stage I	Sustainability	Expense	Not Classified	110	03-31-2013
SQM S.A.	IQWS - Mine Area equity measures Stage II	Sustainability: Environment and Risk prevention	Expense	Not Classified	79	04-30-2014

(continued)

Identification of the Parent 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	Actual or estimated date on which disbursements were or will be made
SQM S.A.	IQX6 - Environmental management plan of Tamarugos Pampa del Tamarugal 2013-2014	Sustainability: Environment and Risk prevention	Asset	Not Classified	193	04-01-2015
SQM S.A.	IQXB - Environmental management plan of Tamarugos Llamara Salt Flat 2013-2014	Sustainability: Environment and Risk prevention	Asset	Not Classified	141	04-01-2015
SQM S.A.	MQLQ- Gas scrubbing system	Not Classified	Asset	Development	468	01-01-2013
SQM Salar S.A	LQG8 - Waste room Toconao Campsite	Sustainability: Natural Resources	Expense	Not Classified	15	12-31-2012
SQM Salar S.A.	LQDM - Certification of tanks	Sustainability: Replacement of equipment	Asset	Not classified	256	03-31-2014
SQM Salar S.A.	LQI6-EIA Operating maintenance at Salar de Atacama	Environmental processing	Asset	Not classified	466	12-31-2013
SQM Salar S.A.	LQNI-DIA KCI Floor Drying and compacting expansion	Environmental processing	Asset	Not classified	59	03-30-2014
SIT S.A.	TPYX - Enabling the dust collector of the crib and court seal 3 Tocopilla	Sustainability: Environment and Risk prevention	Asset / Expense	Development	1,708	12-31-2011
SIT S.A.	TQAV - Paving paths IV	Sustainability:	Asset	Development	3	12-01-2011
SIT S.A.	TQQ5- Environmental curtains Field No. 8	Sustainability: Environment and Risk prevention	Expense	Not classified	221	04-27-2013
SQM Nitratos S.A.	IQMH - Normalization Mine NV area operation	Sustainability: Environment and Risk prevention	Asset	Not classified	222	12-31-2012
SQM Nitratos S.A.	PQI9 - Mine waste water treatment plant	Sustainability: Environment and Risk prevention	Asset	Not classified	51	08-01-2013
Total					20,043	

Future expenses as of 12/31/2013

Identification of the Parent 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	Actual or estimated date on which disbursements were or will be made
SQM Industrial S.A.	FP55 - FPXA-EIA Pampa Blanca Expansion	Environmental processing	Asset	Not classified	1	12-30-2012
SQM Industrial S.A.	IQWZ - Normalization TK NV liquid fuels	Sustainability: Environment and Risk prevention	Asset	Not classified	800	04-01-2014
SQM Industrial S.A.	MP5W - Normalization TK's Combustibles	Sustainability: Environment and Risk prevention	Asset	Not classified	795	06-30-2008
SQM Industrial S.A.	MQBM- Archaeological Digging Deployment Maria Elena - Toco	Sustainability: Environment and Risk prevention	Expense	Not classified	63	12-31-2012
SQM Industrial S.A.	MQK2-Elimination of PCBs I	Sustainability: Environment and Risk prevention	Expense	Not classified	33	03-31-2014
SQM Industrial S.A.	PPZU - Standardize and certify Plant Fuel Tanks	Environmental processing	Asset	Not classified	533	07-01-2011
SQM Industrial S.A.	PQLV-DIA Pedro de Valdivia Mine	Environmental processing	Asset	Not classified	103	06-01-2013
SQM S.A.	IP83-DIA Expansion TLN-15	Environmental Processing	Asset	Not Classified	0	12-31-2009
SQM S.A.	IPFT-Cultural Heritage Region I	Sustainability	Expense	Not classified	1	12-31-2012
SQM S.A.	IQ1M-PSA Re-injection of water to Puquios Llamara	Sustainability: Environment and Risk prevention	Asset	Not Classified	300	03-31-2013
SQM S.A.	IQ3S-Hazardous Materials Management Standardization	Sustainability	Asset-Expense	Not Classified	12	12-30-2012
SQM S.A.	IQOW-Deposit authorization for Humberstone heritage	Sustainability: Environment and Risk prevention	Expense	Not Classified	10	12-31-2012
SQM S.A.	IQWS - Mine Area equity measures Stage II	Sustainability: Environment and Risk prevention	Expense	Not Classified	29	04-30-2014
SQM S.A.	IQX6 - Environmental management plan of Tamarugos Pampa del Tamarugal 2013-2014	Sustainability: Environment and Risk prevention	Asset	Not Classified	595	04-01-2015
SQM S.A.	IQXB - Environmental management plan of Tamarugos Llamara Salt Flat 2013-2014	Sustainability: Environment and Risk prevention	Asset	Not Classified	266	04-01-2015
SQM Salar S.A.	LQDM - Certification of tanks	Sustainability: Replacement of equipment	Asset	Not Classified	94	03-31-2014

(continued)

Identification of the Parent 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	Actual or estimated date on which disbursements were or will be made
SQM Salar S.A.	LQ16-EIA Operating Maintenance at Salar de Atacama	Environmental Processing	Asset	Not Classified	59	12-31-2013
SIT S.A.	TQQ5- Environmental curtains Field No. 8	Sustainability: Environment and Risk prevention	Expense	Not Classified	90	04-27-2013
SQM Industrial S.A.	PQXM - Elaboration DIA Operation with batteries in PV	Environmental processing	Asset	Not classified	212	12-01-2014
Total					3,996	

Accumulated expenses as of 12/31/2012

Identification of the Parent 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\$	Actual or estimated date on which disbursements were or will be made
SQM Industrial S.A.	Environmental and community management (2012 Expense Accumulated as of 4Q)	Not classified	Expense	Not classified	1,808	12-31-2012
SQM Industrial S.A.	IQ8G- Improvement of Bureau of Exchange, offices and facilities	Medium projects (between ThUS\$300 and ThUS\$999)	Asset	Sustainability	72	12-31-2012
SQM Industrial S.A.	JQEZ - Change of Bertrams Prilling Boiler CS	Sustainability: Replacement of equipment	Asset	Development	235	12-31-2012
SQM Industrial S.A.	JQH9 - Purchase of Bertrams Boiler	Sustainability: Environment and Risk prevention	Asset	Development	600	12-31-2012
SQM Industrial S.A.	MNYS - Measures of Technological Change Cultural Heritage Dissemination Maria Elena	Environmental processing	Expense	Not classified	37	12-31-2012
SQM Industrial S.A.	MP5W - Normalization TK's Combustibles	Sustainability: Environment and Risk prevention	Asset	Not classified	841	12-31-2012
SQM Industrial S.A.	MPQU - Construction of Hazardous Chemical Supplies warehouse	Sustainability: Environment and Risk prevention	Asset	Development	211	12-31-2012
SQM Industrial S.A.	MQ8M - Reconditioning monitoring station ME	Sustainability: Natural Resources	Expense	Not classified	8	12-31-2012
SQM Industrial S.A.	MQA8- Normalization gas system, external cafeterias (Stage 1: projects)	Sustainability: Environment and Risk prevention	Expense	Not classified	106	12-31-2012

(continued)

Identification of the Parent 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\$	Actual or estimated date on which disbursements were or will be made
SQM Industrial S.A.	MQAJ - Improvements to Camp Water and Sewage (P Contesse commitment to DDSS)	Sustainability: Natural Resources	Expense	Not classified	8	12-31-2012
SQM Industrial S.A.	MQHF -Sustaining of batteries ME	Sustainability: Environment and Risk prevention	Asset / Expense	Not classified	161	12-31-2012
SQM Industrial S.A.	PPC1-Remove switches park PCB sub 3 and 1/12 Pedro de Valdivia	Sustainability: Environment and Risk prevention	Expense	Not classified	147	12-31-2012
SQM Industrial S.A.	PPNK-Management of Ammonia PV stoppage plant	Sustainability: Environment and Risk prevention	Asset / Expense	Not classified	193	12-31-2012
SQM Industrial S.A.	PPZU - Standardize and certify Plant Fuel Tanks	Environmental processing	Asset	Not classified	1,763	12-31-2012
SQM Industrial S.A.	SQ7X-Reach 2011-2013	Sustainability: Environment and Risk prevention	Expense	Not classified	199	12-31-2012
SQM Industrial S.A.	TQA2 - Drainage Improvement Villa Prat	Sustainability: Environment and Risk prevention	Expense	Not classified	16	12-31-2012
SQM Industrial S.A.	CQLX-SCarmen and Lagarto hazardous waste yard	Sustainability	Expense	Not classified	47	12-31-2012
Sqm Industrial S.A.	MQBM- Archaeological Digging Deployment Maria Elena - Toco	Sustainability: Environment and Risk prevention	Expense	Not classified	7	12-31-2012
Sqm Industrial S.A.	MQK2-Elimination of PCBs I	Sustainability: Environment and Risk prevention	Expense	Not classified	16	12-31-2012
SQM Industrial S.A.	JQ8K - DIA Line 4 Floor Drying, Coya Sur	Environmental processing	Asset	Not classified	32	12-31-2012
SQM Industrial S.A.	FP55 - FPXA-EIA Pampa Blanca Expansion	Environmental processing	Asset	Not classified	1,425	12-31-2012
SQM Industrial S.A.	JQB6 - DIA Plant NPT4, Coya Sur	Environmental processing	Asset	Not classified	65	12-31-2012
SQM Industrial S.A.	PQLV-DIA Pedro de Valdivia Mine	Environmental processing	Asset	Not classified	131	12-31-2012
SQM S.A.	AQQA-Drilling of 4 Wells for Change in Catchment Point at Pampa del Tamarugal	Increase of capacity	Asset	Development	534	12-31-2012
SQM S.A.	IPFT-Cultural Heritage Region I	Sustainability	Expense	Not Classified	166	12-31-2012
SQM S.A.	IPXE-Environmental monitoring plan Llamara Salt Flat	Cost reduction	Expense	Not Classified	872	12-31-2012

(continued)

Identification of the Parent 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\$	Actual or estimated date on which disbursements were or will be made
SQM S.A.	IPXF-Environmental monitoring plan Pampa del Tamarugal	Sustainability: Environment and Risk prevention	Expense	Not Classified	881	12-31-2012
SQM S.A.	IQ08-PSA Llamara & Pampa del Tamarugal	Sustainability: Environment and Risk prevention	Asset	Development	1,759	12-31-2012
SQM S.A.	IQ0C-Mine Area Enhancement NV	Sustainability: Environment and Risk prevention	Expense	Not Classified	66	12-31-2012
SQM S.A.	IQ1K-Construction of 3 observation wells in Sur Viejo	Capacity expansion	Asset	Development	195	12-31-2012
SQM S.A.	IQ1M-PSA Re-injection of water to Puquiós Llamara	Sustainability: Environment and Risk prevention	Asset	Not Classified	1,653	12-31-2012
SQM S.A.	IQ3S-Hazardous Materials Management Standardization	Sustainability	Asset-Expense	Not Classified	251	12-31-2012
SQM S.A.	IQ52- Nueva Victoria Environmental Office	Minor projects (between ThUS\$50 and ThUS\$299)	Expense	Not Classified	29	12-31-2012
SQM S.A.	IQ53-Cultural heritage route Soronal adduction (Pampa Hermosa)	General Projects (ThUS\$ < 50)	Expense	Not Classified	24	12-31-2012
SQM S.A.	IQ54-Cultural heritage Pampa Hermosa	Minor projects (between ThUS\$50 and ThUS\$299)	Asset	Not Classified	500	12-31-2012
SQM S.A.	IQ9V - Quillagua Project	Minor projects (between ThUS\$50 and ThUS\$299)	Expense	Not classified	788	12-31-2012
SQM S.A.	PQB9-PQB9 - Change of exhaust extractor SO2 gas	Not classified	Asset	Not classified	178	12-31-2012
SQM S.A.	MQLQ- Gas scrubbing system	Not classified	Asset	Development	324	12-31-2012
SQM S.A.	IQOW- Deposit authorization for Humberstone heritage	Sustainability: Environment and Risk prevention	Expense	Not classified	1	12-31-2012
SQM S.A.	IQPJ- Mine Area equity measures Stage I	Sustainability:	Expense	Not classified	61	12-31-2012
SQM S.A.	IQ6M -IQ6N-DIA Nueva Victoria Sur Mine Expansion	Environmental processing	Asset	Not classified	115	12-31-2012
SQM S.A.	IP83 - DIA Expansion TLN-15	Environmental processing	Asset	Not classified	23	12-31-2012
SQM Salar S.A.	CQ4M - Regularization of Contractor facilities	Sustainability: Environment and Risk prevention	Asset	Not classified	17	12-31-2012
SQM Salar S.A.	CQ8U - New Changing Room CL - HL	Sustainability: Environment and Risk prevention	Asset	Not classified	242	12-31-2012

(continued)

Identification of the Parent 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\$	Actual or estimated date on which disbursements were or will be made
SQM Salar S.A.	LP82 - Project for the Promotion of Agricultural Activity in Communities of the Salt deposit	Sustainability: Environment and Risk prevention	Expense	Development	1,126	12-31-2012
SQM Salar S.A.	LPTF - Environmental study and exploration 2010	Environmental processing	Expense	Not classified	398	12-31-2012
SQM Salar S.A.	LPTJ - Improvements Sanitary Works	Sustainability:	Asset	Not classified	206	12-31-2012
SQM Salar S.A.	LQDM - Certification of tanks	Sustainability: Replacement of equipment	Asset	Not classified	146	12-31-2012
SQM Salar S.A.	LQI6-EIA Operating maintenance at Salar de Atacama	Environmental processing	Asset	Not classified	358	12-31-2012
SQM Salar S.A.	LQNI-DIA KCI Floor Drying and compacting expansion	Environmental processing	Asset	Not classified	19	12-31-2012
SIT S.A.	MQ6Y-MQ6Y - Maintenance and repair of ME and Tocopilla bureau of exchange	Sustainability: Environment and Risk prevention	Expense	Not classified	20	12-31-2012
SIT S.A.	TPR8 - Disposal of liquid waste generation by aspiration	Sustainability:	Expense	Not classified	64	12-31-2012
SIT S.A.	TPYX - Enabling the dust collector of the crib and court seal 3 Tocopilla	Sustainability: Environment and Risk prevention	Asset / Expense	Development	1,658	12-31-2012
SIT S.A.	TQAP - Paving Field No. 3 and No. 4	Capacity Expansion	Expense	Not classified	13	12-31-2012
SIT S.A.	TQAV - Paving paths IV	Sustainability:	Asset	Development	3	12-31-2012
SIT S.A.	TQM2- Unloading/loading encapsulation project/Field 1 and 8	Sustainability:	Asset	Not classified	8	12-31-2012
SIT S.A.	TQLY- Dust extractor packing machine No. 1	Environmental processing	Asset	Not classified	25	12-31-2012
SIT S.A.	TQNA- Tocopilla weather station (Tocopilla Decontamination Plan Network)	Sustainability: Environment and Risk prevention	Asset	Not classified	15	12-31-2012
SIT S.A.	TQQ5- Environmental curtains Field No. 8	Sustainability: Environment and Risk prevention	Expense	Not classified	22	12-31-2012
SQM Nitratos S.A	IQDN - Storage Rises - Maintenance of Mine NV	Not classified	Asset	Not classified	26	12-31-2012

(continued)

Identification of the Parent 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\$	Actual or estimated date on which disbursements were or will be made
Minera Nueva Victoria S.A.	IQ4C - Development Camp (Osmosis and Others)	Minor projects (between ThUS\$50 and ThUS\$299)	Asset	Not classified	1,987	12-31-2012
SQM Nitratos S.A.	PQI9 - Mine waste water treatment plant	Sustainability: Environment and Risk prevention	Asset	Not classified	47	12-31-2012
SQM Nitratos S.A.	IQMH - Normalization Mine NV area operation	Sustainability: Environment and Risk prevention	Asset	Not classified	99	12-31-2012
SQM Salar S.A.	LQFD - Bureaus of exchange	Not classified	Asset	Not classified	160	12-31-2012
TOTAL					23,207	

Future expenses as of 12/31/2012

Identification of the Parent 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	Actual or estimated date on which disbursements were or will be made
SQM Industrial S.A.	Environmental and Community Management (Budget available for the second quarter of 2012)	Not classified	Expense	Not classified	2,027	12-31-2013
SQM Industrial S.A.	MNYS - Measures of Technological Change Cultural Heritage Dissemination Maria Elena	Environmental processing	Expense	Not classified	68	12-31-2013
SQM Industrial S.A.	MP5W - Normalization TK's Combustibles	Sustainability: Environment and Risk prevention	Asset	Not classified	1,600	12-31-2013
SQM Industrial S.A.	MPQU - Construction of Hazardous Chemical Supplies warehouse	Sustainability: Environment and Risk prevention	Asset	Development	152	06-30-2013
SQM Industrial S.A.	MQHF -Sustaining of batteries ME	Sustainability: Environment and Risk prevention	Asset - Expense	Not classified	16	08-01-2013
SQM Industrial S.A.	PPC1-Remove switches park OCB sub 3 and 1/12 Pedro de Valdivia	Sustainability: Environment and Risk prevention	Expense	Not classified	44	12-31-2013
SQM Industrial S.A.	PPZU - Standardize and certify Plant Fuel Tanks	Environmental processing	Asset	Not classified	1,315	12-31-2013
SQM Industrial S.A.	SQ7X-Reach 2011-2013	Sustainability: Environment and Risk prevention	Expense	Not classified	20	01-31-2014
SQM Industrial S.A.	TQA2 - Drainage Improvement Villa Prat	Sustainability: Environment and Risk prevention	Expense	Not classified	104	06-30-2013

(continued)

Identification of the Parent 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	Actual or estimated date on which disbursements were or will be made
SQM Industrial S.A.	CQLX- S Carmen and Lagarto hazardous waste yard	Sustainability	Asset	Not classified	53	03-31-2013
SQM Industrial S.A.	JQL7- KNO3 prilled dust collection and drying engineering and project	Sustainability	Asset	Research	200	08-01-2013
SQM Industrial S.A.	MQBM - Archaeological Digging Deployment Maria Elena - Toco	Sustainability: Environment and Risk prevention	Expense	Not classified	49	03-31-2013
SQM Industrial S.A.	MQK2 - Elimination of PCBs I	Sustainability: Environment and Risk prevention	Expense	Not classified	554	03-31-2014
SQM Industrial S.A.	FP55 - FPXA-EIA Pampa Blanca Expansion	Environmental processing	Asset	Not classified	135	08-31-2013
SQM Industrial S.A.	JQB6 - DIA Plant NPT4, Coya Sur	Environmental processing	Asset	Not classified	5	11-30-2013
SQM Industrial S.A.	PQLV-DIA Pedro de Valdivia Mine	Environmental processing	Asset	Not classified	243	09-30-2013
SQM S.A.	IPFT - Cultural Heritage Region I	Sustainability	Expense	Not classified	17	03-31-2013
SQM S.A.	IPXE - Environmental Monitoring Plan Llamara Salt flat	Cost reduction	Expense	Not classified	87	03-31-2013
SQM S.A.	IPXF - Environmental Monitoring Plan Pampa del Tamarugal	Sustainability: Environment and Risk prevention	Expense	Not classified	168	06-30-2013
SQM S.A.	IQ1M - PSA Re-injection of water to Puquios Llamara	Sustainability: Environment and Risk prevention	Asset	Not classified	441	12-31-2013
SQM S.A.	IQ3S- Hazardous Materials Management Standardization	Sustainability	Asset - Expense	Not classified	148	12-31-2013
SQM S.A.	IQ54 - Cultural heritage Pampa Hermosa	Minor projects (between ThUS\$50 and ThUS\$299)	Asset	Not classified	219	12-31-2013
SQM S.A.	MQLQ- Gas scrubbing system	Not classified	Asset	Development	288	06-30-2013
SQM S.A.	IQOW- Deposit authorization for Humberstone heritage	Sustainability: Environment and Risk prevention	Expense	Not classified	38	03-31-2013
SQM S.A.	IQ6M -IQ6N-DIA Nueva Victoria Sur Mine Expansion	Environmental processing	Asset	Not classified	2	03-31-2013
SQM Salar S.A.	LQDM - Certification of tanks	Sustainability: Replacement of equipment	Asset	Not classified	600	12-31-2013
SQM Salar S.A.	LQI6-EIA Operating maintenance at Salar de Atacama	Environmental processing	Asset	Not classified	265	06-30-2013

(continued)

Identification of the Parent 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	Actual or estimated date on which disbursements were or will be made
SQM Salar S.A.	LQNI-DIA KCI Floor Drying and compacting expansion	Environmental processing	Asset	Not classified	16	08-31-2013
SIT S.A.	TPYX - Enabling the dust collector of the crib and court seal 3 Tocopilla	Sustainability: Environment and Risk prevention	Asset / Expense	Development	40	12-31-2013
SIT S.A.	TQAV - Paving paths IV	Sustainability	Asset	Development	162	12-31-2013
SIT S.A.	TQQ5- Environmental curtains Field No. 8	Sustainability: Environment and Risk prevention	Expense	Not classified	30	04-27-2013
SQM Nitratos S.A.	IQMH - Normalization Mine NV area operation	Sustainability: Environment and Risk prevention	Asset	Not classified	157	03-31-2013
SQM Salar S.A.	LQG8 - Waste room Toconao Campsite	Sustainability: Natural Resources	Expense	Not classified	16	03-31-2012
Total					9,279	

24.3 Description of each project, indicating whether these are in process or have been finished

SQM Industrial S.A.

CQLX: The project includes the construction at each location of a courtyard of 145 m2 approx. The project is finished.

FP55 - FPXA: These 2 projects have a final objective consisting in the installation of a sea water sucking system of 87 km from the Mejillones area to the SQM facilities located in Pampa Blanca. The projected expenses correspond only to the filing of the EIA of the PB mine zone and the EIA of the PB expansion. Both projects are in process.

IQW2: Gathering, information and recording into the Company's system, the water level, volume, instantaneous and average flow data of the exploitation wells that are currently in the Operations Center No.1, LLamara area wells, two Iris area wells and the information of the Sonoral wells that will be provided during the current year. The purpose of this project is to monitor in real time the exploitation variables of water resources and to be able to perform a more precise control of extractions. The project is in process.

IQWZ: Perform an analysis of the Tank facilities (civil works, mechanical work, piping, electrical work and instrumentation) by a certified company specialized in liquid fuels and that is a Certifying

Entity. After that, performing the detail engineering and then implementing the modifications required to normalize the TKs facilities and leaving them in conditions to be declared and filed with the SEC. The budget of ThUS\$123 only covers expenses related to the analysis and detail engineering. The project is in process.

JQ8K: This project has the purpose of building a new drying plant in Coya Sur. The projected expenses correspond only to the environmental filing. The project is in finishing stage.

JQB6: Preparation and filing of the EID of project NPT4 of Coya Sur, which increases the salt production capacity. The project is in process.

JQH9: The purpose of this project is to purchase Bertram's boilers in order to improve the combustion levels, decrease and control the emission of fumes to the environment. The project is closed.

JQL7: Perform a study that allows optimizing of the dust collection and lost product in KNO3 drying and CS prilling plants in the future. Assess accurately the product lost in dust. The project is in process.

MNYS: Preparation and execution of a project of geoglyphs conservation; editing and publishing a book and implementing a diffusion center. Construction of a collection deposit. All these

are compensation measures of the Maria Elena Technological Change Project. The project is in process.

MP5W: Normalization of the fuel storage and distribution system in SQM installations. The project is in process.

MPQU: Construction of warehouses for dangerous chemical supplies in order to decrease the chance of accidents and pollution. The project is in process.

MQA8: Normalization of gas networks of peripheral casinos (stage 1: projects): CS, Lagarto, Iodum, PV, Toco and Rancho 6. The Project is in process.

MQBM: Implementing archeological measures in Maria Elena - Toco site, such as the archeological registry, analysis of lithic materials, and generation of reports. The project is in process.

MQHF: Enable a wastewater plant in Toco according to SD 594, a change room for operators and contractors, among other things. The project is finished.

MQK2: The project involves the decontamination of equipment and items contaminated with PCBs and / or final disposal in accordance with applicable regulations. The project is in process.

PPC1: Purchase and replacement of equipment contaminated with PCB and obsolete equipment without spare parts. The project is in process.

PPZU: The necessary actions to normalize and certify certified fuel tanks in the plants in María Elena, Coya Sur and Pedro de Valdivia were performed. The project is in process.

PQLV: Preparation and filing of EID Pedro de Valdivia. The project is in process.

PQXM: Elaborate a project to enter into the Environmental Impact Assessment System (SEIA), with the intention of obtaining the environmental approval for the operation of Batteries in Pedro de Valdivia. This project is in process.

SQ7X: The purpose of this project is to obtain and record information of components and finished products of SQM in the ECHA database in order to comply with the requirements set by the REACH regulation of the European Union. The project is in finishing stage.

TQA2: This project aims to improve the sewerage system of Villa Prat. The project is in finishing stage.

SQM S.A.

IP83: Preparation and filing of the EID of the Project "Extension TLN-15". The projected expenses only include the environment document filing. The project is in process.

IPFT: The project considers the implementation of measures committed in projects in the area of the Nueva Victoria mine, update of operations in Nueva Victoria, evaporation ducts and pits in Iris. The project is in finishing stage.

IPXE: To implement the follow-up plan of environment of Project Pampa Hermosa in Salar de Llamara. The project is in finishing stage.

IPXF: To implement the environment plan follow-up of the project Pampa Hermosa in Pampa del Tamarugal. The project is in finishing stage.

IQ1M: To implement environmental commitments included in the EIS of project "Pampa Hermosa" to safeguard the puquíos zone in the Salar de Llamara water reservoir. The project is in finishing stage.

IQ3S: Improvements in the storage installations of dangerous raw materials in Nueva Victoria. The project is in process.

IQ54: This corresponds to the implementation of environmental commitments acquired through the environment assessment of the project Pampa Hermosa (RCA N°890/2010). The project is in process.

IQOW: Enable a deposit in Humberstone Saltpeter to store material of heritage interest recovered in land campaigns of Project ZMNV (performed and to be performed). The project is in finishing stage.

IQPJ: The project consists of the implementation of heritage measures involved in the Environmental Assessment for the mine areas. The measures will be implemented according to the requirements of the mining operation VPONV.

IQWS: Implementation of heritage-related environmental commitments, to make Mining areas available in 2013, required to develop the mining exploitation of the VPONV, in compliance with the commitments agreed through the Environmental Assessment System (SEA), The project is in process.

IQX6: Implementation of environmental commitments of the Pampa Hermosa Project at Pampa del Tamarugal contemplated for the years 2013-2014. The project is in process.

IQXB: Implementation of environmental commitments of the Pampa Hermosa Project at Salar de Llamara contemplated for the years 2013-2014. The project is in process.

MQLQ: Design and implement a system to scrub gases allowing mitigation of SO2 emissions, this system should be aligned to SQM's Sustainable Development Policy. The project is in process.

SQM Salar S.A.

LQG8: Increase the capacity of the waste room of Toconao Camp, in order to avoid accumulation problems and waste handling. The project is in process.

LQDM: Certification of the liquid fuel storage tanks. The project is in process.

LQI6: Preparation and processing of the EIA Update Operations in the Salar de Atacama. The project is in process.

LQNI: Preparation and processing of EID of project "Expansion of Drying and KCI Compacting Plant". The expenses considered include environmental processing only. The project is in process.

LQSZ: To perform certifications in order to comply with the SEC regulations.

SIT S.A.

TPYX: To comply with the commitment of decreasing the emission of particulate material towards the city of Tocopilla. The project is in process.

TQAV: Paving and maintenance of internal roads of the port of Tocopilla, to decrease pollution and to comply with the Supreme Decree related to the saturated zone. The project is in process.

TQLY: This project aims at eliminating environmental contamination that may exist in the areas of work of operators. The project is in process.

TQQ5: This project aims to contain emissions of particle waste to prevent contamination of adjacent communities. The project is in process.

SQM Nitratos S.A.

IQMH: Creation of an area allowing to store hazardous substances. The project is in process.

PQI9: Construction of a new pit replacing the current with a new waste water treatment technology. The project is in process.

25. OTHER CURRENT AND NON-CURRENT NON-FINANCIAL ASSETS

As of December 31, 2013, and December 31, 2012, the detail of other current and non-current assets is as follows:

Other non-financial assets, current	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Domestic Value Added Tax	21,263	42,136
Foreign Value Added Tax	5,842	9,306
Prepaid mining licenses	1,522	1,512
Prepaid insurance	9,767	8,278
Other prepayments	623	494
Other assets	5,213	6,094
Total	44,230	67,820

Other non-financial assets, non-current	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Stain development expenses and prospecting expenses (1)	33,388	22,496
Guarantee deposits	708	571
Pension plan	987	-
Other assets	1,422	272
Total	36,505	23,339

1) 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 December 31, 2013, and December 31, 2012:

Reconciliation	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Assets for the exploration and evaluation of mineral resources, net, opening balance	22,496	21,395
Changes in assets for exploration and assessment of mineral resources:		
Additions, other than business combinations	13,064	843
Depreciation and amortization	(2,059)	(2,080)
Increase (Decrease) due to transfers and other charges	(113)	2,338
Assets for exploration and assessment of mineral resources, net, closing balance	33,388	22,496

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

26. OPERATING SEGMENTS

26.1 Operating segments

General information:

The amount of each item presented in each operating segment is equal to that reported to the highest authority that makes decisions regarding the operation, in order to decide on the allocation of resources to the defined segments and to assess its performance.

Factors used to identify segments on which a report should be presented:

Segments reported are strategic business units that offer different products and services. These are managed separately because each business requires different technology and marketing strategies.

Description of the types of products and services on which each reportable segment obtain its income from ordinary activities

The operating segments, through which incomes of ordinary activities are obtained, that generate expenses and whose operating results are reviewed on a regular basis by the maximum authority who makes decisions regarding operations, relate to the following groups of products:

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

Description of income sources for all the other segments

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 "Unassigned amounts" category of the disclosed information.

Basis of accounting for transactions between reportable segments

Sales between segments are made in the same conditions as those made to third parties, and are consistently measured as presented in the income statement.

Description of the nature of the differences between measurements of results of reportable segments and the result of the entity before the expense or income tax expense of incomes and discontinued operations.

The information reported in the segments is extracted from the Company's consolidated financial statements and therefore is not required to prepare reconciliations between the data mentioned above and those reported in the respective segments, according to what is stated in paragraph 28 of IFRS 8, "Operating Segments".

Description of the nature of the differences between measurements of assets of reportable segments and the Company's assets

Assets are not shown classified by segments, as this information is not readily available, some of these assets are not separable by the type of activity which they affect and as this information is not used by management in decision making with respect to resources to be allocated to each defined segment. All assets are disclosed in the "unallocated amounts" category.

Description of the nature of the differences between measurements of liabilities of reportable segments and the Company's liabilities

Liabilities are not shown classified by segments, as this information is not readily available, some of these liabilities are not separable by the type of activity which affects them and as this information is not used by management in decision making regarding resources to be allocated to each defined segment. All liabilities are disclosed in the "unallocated amounts" category.

26.2 Operating segment disclosures as of December 31, 2013 and December 31, 2012:

	12/31/2013											
	Specialty plant nutrients	Iodine and its derivatives	Lithium and its derivatives	Industrial chemicals	Potassium	Other products and services	Reportable segments	Operating segments	Elimination of inter-segments amounts	Unallocated amounts	Significant reconciliation entries	Total 12/31/2013
Operating segment items	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	687,455	461,015	196,492	153,963	606,315	97,900	2,203,140	2,203,140	-	-	-	2,203,140
Revenues from transactions with other operating segments of the same entity	121,735	723,801	122,616	309,127	462,565	337,690	2,077,534	2,077,534	(2,077,534)	-	-	-
Revenues from external customers and transactions with other operating segments of the same entity	809,190	1,184,816	319,108	463,090	1,068,880	435,590	4,280,674	4,280,674	(2,077,534)	-	-	2,203,140
Interest revenue	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	195,404	(254,012)	-	(58,608)
depreciation and amortization expense	(67,656)	(45,371)	(19,338)	(15,152)	(59,670)	(9,634)	(216,821)	(216,821)	-	-	-	(216,821)
The entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	-	18,786	-	18,786
income tax expense, continuing operations	-	-	-	-	-	-	-	-	(2,377)	(136,162)	-	(138,539)
Other items other than significant cash	-	-	-	-	-	-	-	-	-	-	-	-
Income (loss) before taxes	151,388	258,366	97,248	43,042	162,327	93,079	805,450	805,450	(567,919)	375,578	-	613,109
Net income (loss) from continuing operations	151,388	258,366	97,248	43,042	162,327	93,079	805,450	805,450	(570,296)	239,416	-	474,570
Net income (loss) from discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss)	151,388	258,366	97,248	43,042	162,327	93,079	805,450	805,450	(570,296)	239,416	-	474,570
Assets	-	-	-	-	-	-	-	-	(7,077,766)	11,845,374	-	4,767,608
Equity-accounted investees	-	-	-	-	-	-	-	-	(3,353,672)	3,430,690	-	77,018
Increase of non-current assets	-	-	-	-	-	-	-	-	-	171,980	-	171,980
Liabilities	-	-	-	-	-	-	-	-	(3,354,422)	5,689,789	-	2,335,367
Equity	-	-	-	-	-	-	-	-	-	-	-	2,432,241
Equity and liability	-	-	-	-	-	-	-	-	-	-	-	4,767,608
Impairment loss recognized in profit or loss	(15,985)	(1,832)	(783)	(3,733)	(2,509)	(353)	(25,195)	(25,195)	-	(5,732)	-	(30,927)
Cash flows from (used in) operating activities	-	-	-	-	-	-	-	-	-	-	-	651,713
Cash flows from (used in) investing activities	-	-	-	-	-	-	-	-	-	-	-	(487,385)
Cash flows from (used in) financing activities	-	-	-	-	-	-	-	-	-	-	-	(2,285)

26.2 Operating segment disclosures as of December 31, 2013 and December 31, 2012:

12/31/2012												
	Specialty plant nutrients	Iodine and its derivatives	Lithium and its derivatives	Industrial chemicals	Potassium	Other products and services	Reportable segments	Operating segments	Elimination of inter- segments amounts	Unallocated amounts	Significant reconciliation entries	Total 12/31/2012
Operating segment items	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	675,350	578,091	222,238	245,208	605,059	103,214	2,429,160	2,429,160	-	-	-	2,429,160
Revenues from transactions with other operating segments of the same entity	265,814	848,243	154,248	348,667	569,219	493,884	2,680,075	2,680,075	(2,680,075)	-	-	-
Revenues from external customers and transactions with other operating segments of the same entity	941,164	1,426,334	376,486	593,875	1,174,278	597,098	5,109,235	5,109,235	(2,680,075)	-	-	2,429,160
Interest revenue	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	225,396	(279,491)	-	(54,095)
depreciation and amortization expense	(54,383)	(47,100)	(17,896)	(19,745)	(48,723)	(8,311)	(196,158)	(196,158)	-	-	-	(196,158)
The entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	-	24,357	-	24,357
income tax expense, continuing operations	-	-	-	-	-	-	-	-	-	(216,082)	-	(216,082)
Other items other than significant cash	-	-	-	-	-	-	-	-	-	-	-	-
Income (loss) before taxes	217,880	362,518	110,695	83,055	246,027	8,419	1,028,594	1,028,594	(786,634)	631,491	-	873,451
Net income (loss) from continuing operations	217,880	362,518	110,695	83,055	246,027	8,419	1,028,594	1,028,594	(786,634)	415,409	-	657,369
Net income (loss) from discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss)	217,880	362,518	110,695	83,055	246,027	8,419	1,028,594	1,028,594	(786,634)	415,409	-	657,369
Assets	-	-	-	-	-	-	-	-	(7,296,791)	11,713,222	-	4,416,431
Equity-accounted investees	-	-	-	-	-	-	-	-	(3,423,758)	3,494,056	-	70,298
Increase of non-current assets	-	-	-	-	-	-	-	-	-	255,363	-	255,363
Liabilities	-	-	-	-	-	-	-	-	(3,393,525)	5,622,510	-	2,228,985
Equity	-	-	-	-	-	-	-	-	-	-	-	2,187,446
Equity and liability	-	-	-	-	-	-	-	-	-	-	-	4,416,431
Reversal of impairment losses recognized in profit and loss for the year	-	-	-	-	-	-	-	-	-	-	-	-
Impairment loss recognized in profit or loss	(10,281)	(2,081)	(162)	(3,043)	(2,471)	(120)	(18,158)	(18,158)	-	(2,900)	-	(21,058)
Cash flows from (used in) operating activities	-	-	-	-	-	-	-	-	-	650,206	-	650,206
Cash flows from (used in) investing activities	-	-	-	-	-	-	-	-	-	(562,885)	-	(562,885)
Cash flows from (used in) financing activities	-	-	-	-	-	-	-	-	-	(197,697)	-	(197,697)

26.3 Statement of comprehensive income classified by operating segments based on groups of products as of December 31, 2013:

Items in the statement of comprehensive income	Specialty plant nutrients ThUS\$	Iodine and its derivatives ThUS\$	Lithium and its derivatives ThUS\$	Industrial chemicals ThUS\$	Potassium ThUS\$	Other products and services ThUS\$	Corporate Unit ThUS\$	Total segments and Corporate unit ThUS\$
Revenue	687,455	461,015	196,492	153,963	606,315	97,900	-	2,203,140
Cost of sales	(536,067)	(202,650)	(99,244)	(110,921)	(443,988)	(88,820)	-	(1,481,690)
Gross profit	151,388	258,365	97,248	43,042	162,327	9,080	-	721,450
Other incomes by function	-	-	-	-	-	84,000	12,716	96,716
Administrative expenses	-	-	-	-	-	-	(105,189)	(105,189)
Other expenses by function	-	-	-	-	-	-	(49,397)	(49,397)
Other gains (losses)	-	-	-	-	-	-	(11,391)	(11,391)
Financial income	-	-	-	-	-	-	12,696	12,696
Financial costs	-	-	-	-	-	-	(58,608)	(58,608)
interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	18,786	18,786
Exchange differences	-	-	-	-	-	-	(11,954)	(11,954)
Profit (loss)before taxes	151,388	258,365	97,248	43,042	162,327	93,080	(192,341)	613,109
Income tax expense	-	-	-	-	-	-	(138,539)	(138,539)
Profit (loss)from continuing operations	151,388	258,365	97,248	43,042	162,327	93,080	(330,880)	474,570
Profit (loss) from discontinued operations	-	-	-	-	-	-	-	-
Profit (loss)	151,388	258,365	97,248	43,042	162,327	93,080	(330,880)	474,570
Profit (loss, attributable to								
Profit (loss) attributable to the controller 's owners	-	-	-	-	-	-	-	467,113
Profit (loss) attributable to the non-controllers	-	-	-	-	-	-	-	7,457
Profit (loss)	-	-	-	-	-	-	-	474,570

26.3 Statement of comprehensive income classified by operating segments based on groups of products as of December 31, 2012:

Items in the statement of comprehensive income	Specialty plant nutrients ThUS\$	Iodine and its derivatives ThUS\$	Lithium and its derivatives ThUS\$	Industrial chemicals ThUS\$	Potassium ThUS\$	Other products and services ThUS\$	Corporate Unit ThUS\$	Total segments and Corporate unit ThUS\$
Revenue	675,350	578,091	222,238	245,208	605,059	103,214	-	2,429,160
Cost of sales	(457,470)	(215,573)	(111,543)	(162,153)	(359,032)	(94,796)	-	(1,400,567)
Gross profit	217,880	362,518	110,695	83,055	246,027	8,418	-	1,028,593
Other incomes by function	-	-	-	-	-	-	12,702	12,702
Administrative expenses	-	-	-	-	-	-	(106,442)	(106,442)
Other expenses by function	-	-	-	-	-	-	(34,628)	(34,628)
Other gains (losses)	-	-	-	-	-	-	683	683
Financial income	-	-	-	-	-	-	29,068	29,068
Financial costs	-	-	-	-	-	-	(54,095)	(54,095)
interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	24,357	24,357
Exchange differences	-	-	-	-	-	-	(26,787)	(26,787)
Profit (loss)before taxes	217,880	362,518	110,695	83,055	246,027	8,418	(155,142)	873,451
Income tax expense	-	-	-	-	-	-	(216,082)	(216,082)
Profit (loss)from continuing operations	217,880	362,518	110,695	83,055	246,027	8,418	(371,224)	657,369
Profit (loss) from discontinued operations	-	-	-	-	-	-	-	-
Profit (loss)	217,880	362,518	110,695	83,055	246,027	8,418	(371,224)	657,369
Profit (loss, attributable to								
Profit (loss) attributable to the controller 's owners	-	-	-	-	-	-	-	649,167
Profit (loss) attributable to the non-controllers	-	-	-	-	-	-	-	8,202
Profit (loss)	-	-	-	-	-	-	-	657,369

26.4 Revenue from transactions with other Company operating segments as of :
December 31, 2013

Items in the statement of comprehensive income	Specialty plant nutrients ThUS\$	Iodine and its derivatives ThUS\$	Lithium and its derivatives ThUS\$	Industrial chemicals ThUS\$	Potassium ThUS\$	Other products and services ThUS\$	Total segments and Corporate unit ThUS\$
Revenue	687,455	461,015	196,492	153,963	606,315	97,900	2,203,140

December 31, 2012

Items in the statement of comprehensive income	Specialty plant nutrients ThUS\$	Iodine and its derivatives ThUS\$	Lithium and its derivatives ThUS\$	Industrial chemicals ThUS\$	Potassium ThUS\$	Other products and services ThUS\$	Total segments and Corporate unit ThUS\$
Revenue	675,350	578,091	222,238	245,208	605,059	103,214	2,429,160

26.5 Disclosures 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.

26.6 Disclosures on main customers

With respect to the degree of dependency of the Company on its customers, in accordance with paragraph N° 34 of IFRS N° 8, the Company has no external customers who individually represent 10% or more of its revenue. 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.

26.7 Segments by geographical areas as of December 31, 2013 and December 31, 2012

Items	Chile	Latin America and the Caribbean	Europe	North America	Asia and others	12/31/2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	242,373	379,063	504,043	546,075	531,586	2,203,140
Non-current assets:	2,218,631	434	36,680	16,636	38,270	2,310,651
Investment accounted for under the equity method	1,649	-	24,847	13,126	37,396	77,018
Intangible assets other than goodwill	104,043	-	-	317	3	104,363
Goodwill	26,929	86	11,373	-	-	38,388
Property, plant and equipment, net	2,050,684	157	460	2,205	871	2,054,377
Investment property	-	-	-	-	-	-
Other non-current assets	35,326	191	-	988	-	36,505

Items	Chile	Latin America and the Caribbean	Europe	North America	Asia and others	12/31/2012
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	269,421	416,089	558,245	619,667	565,738	2,429,160
Non-current assets:	2,054,806	488	35,709	18,066	29,602	2,138,671
Investment accounted for under the equity method	1,656	-	24,051	15,357	29,234	70,298
Intangible assets other than goodwill	23,630	-	-	378	5	24,013
Goodwill	26,929	86	11,373	-	-	38,388
Property, plant and equipment, net	1,985,128	183	285	2,331	363	1,988,290
Investment property	-	-	-	-	-	-
Other non-current assets	17,463	219	-	-	-	17,682

26.8 Property, plant and equipment classified by geographical areas

The company's main productive facilities are located near their mines and extraction facilities in northern Chile. The following table presents the main production facilities as of December 31, 2013 and December 31, 2012:

Location	Products:
Pedro de Valdivia	Production of iodine and nitrate salts
María Elena	Production of iodine and nitrate salts
Coya Sur	Production of nitrate salts
Nueva Victoria	Production of iodine and nitrate salts
Salar de Atacama	Potassium chloride, Lithium chloride, boric acid potassium sulfate
Salar del Carmen	Production of Lithium carbonate and lithium hydroxide
Tocopilla	Port facilities

27. GAINS (LOSSES) FROM OPERATING ACTIVITIES IN THE STATEMENT OF INCOME BY FUNCTION OF EXPENSES, INCLUDED ACCORDING TO THEIR NATURE

27.1 Revenue

	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Products	2,191,650	2,420,357
Services	11,490	8,803
Total	2,203,140	2,429,160

27.2 Cost of sales

	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Raw material and supplies	(811,518)	(1,066,803)
Types of employee benefits expenses		
Salaries and wages	(138,937)	(134,400)
Other short-term employee benefits	(44,601)	(66,370)
Termination benefit expenses	(10,811)	(4,325)
Total employee benefits expenses	(194,349)	(205,095)
Depreciation expense	(216,388)	(190,509)
Amortization expense	-	-
Impairment loss (review of impairment losses) recognized in profit or loss for the year	(25,195)	(1,762)
Other expenses, by nature (*)	(234,240)	63,602
Total	(1,481,690)	(1,400,567)

(*) Include the variation of finished and products in-process

27.3 Other income

	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Discounts obtained from suppliers	1,349	648
Compensation received and insurance claim recovery	5,306	5,240
Penalties charged to suppliers	374	312
Taxes recovered	9	15
Excess in the provision of liabilities with 3rd parties	712	669
Excess in allowance for doubtful accounts	-	154
Sale of Property, plant and equipment	107	281
Sale of materials, spare parts and supplies	1,392	1,388
Sale of mining concessions (1)	86,157	1,578
Sale of scrap	27	176
Indemnity Minera Esperanza	-	28
Excess indemnity provision Yara South Africa	272	335
Lowest Price paid in portfolio purchase	337	-
Lowest Price in goodwill purchases	248	-
Other operating results	426	1,878
Total	96,716	12,702

(1) Sociedad Química y Minera de Chile S.A., Antofagasta Minerals S.A. and Minera Antucoya entered into an amendment to the Mining Claim Sale Contract between these parties in relation to the "Antucoya Project". During 2013, the mining claims were sold for an amount of ThUS\$84,000.

27.4 Administrative expenses

	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Employee benefit expenses by nature		
Salaries and wages	(48,033)	(44,429)
Other short-term benefits to employees	(3,176)	(2,868)
Total employee benefit expenses	(51,209)	(47,297)
Other expenses, by nature	(53,980)	(59,145)
Total	(105,189)	(106,442)

27.5 Other expenses by function

	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Employee benefit expenses by nature		
Other short-term benefits to employees	(6)	(24)
Depreciation and amortization expenses		
Depreciation of stopped assets	(433)	(5,649)
Impairment loss (review of impairment losses) recognized in profit or loss for the year		
Impairment of allowance for doubtful accounts	(732)	(1,054)
Subtotal to date	(732)	(1,054)
Other expenses, by nature		
Legal Expenses	(3,791)	(1,984)
Worksite stoppage expenses	(75)	(75)
VAT and other unrecoverable tax	(1,196)	(1,182)
Fines paid	(444)	(790)
Consultancy services	(8)	(19)
Provisions, investment and materials, supplies, plan expenses	(19,397)	(15,578)
Donations rejected as expense	(5,253)	(5,517)
Provision for environmental rehabilitation	(1,276)	(634)
Adjustment to net realizable value of items of PP&E	(10,085)	-
Indemnities paid	(146)	(281)
Other operating expenses	(6,555)	(1,841)
Subtotal to date	(48,226)	(27,901)
Total	(49,397)	(34,628)

27.6 Other income (expenses)

	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Personnel restructuring expenses	(11,545)	-
Adjustment of Equity Method, prior year	22	736
Sale of investment in associates	-	(404)
Other	132	351
Total	(11,391)	683

27.7 Summary of expenses by nature :

	January to December	
	2013 ThUS\$	2012 ThUS\$
Raw material and supplies used	(811,518)	(1,066,803)
Types of employee benefits expenses		
Salaries and wages	(186,970)	(178,829)
Other short-term employee benefits	(47,783)	(69,262)
Termination benefit expenses	(10,811)	(4,325)
Total employee benefit expenses	(245,564)	(252,416)
Depreciation and amortization expenses		
Depreciation expense	(216,821)	(196,158)
Amortization expense	-	-
Impairment loss (reversal of impairment losses) recognized in profit or loss for the year	(25,927)	(2,816)
Other expenses, by nature	(347,837)	(23,444)
Total expenses, by nature	(1,647,667)	(1,541,637)

This table corresponds to the summary from Note 27.2 to 27.6 required by the Chilean Superintendence of Securities and Insurance

27.8 Finance expenses

	January to December	
	2013 ThUS\$	2012 ThUS\$
Interest expense from bank borrowings and overdrafts	(3,186)	(2,613)
Interest expense from bonds	(62,966)	(54,130)
Interest expense from loans	(8,691)	(10,043)
Capitalized interest expenses	17,232	14,153
Other finance costs	(997)	(1,462)
Total	(58,608)	(54,095)

28. INCOME TAX AND DEFERRED TAXES

Accounts receivable from taxes as of December 31, 2013 and December 31, 2012, are as follows:

28.1 Current tax assets:

	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Monthly provisional income tax payments, Chilean companies current year	44,018	23,713
Monthly provisional payment Royalty	10,417	2,430
Monthly provisional income tax payments, foreign companies	1,444	1,979
Corporate tax credits (1)	2,025	144
Corporate tax absorbed by tax losses (2)	1,572	1,968
Total	59,476	30,234

- (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 2013 and 2012.
- (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 (20%, 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.

Taxpayers are entitled to apply for a refund of this monthly provisional income tax payments 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 liabilities:

Current tax liabilities	12/31/2013 ThUS\$	12/31/2012 ThUS\$
1st Category income tax	21,466	9,811
Royalty tax on mining activity	-	3,597
Foreign company income tax	10,113	10,206
Article 21 Sole Penalty Tax	128	10
Total	31,707	23,624

Income tax is determined on the basis of the determination of tax result to which the tax rate currently in force in Chile is applied. As established by Law 20.630, beginning on 2012 and after this tax rate is 20%.

The provision for royalty is determined by applying the tax rate determined for the Net operating income (NOI).

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

28.3 Tax earnings

As of December 31, 2013, and December 31, 2012, the Company and its subsidiaries have recorded the following consolidated balances for retained tax earnings, income not constituting revenue subject to income tax, accumulated tax losses and credit for shareholders:

	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Taxable profits with credit rights (1)	1,321,643	1,262,201
Taxable profits without credit right(1)	90,628	138,535
Taxable loss	7,425	9,931
Credit for shareholders	321,006	294,146

The Retained Taxable Profits Registry (FUT) is a chronological registry where the profits generated and distributed by the company are recorded. The objective of the FUT is to control the accumulated tax 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 during 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.

28.4 Income tax and deferred taxes

Assets and liabilities recognized in the Statement of financial position are offset if and only if:

- 1 The Company has legally recognized before the right the tax authority 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.

The Company recognizes a deferred tax asset when there is certainty that these can be offset with tax 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 December 31, 2013 are detailed as follows:

Description of deferred income tax assets and liabilities	Net position, assets		Net position, liabilities	
	Assets ThUS\$	Liabilities ThUS\$	Assets ThUS\$	Liabilities ThUS\$
Depreciation	-	-	-	162,378
Doubtful accounts impairment	-	-	7,030	-
Accrued vacations	-	-	3,566	-
Manufacturing expenses	-	-	-	66,759
Unrealized gains (losses) from sales of products	-	-	84,711	-
Fair value of bonds	-	-	661	-
Severance indemnity	-	-	-	4,628
Hedging	-	-	-	5,261
Inventory of products, spare parts and supplies	1	-	20,828	-
Research and development expenses	-	-	-	7,018
Tax losses	-	-	468	-
Capitalized interest	-	-	-	21,759
Expenses in assumption of bank loans	-	-	-	2,917
Unaccrued interest	-	-	39	-
Fair value of property, plant and equipment	-	-	-	603
Employee benefits	-	-	381	-
Royalty deferred income taxes	-	-	-	7,923
Purchase of intangible assets	-	-	-	235
Provision for lawsuits and legal expenses	-	-	1,878	-
Provision for investment plan	-	-	4,225	-
Provision of fines and crushing site closure	-	-	1,600	-
Other	530	-	-	201
Balance to date	531	-	125,387	279,682
Net balance	531	-	-	154,295

d.2 Income tax assets and liabilities as of December 31, 2012 are detailed as follows:

Description of deferred income tax assets and liabilities	Net position, assets		Net position, liabilities	
	Assets ThUS\$	Liabilities ThUS\$	Assets ThUS\$	Liabilities ThUS\$
Depreciation	-	-	-	145,251
Doubtful accounts impairment	-	-	5,807	-
Accrued vacations	-	-	3,971	-
Manufacturing expenses	-	-	-	60,160
Unrealized gains (losses) from sales of products	-	-	105,879	-
Fair value of bonds	-	-	3,684	-
Severance indemnity	-	-	-	4,483
Hedging	-	-	-	22,890
Inventory of products, spare parts and supplies	37	-	14,990	-
Research and development expenses	-	-	-	4,917
Tax losses	-	-	1,509	-
Capitalized interest	-	-	-	20,449
Expenses in assumption of bank loans	-	-	-	2,243
Unaccrued interest	-	-	215	-
Fair value of property, plant and equipment	-	-	-	2,743
Employee benefits	-	-	2,027	-
Royalty deferred income taxes	-	-	-	8,430
Purchase of intangible assets	-	-	-	-
Provision for lawsuits and legal expenses	-	-	1,823	-
Provision for investment plan	-	-	2,487	-
Provision of fines and crushing site closure	-	-	745	-
Other	186	-	2,984	-
Balance to date	223	-	146,121	271,566
Net balance	223	-	-	125,445

d.3 Reconciliation of changes in deferred tax liabilities (assets) as of December 31, 2013

	Deferred tax liabilities (assets) at the beginning of the period	Deferred tax expense (income) recognized in profit or loss	Deferred tax related to items credited (debited) directly to equity	Total increase (decrease) of deferred tax liabilities (assets)	Deferred tax liabilities (assets) at the end of the period
Depreciation	145,251	17,127	-	17,127	162,378
Doubtful accounts impairment	(5,807)	(1,223)	-	(1,223)	(7,030)
Accrued vacations	(3,971)	405	-	405	(3,566)
Manufacturing expenses	60,160	6,599	-	6,599	66,759
Unrealized gains (losses) from sales of products	(105,879)	21,168	-	21,168	(84,711)
Fair value of bonds	(3,684)	-	3,023	3,023	(661)
Severance indemnity	4,483	146	-	146	4,629
Hedging	22,890	(17,629)	-	(17,629)	5,261
Inventory of products, spare parts and supplies	(15,027)	(5,802)	-	(5,802)	(20,829)
Research and development expenses	4,917	2,101	-	2,101	7,108
Capitalized interest	20,449	1,310	-	1,310	21,759
Expenses in assumption of bank loans	2,243	674	-	674	2,917
Unaccrued interest	(215)	176	-	176	(39)
Fair value of property, plant and equipment	2,743	(2,140)	-	(2,140)	603
Employee benefits	(2,027)	1,646	-	1,646	(381)
Royalty deferred income taxes	8,430	(507)	-	(507)	7,923
Unused tax losses	(1,509)	1,041	-	1,041	(468)
Purchase of intangible assets	-	235	-	235	235
Provision for lawsuits and legal expenses	(1,823)	(55)	-	(55)	(1,878)
Provision for investment plan	(2,487)	(1,738)	-	(1,738)	(4,225)
Provision of fines and crushing site closure	(745)	(855)	-	(855)	(1,600)
Other	(3,170)	2,841	-	2,841	(329)
Total temporary differences, losses and unused fiscal credits	125,222	25,520	3,023	28,543	153,855

d.3 Reconciliation of changes in deferred tax liabilities (assets) as of December 31, 2012

	Deferred tax liabilities (assets) at the beginning of the period	Deferred tax expense (income) recognized in profit or loss	Deferred tax related to items credited (debited) directly to equity	Total increase (decrease) of deferred tax liabilities (assets)	Deferred tax liabilities (assets) at the end of the period
Depreciation	114,151	31,100	-	31,100	145,251
Doubtful accounts impairment	(4,061)	(1,746)	-	(1,746)	(5,807)
Accrued vacations	(2,642)	(1,329)	-	(1,329)	(3,971)
Manufacturing expenses	54,747	5,413	-	5,413	60,160
Unrealized gains (losses) from sales of products	(97,441)	(8,438)	-	(8,438)	(105,879)
Fair value of bonds	(2,104)	-	(1,580)	(1,580)	(3,684)
Severance indemnity	3,036	1,447	-	1,447	4,483
Hedging	16,636	6,254	-	6,254	22,890
Inventory of products, spare parts and supplies	(7,866)	(7,161)	-	(7,161)	(15,027)
Research and development expenses	4,598	319	-	319	4,917
Capitalized interest	17,461	2,988	-	2,988	20,449
Expenses in assumption of bank loans	1,855	388	-	388	2,243
Unaccrued interest	(386)	171	-	171	(215)
Fair value of property, plant and equipment	(1,539)	4,282	-	4,282	2,743
Employee benefits	(1,177)	(850)	-	(850)	(2,027)
Royalty deferred income taxes	10,035	(1,605)	-	(1,605)	8,430
Unused tax losses	(1,046)	(463)	-	(463)	(1,509)
Purchase of intangible assets	-	-	--	-	-
Provision for lawsuits and legal expenses	(1,848)	25	-	25	(1,823)
Provision for investment plan	(2,861)	374	-	374	(2,487)
Provision of fines and crushing site closure	(640)	(105)	-	(105)	(745)
Other	(618)	(2,552)	-	(2,552)	(3,170)
Total temporary differences, losses and unused fiscal credits	98,290	28,512	(1,580)	26,932	125,222

d.4 Deferred taxes related to benefits for tax losses

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

As of December 31, 2013 and December 31, 2012, tax loss carryforwards (NOL carryforwards) are detailed as follows:

	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Chile	468	1,509
Other countries	-	-
Balances to date	468	1,509

Tax losses as of December 31 correspond mainly to Servicios Integrales de Tránsitos y Transferencias S.A., Exploraciones Mineras S.A. e Isapre Norte Grande Ltda.

d.5 Unrecognized deferred income tax assets and liabilities

Unrecognized deferred tax assets and liabilities as of December 31, 2013 and December 31, 2012 are as follows:

	12/31/2013 ThUS\$ Assets (liabilities)	12/31/2012 ThUS\$ Assets (liabilities)
Tax losses Carry Forwards	139	139
Doubtful accounts impairment	81	81
Inventory impairment	1,020	1,020
Pensions plan	(536)	(536)
Accrued vacations	29	29
Depreciation	(57)	(57)
Other	(19)	(19)
Balances to date	657	657

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

d.6 Movements in deferred tax assets and liabilities

Movements in deferred tax assets and liabilities as of December 31, 2013 and December 31, 2012 are detailed as follows:

	12/31/2013 ThUS\$ Liabilities (assets)	12/31/2012 ThUS\$ Liabilities (assets)
Deferred tax assets and liabilities, net opening balance	125,222	98,290
Increase (decrease) in deferred taxes in profit or loss	25,519	28,512
Tax Recovery of first category credit absorbed by tax losses	-	-
Increase (decrease) in deferred taxes in equity	3,023	(1,580)
Balances to date	153,764	125,222

d.7 Disclosures on income tax expense (income)

The Company recognizes current tax and deferred taxes as income or expenses, and they are included in profit or loss, 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

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

	12/31/2013 ThUS\$ Income (expenses)	12/31/2012 ThUS\$ Income (expenses)
Current income tax expense		
Current income tax expense	(113,326)	(187,715)
Adjustments to prior year current income tax	305	145
Current income tax expense, net, total	(113,021)	(187,570)
Deferred tax expense		
Deferred tax expense (income) relating to the creation and reversal of temporary differences	(25,518)	(28,512)
Deferred tax expense (income) relating changes in tax rates or the application of new taxes	-	-
Deferred tax expense, net, total	(25,518)	(28,512)
Tax expense (income)	(138,539)	(216,082)

Tax expenses (income) for foreign and domestic parties are detailed as follows:

	12/31/2013 ThUS\$ Income (expenses)	12/31/2012 ThUS\$ Income (expenses)
Current income tax expense by foreign and domestic parties, net		
Current income tax expense, foreign parties, net	(8,267)	(14,790)
Current income tax expense, domestic, net	(104,769)	(172,780)
Current income tax expense, net, total	(113,036)	(187,570)
Deferred tax expense by foreign and domestic parties, net		
Deferred tax expense, foreign parties, net	492	474
Deferred tax expense, domestic, net	(25,995)	(28,986)
Deferred tax expense, net, total	(25,503)	(28,512)
Income tax expense	(138,539)	(216,082)

d.8 Equity interest in taxation attributable to equity-accounted investees

The Company does not recognize any deferred 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, investor or interest holder is able to control the better opportunity 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 Disclosures on the tax effects of other comprehensive income components:

	Amount before taxes (expense) gain	12/31/2013 ThUS\$ (Expense) income for income taxes	Amount after taxes
Income tax related to components of other income and expense with a charge or credit to net equity			
Cash flow hedge	15,113	(3,023)	12,090
Total	15,113	(3,023)	12,090

	Amount before taxes (expense) gain	12/31/2012 ThUS\$ (Expense) income for income taxes	Amount after taxes
Income tax related to components of other income and expense with a charge or credit to net equity			
Cash flow hedge	(6,236)	1,580	(4,656)
Total	(6,236)	1,580	(4,656)

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 financial gains for accounting purposes by the tax rate in force in Chile. This option is based on the fact that the Parent 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 prevailing rate in Chile

	12/31/2013 ThUS\$ Income (expense)	12/31/2012 ThUS\$ Income (expense)
Consolidated income before taxes	613,110	873,451
Income tax rate in force in Chile	20%	20%
Tax expense using the legal rate	(122,622)	(174,690)
Effect of royalty tax expense	(10,277)	(25,486)
Tax effect of non-taxable revenue	5,669	7,419
Effect of taxable rate of non-deductible expenses for determination of taxable income (loss)	(1,955)	(3,091)
Tax effect of tax rates supported abroad	(2,268)	(5,265)
Effect on the tax rate arising from changes in the tax rate	-	-
Other tax effects from the reconciliation between the accounting income and tax expense (income)	(7,086)	(14,969)
Tax expense using the effective rate	(138,539)	(216,082)

d.11 Tax periods potentially subject to verification:

The Group's Companies are potentially subject to income tax audits by tax authorities in each country. These audits are limited to a number of interim 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:

According to article 200 of Decree Law No. 830, the tax authority shall review for any deficiencies in its settlement of any taxes to be paid, by applying a requirement of a 3 year term from the expiration of the legal deadline when payment should have been made. In addition, this requirement could be extended to a 6 year term for the revision of taxes subject to declaration, when such declaration has not been filed or has been presented purposely false.

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.

29. DISCLOSURES ON THE EFFECTS OF FLUCTUATIONS IN FOREIGN CURRENCY EXCHANGE RATES

Assets held in foreign currency subject to fluctuations in exchange rates are detailed as follows:

Class of asset	Currency	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Current assets:			
Cash and cash equivalents	BRL	73	20
Cash and cash equivalents	CLP	25,391	76,712
Cash and cash equivalents	CNY	384	181
Cash and cash equivalents	EUR	9,230	3,601
Cash and cash equivalents	GBP	14	70
Cash and cash equivalents	IDR	4	5
Cash and cash equivalents	INR	7	13
Cash and cash equivalents	MXN	428	720
Cash and cash equivalents	PEN	2	75
Cash and cash equivalents	THB	2,161	-
Cash and cash equivalents	YEN	1,435	1,369
Cash and cash equivalents	ZAR	7,229	7,421
Subtotal cash and cash equivalents		46,358	90,187
Other current financial assets	CLP	108,892	182,427
Subtotal other current financial assets		108,892	182,427
Other current non-financial assets	ARS	21	29
Other current non-financial assets	AUD	95	-
Other current non-financial assets	BRL	1	5
Other current non-financial assets	CLF	75	23
Other current non-financial assets	CLP	25,814	42,378
Other current non-financial assets	CNY	33	29
Other current non-financial assets	EUR	5,383	8,534
Other current non-financial assets	MXN	793	736
Other current non-financial assets	PEN	3	55
Other current non-financial assets	THB	13	-
Other current non-financial assets	YEN	-	15
Other current non-financial assets	ZAR	801	702
Subtotal other current non-financial assets		33,032	52,506
Trade and other receivables	AUD	-	14
Trade and other receivables	BRL	32	58
Trade and other receivables	CLF	507	826
Trade and other receivables	CLP	50,112	78,112
Trade and other receivables	CNY	9	2,014
Trade and other receivables	EUR	31,975	47,962
Trade and other receivables	GBP	261	399
Trade and other receivables	MXN	240	200
Trade and other receivables	PEN	92	114
Trade and other receivables	THB	1,823	-
Trade and other receivables	YEN	-	-
Trade and other receivables	ZAR	14,742	16,004
Subtotal trade and other receivables		99,793	145,703
Receivables from related parties	AED	379	-
Receivables from related parties	CLP	517	1,154
Receivables from related parties	EUR	845	34

(continued)

Class of asset	Currency	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Receivables from related parties	YEN	197	28
Receivables from related parties	ZAR	9,157	3,312
Subtotal receivables from related parties		11,095	4,528
Current tax assets	AUD	-	452
Current tax assets	CLP	1,033	457
Current tax assets	EUR	75	72
Current tax assets	INR	-	5
Current tax assets	MXN	230	698
Current tax assets	PEN	267	363
Current tax assets	YEN	-	135
Subtotal current tax assets		1,605	2,182
Total current assets		300,775	477,533
Non-current assets:			
Other non-current financial assets	BRL	27	30
Other non-current financial assets	CLP	20	20
Other non-current financial assets	YEN	45	54
Subtotal other non-current financial assets		92	104
Other non-current non-financial assets	BRL	191	219
Other non-current non-financial assets	CLP	758	624
Subtotal other non-current non-financial assets		949	843
Non-current rights receivable	CLF	465	602
Non-current rights receivable	CLP	818	709
Subtotal non-current rights receivable		1,283	1,311
Equity-accounted investees	AED	24,215	17,044
Equity-accounted investees	CLP	1,649	1,656
Equity-accounted investees	IDR	802	-
Equity-accounted investees	EUR	7,924	8,495
Equity-accounted investees	INR	-	683
Equity-accounted investees	THB	1,876	1,608
Equity-accounted investees	TRY	15,336	15,431
Subtotal equity-accounted investees		51,802	44,917
Intangible assets other than goodwill	CLP	507	170
Intangible assets other than goodwill	CNY	3	6
Subtotal intangible assets other than goodwill		510	176
Property, plant and equipment	CLP	5,633	3,639
Subtotal property, plant and equipment		5,633	3,639
Total non-current assets		60,269	50,990
Total assets		361,044	528,523

Liabilities held in foreign currencies are detailed as follows:

Class of liability	Currency	12/31/2013			12/31/2012		
		Up to 90 days ThUS\$	Over 90 days up to 1 year ThUS\$	Total ThUS\$	Up to 90 days ThUS\$	Over 90 days up to 1 year ThUS\$	Total ThUS\$
Current liabilities							
Other current financial liabilities	CLF	1,455	77,866	79,321	5,967	7,465	13,432
Other current financial liabilities	CLP	-	141,704	141,704	1,265	1,470	2,735
Subtotal other current financial liabilities		1,455	219,570	221,025	7,232	8,935	16,167
Trade and other payables	ARS	3	-	3	1	-	1
Trade and other payables	BRL	64	-	64	71	-	71
Trade and other payables	CHF	1	-	1	155	-	155
Trade and other payables	CLP	55,785	26,224	82,009	132,037	35	132,072
Trade and other payables	CNY	117	-	117	1,642	-	1,642
Trade and other payables	EUR	18,654	-	18,654	18,983	279	19,262
Trade and other payables	GBP	6	-	6	142	-	142
Trade and other payables	INR	1	-	1	4	-	4
Trade and other payables	MXN	485	-	485	808	2	810
Trade and other payables	PEN	3	-	3	36	-	36
Trade and other payables	YEN	-	-	-	66	49	115
Trade and other payables	ZAR	2,517	-	2,517	1,810	-	1,810
Subtotal trade and other payables		77,636	26,224	103,860	155,755	365	156,120
Other current provisions	ARS	62	-	62	-	-	-
Other current provisions	BRL	821	595	1,416	17	1,606	1,623
Other current provisions	CLP	6	-	6	28	-	28
Other current provisions	EUR	7	-	7	248	-	248
Other current provisions	INR	1	-	1	-	-	-
Subtotal other current provisions		897	595	1,492	293	1,606	1,899
Current tax liabilities	INR	-	-	-	5	-	5
Current tax liabilities	BRL	-	-	-	-	3	3
Current tax liabilities	CLP	-	33	33	-	2,660	2,660
Current tax liabilities	CNY	-	-	-	-	22	22
Current tax liabilities	EUR	-	1,553	1,553	-	2,742	2,742
Current tax liabilities	MXN	-	-	-	36	-	36
Current tax liabilities	ZAR	-	-	-	-	55	55
Subtotal current tax liabilities		-	1,586	1,586	41	5,482	5,523
Current provisions for employee benefits	CLP	24,172	-	24,172	7,557	14,760	22,317
Current provisions for employee benefits	MXN	156	-	156	-	212	212
Subtotal current provisions for employee benefits		24,328	-	24,328	7,557	14,972	22,529

Class of liabilities	Currency	12/31/2013			12/31/2012		
		Up to 90 days	Over 90 days up to 1 year	Total	Up to 90 days	Over 90 days up to 1 year	Total
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Other current non-financial liabilities	BRL	55	-	55	12	44	56
Other current non-financial liabilities	CLP	7,055	19,922	26,977	9,561	26,714	36,275
Other current non-financial liabilities	CNY	18	-	18	26	-	26
Other current non-financial liabilities	EUR	2,442	-	2,442	637	-	637
Other current non-financial liabilities	MXN	720	62	782	250	103	353
Other current non-financial liabilities	AUD	-	-	-	-	-	-
Other current non-financial liabilities	PEN	70	-	70	70	-	70
Other current non-financial liabilities	THD	-	-	-	-	-	-
Other current non-financial liabilities	ZAR	8	-	8	9	-	9
Subtotal other current non-financial liabilities		10,368	19,984	30,352	10,565	26,861	37,426
Total current liabilities		114,684	267,959	382,643	181,443	58,221	239,664

Class of liabilities	Currency	12/31/2013				12/31/2012			
		Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Non-current liabilities									
Other non-current financial liabilities	CLF	12,957	57,168	293,844	363,969	85,681	61,119	321,857	468,657
Other non-current financial liabilities	CLP	-	-	-	-	151,500	-	-	151,500
Subtotal other non-current financial liabilities		12,957	57,168	293,844	363,969	237,181	61,119	321,857	620,157
Deferred tax liabilities	CLP	-	-	-	-	-	-	43	43
Deferred tax liabilities	MXN	-	-	-	-	159	-	-	159
Subtotal deferred tax liabilities		-	-	-	-	159	-	43	202
Non-current provisions for employee benefits	CLP	-	-	28,532	28,532	-	-	33,766	33,766
Non-current provisions for employee benefits	MXN	-	-	131	131	-	-	132	132
Non-current provisions for employee benefits	YEN	-	-	494	494	-	-	532	532
Subtotal non-current provisions for employee benefits		-	-	29,157	29,157	-	-	34,430	34,430
Total non-current liabilities		12,957	57,168	323,001	393,126	237,340	61,119	356,330	654,789

30. SUBSEQUENT EVENTS

30.1 Authorization of the financial statements

The consolidated financial statements of Sociedad Química y Minera de Chile S.A. and subsidiaries prepared in accordance with International Financial Reporting Standards for the period ended December 31, 2013 were approved and authorized for issuance by the Board of Directors at their meeting held on March 4, 2014.

30.2 Disclosures on events occurring after the reporting date

Management is not aware of any significant events that occurred between December 31, 2013 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

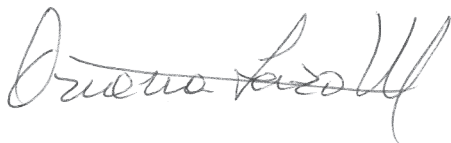
At the date of these financial statements, there are no dividends declared after the balance sheet date.

REPORT OF ACCOUNT INSPECTOR

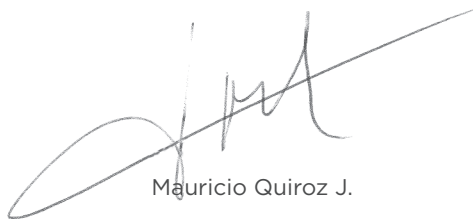
(This is a free translation of a document that was executed in Spanish)

We have examined the Financial Statements of Sociedad Química y Minera de Chile S.A. corresponding to the business year ended December 31, 2013.

Our exam and revision as Account Inspector spanned the comparison of the outstanding balances of the general ledger with the balance sheet and the corresponding income statements as of December 31, 2013. We found these accounts to be in accordance with their balances.



Oriana Lazo M.



Mauricio Quiroz J.

REASONED ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the reporting period ending on December 31, 2013

In thousands of US dollars

1. ANALYSIS OF THE FINANCIAL STATEMENTS

The interim consolidated financial statements of Sociedad Química y Minera de Chile S.A. and subsidiaries have been prepared in accordance with the International Financial Reporting Standards (IFRS) and SVS requirements.

These consolidated financial statements reflect a true image of the Company's equity and financial situation, as well as its operating profit and loss, changes in status of recognized revenue and expenditure, and cash flow, arising during the financial reporting period ending on the date in question.

Principal assets and liabilities have been valued in accordance with the following standards:

Inventory: The Company values its inventories at their cost value or net realizable value, whichever is lower. The cost price of finished products and products in process includes direct materials costs and, as applicable, labor costs, indirect costs incurred in transforming raw materials into finished products, and general costs incurred in transporting inventory to its current location and conditions. Inventory is valued at weighted average cost.

Commercial discounts, cost reductions obtained, and other similar entries are deducted when calculating the acquisition price.

The net realizable value represents an estimate of sale price minus all estimated termination costs and costs that will be incurred in marketing, sales, and distribution processes.

The Company conducts an evaluation of the net realizable value of inventory at the end of each financial reporting period, recording an estimate charged against profit and loss in the event of overvaluation. When the circumstances that previously caused the value reduction have ceased to exist, or when clear evidence exists showing an increase in net realizable value due to a change in economic circumstances or the prices of principal raw materials, the previous estimate is revised.

Obsolete, defective, or slow-trading products are valued subject to a reduction to their estimated realizable value.

Provisions relating to the Company's inventory have been formed based on a technical study that covers the different variables that affect products held in inventory (density, moisture levels, etc.).

Raw materials, supplies, and materials are recorded at their acquisition cost value or market value, whichever is lower. Acquisition cost is calculated using the one-year average price method.

Property, plant and equipment: Installed assets are valued at their acquisition cost, net of applicable accumulated depreciation and impairment losses recorded.

Investments recorded in accounts using the equity method: Holdings in companies over which control is held jointly with another company (joint ventures) or in which the Company holds significant influence (associated companies) are recorded in accounts using the equity method. Significant influence is taken to be held when the Company's holdings in the issuing company amount to more than 20% of shareholder capital.

1.1 Analysis of the consolidated statement of financial position

The principal components of assets and liabilities as of December 31, 2013 and December 31, 2012 were as follows:

	12/31/2013 k US\$	12/31/2012 k US\$
Assets		
Current assets	2,455,049	2,241,077
Property, plant and equipment	2,054,377	1,912,549
Other non-current assets	258,182	262,805
Total assets	4,767,608	4,416,431

	12/31/2013 k US\$	12/31/2012 k US\$
Liabilities		
Current liabilities	722,635	609,093
Long term liabilities	1,612,732	1,619,892
Equity attributable to the owners of the controlling company	2,376,620	2,132,783
Non-controlling holdings	55,621	54,663
Total equity	2,432,241	2,187,446
Total Liabilities and Equity	4,767,608	4,416,431

1.2 Analysis of the consolidated Statement of Integrated Profit and Loss

Profit attributable to the owners of the controlling company for the financial year ending on December 31, 2013 amounted to US\$467.113 million - 28.04% less than the US\$649.167 million recorded during the previous financial year.

1.2.1 Gross Profit

Gross profit for the year ending on December 31, 2013 was US\$721.450 million, 29.86% lower than the US\$1.028593 billion recorded the previous year.

1.2.2 Analysis by areas of business and market variations

Specialty Plant Nutrients

Revenue from the SPN line amounted to a total of US\$687.5 million in 2013, a 1.8% increase as against the \$675.3 million generated in 2012.

Fourth quarter revenue in 2013 amounted to US\$154.1 million, a 3.3% drop against the US\$159.5 reported for the fourth quarter of 2012.

SQM produces four main types of specialty plant nutrients: potassium nitrate, sodium nitrate, sodium potassium nitrate, and specialty blends. These fertilizers provide certain advantages and benefits compared to the usage of potassium chloride. Benefits include these fertilizers' being chlorine-free, water soluble, and of 100% natural origin. Specialty plant nutrients are used in the production of high value crops such as fruits, vegetables, industrial crops, flowers, and cotton. The company's long-term perspective in this market is positive, driven by an increase in the usage of modern irrigation systems and growth in new techniques such as greenhouse agriculture used by farmers in search of a boost in crop yield to meet increased per-capita fruit and vegetable consumption. Additionally, these demand drivers are growing more rapidly than the growth rate observed in commodity fertilizers.

SQM is well positioned to supply these growing markets, as a result of its operations synergies and low-cost structure. SQM is the only supplier in the market that has access to both potassium and nitrates, the key raw materials required to produce potassium nitrate. The Company obtains potassium from the Salar de Atacama and nitrates from the *caliche* that is mined in northern Chile; SQM has full access to both of these mineral sources. Additionally, the Company's extensive distribution network, which has been developed by incorporating a number of joint ventures and trading offices across five continents since the 1980s, allows SQM to meet its clients' needs. SQM's revenue from specialty plant nutrition has grown at

a compound average annual rate of 7.0% over the past four years.

The potassium nitrate market is the Company's most significant specialty plant nutrition market. SQM has consistently achieved a growth in its market share since it entered the market in 1986. There are three key players in the potassium nitrate market, with SQM as the market leader.

Potassium-based fertilizers, including potassium nitrate, sodium potassium nitrate, and a number of SQM's specialty plant nutrients, are influenced by global potassium chloride prices, which can sometimes be volatile. Potassium chloride is a major raw material in potassium nitrate production, and the prices of the two products are therefore linked.

The SPN market showed a stable trend of growth in demand, compared to the previous year. No reduction has been observed in supply, and no increase is expected among the three leading suppliers in the market, including SQM. We have observed an 8.6% increase in sales between 2012 and 2013, mainly through an increase in potassium nitrate sales volumes.

The prices over the twelve-month period ending on December 31, 2013 for the different products included in the SPN portfolio dropped by an average of approximately 6% as against average prices observed during 2012. This reduction in average prices in the SPN line of business was lower than the drop observed in our potassium chloride business, which fell an average of approximately 16% over the same period. In general, potassium nitrate shows lower price volatility than other fertilizers, such as potassium chloride.

Iodine and Derivatives

Revenue from iodine and derivatives in 2013 amounted to US\$461.0 million, a 20.3% drop from the US\$578.1 million generated in 2012.

Revenue from iodine and derivatives in the fourth quarter of 2013 amounted to US\$102.6, a 20.5% drop from the US\$129.0 million achieved during the fourth quarter of 2012.

Over the past four years, our iodine revenue has grown by approximately 24%. Although the iodine market features a wide range of consumers, approximately 55% of iodine sold is used in human and animal health and nutrition. As SQM is a leader in the iodine market, its sales and pricing strategies are under permanent review. As iodine is a relatively scarce resource on a global scale, the Company's main priority is to ensure that the market's needs are met.

Uses relating to X-ray contrast media and pharmaceuticals continue to show a healthy growth rate in the iodine market. The Company is confident of this market's long term potential, and has access to natural resources sufficient to supply it.

We continue to be the world leaders in the iodine market, and expect total demand in this market to maintain its upward trend in 2013. However, in 2013 we observed less growth in demand than had originally been expected. 2013 also saw an increase in iodine supply, due to an increase in sales by Chilean competitors. Our sales volumes were therefore lower than those achieved in 2012. Prices in this line of business dropped by approximately 6% during 2013.

Lithium and Derivatives

Revenue from lithium and derivatives in 2013 amounted to a total of US\$196.5 million, an 11.6% drop from the US\$222.2 million achieved during 2012.

Revenue from lithium and derivatives was 16% lower in the fourth quarter of 2013 than in the same period in 2012. Total revenue amounted to US\$48.1 million during the fourth quarter of 2013, as against the US\$57.4 million achieved in the fourth quarter of 2012.

Since SQM entered the lithium market, it has increased its market share, taking its place as the world's number one supplier. As of 31 December, 2013, its market share was approximately 27%. The Company believes that it is the lowest cost producer in the world. Producing lithium as a byproduct of potassium chloride production, SQM achieves unique operations synergies through increased margins per unit of mineral extracted from the salt flat. Therefore, the profitability of our business is driven by both lithium and potassium.

The lithium market has shown vigorous demand over the past five years, almost doubling since 2009. This growth has been driven by energy storage applications. SQM has played a key role in this growth, with a compound annual growth rate of approximately 13% over the past 4 years.

Growth in demand continues to be driven mainly by the battery sector, together with a major increase in usage for products relating to glass and lubricating grease. We believe that the lithium market is primed for short- and long-term growth, thanks to the emergence of new technologies relating to energy storage, and we expect the market to grow by between 8% and 10% in 2014. Sales volumes over the twelve-month period ending on December 31, 2013 dropped by an average of approximately 21% as against average sales volumes during 2012.

Average prices for lithium and derivatives have continued their upward trend, with average prices increasing by approximately 12% from 2012 to 2013.

Potassium: Potassium Chloride and Potassium Sulfate (MOP and SOP)

Revenue from sales of potassium chloride and potassium sulfate totaled US\$606.3 million in 2013, representing a 0.2% increase as against the US\$605.1 million reported in 2012.

Total revenue from potassium chloride and potassium sulfate in the fourth quarter of 2013 was 9.7% lower than in the fourth quarter of 2012, dropping from US\$148.5 million to US\$134.0 million.

Potassium is one of the three macro-nutrients that plants need in order to develop. Potassium chloride is the most commonly used potassium-based fertilizer for crops that are resistant to high chloride levels, such as wheat, maize, and soya. The use of potassium can bring a wide range of benefits, including increases in yield, quality, and protein production.

Sales volumes in 2013 were 18% higher than in 2012, mainly driven by sales in North and South America, where the market showed greater stability than in other regions such as India and China.

Following an unexpected announcement by Russian company *Uralkali* on July 30, 2013, regarding its decision to terminate its KCl trading agreement with Belarusian company BPS (Belarus Potash Corporation), a drop in potassium chloride prices has been observed.

SQM continues to play a small but significant role in the potassium market. The potassium line of business also includes products such as potassium sulfate (SOP) and granulated potassium chloride (MOP-G). Since 2006, SQM has increased its annual production of potassium-based products from 700,000 metric tons to approximately 2.0 million metric tons.

The Company's expansion plans to increase potassium-based fertilizer production at the Salar de Atacama by the end of 2014 remains on track, with production capacity expected to increase to 2.3 million tons.

Industrial Chemicals

Revenue from industrial chemicals for the twelve months ending on December 31, 2013 amounted to US\$154.0 million, showing a 37.2% reduction from the US\$245.2 million for the twelve months ending on December 31, 2012.

Revenue in the fourth quarter of 2013 amounted to US\$24.6, a 67.6% drop from the US\$75.9 million achieved during the fourth quarter of 2012.

We believe that we are the world's largest producer of industrial potassium and sodium nitrate. These products are used in a wide gamut of applications, in the manufacturing of products ranging from glass and ceramic glazes to explosives. Over recent years, a mix of sodium nitrate and potassium nitrate has found a significant application storing thermal energy in solar plants. This technology is expected to expand in the future; however, in the short term the uncertain financial situation in Europe and increases in project financing costs lead SQM to expect certain delays in projects. We expect demand in this line of business to drop in 2014, but nonetheless, we have detected enormous interest in the market and expect sales volumes to rebound in 2015.

Potassium nitrate and sodium nitrate prices may have a limited indirect effect on a potential drop in potassium-based fertilizer prices, as discussed above.

Other Commodity Fertilizers & Other Revenue

Revenue from other commodity fertilizers and other revenue for the twelve months ending on December 31, 2013 amounted to US\$97.9 million, showing reduction from the US\$103.3 million for the twelve months ending on December 31, 2012.

1.2.3 Investment Plan (CAPEX)

Over the past three years, SQM has made significant capital investment in expansion projects covering most of its main lines of business. Investments were made in 2010 to finance the construction of a new potassium nitrate plant at Coya Sur, capable of producing 300,000 metric tons per year - increasing total production capacity 45% to

950,000 metric tons. This new facility improved efficiency and reduced costs incurred in potassium nitrate production. The Company has also increase its potassium chloride production capacity by approximately 40%, reaching 2.0 million metric tons in the last three years.

SQM plans to continue to increase potassium chloride and potassium sulfate production capacity over the coming 12 months, with the goal of achieving production capacity of 2.3 million tons. This potassium chloride and potassium sulfate will be sold on the potassium chloride and potassium sulfate markets, or used as a raw material for products in the Specialty Plant Nutrition business line.

Capital Expenditure in 2013 amounted to US\$371 million, somewhat lower than the prior estimate of US\$400 million. We estimate that capital expenditure in 2014 will amount to approximately US\$150 million.

1.2.4 Sales Costs

Sales costs during the year ending on December 31, 2013 amounted to US\$1,481,690,000 (67.25% of revenue), compared to US\$1,400,567,000 (57.66% of revenue) recorded in the previous year.

1.2.5 Administrative costs

Administrative costs totaled US\$105.2 million (4.8% of revenue) for the twelve months ending on December 31, 2013, compared to US\$106.4 million (4.4% of revenue) for the twelve months ending on December 31, 2012.

1.2.6 Net financial expenses

Net financial expenses totaled US\$45.9 million for the twelve months ending on December 31, 2013, compared to US\$25.0 million for the twelve months ending on December 31, 2012.

2 FINANCIAL INDICES

2.1 Liquidity

		12/31/2013	12/31/2012
Liquidity (Current assets/Current liabilities)	Factor	3.40	3.69
Acid test ratio (Current assets - Inventory)/Current liabilities)	Factor	2.08	1.54

2.2 Indebtedness

		12/31/2013	12/31/2012
Debt ratio (Outstanding liabilities/Equity attributable to the owners of the controlling company)	%	96	104.51
Proportion short term debt (Current liabilities/Total debt)	%	30.94	27.33
Proportion long term debt (Long term liabilities/Total debt)	%	69.06	72.67

2.3 Assets

		12/31/2013	12/31/2012
Total Assets	k US\$	4,767,608	4,416,431
Inventory turnover	Factor	1.55	1.71
Inventory turnover time	Days	232	211

2.4 Profit and loss

2.4.1 Ordinary revenue and Sales costs for ordinary revenue broken down by geographic segment

	Chile	Latin America and Caribbean	Europe	USA	Asia and other	Total
As of December 31, 2013	k US\$	k US\$	k US\$	k US\$	k US\$	k US\$
Ordinary revenue	242,373	379,063	504,043	546,075	531,586	2,203,140
Sales costs	(208,233)	(287,746)	(209,487)	(380,012)	(396,212)	(1,481,690)

	Chile	Latin America and Caribbean	Europe	USA	Asia and other	Total
As of December 31, 2012	k US\$	k US\$	k US\$	k US\$	k US\$	k US\$
Ordinary revenue	269,421	416,089	558,245	619,667	565,738	2,429,160
Sales costs	(217,235)	(255,445)	(187,612)	(375,816)	(364,459)	(1,400,567)

	Other Profit and Loss Items (in k US\$)	12/31/2013	12/31/2012
Gross Profit		721,450	1,028,593
Financial Expenditure		58,608	54,095
EBITDA		833,082	1,094,636
Profit after taxes		474,570	657,369

2.5 Returns

	12/31/2013	12/31/2012
Return on equity	19.02%	32.91%
Return on assets	9.8%	15.67%
Return on operating assets (1)	16.60%	26.53%

	12/31/2013	12/31/2012
Earnings per share (US\$)	1.77	2.47
Dividend yield, series A (2)	3.04	2.21
Dividend yield, series B (2)	4.01	2.20

(1) Calculation of operating assets

	12/31/2013 k US\$	12/31/2012 k US\$
Total Assets	4,767,608	4,416,431
Less:		
Other current accounts receivable	16,840	19,744
Other non-financial assets	937	6,096
Current taxes	59,476	30,234
Deferred tax assets	531	223
Other non-current financial assets	94	107
Derivatives classed as hedge	23,602	100,646
Non-hedge derivatives assets	3,283	680
Investments recorded in accounts using the equity method	77,186	70,298
Goodwill	38,388	38,388
Non-current receivables	1,282	1,311
Other non-financial, non-current assets	975	843
Total non-operating assets	222,426	268,570
Total operating assets	4,545,182	4,147,861

- 2) The dividend yield (per share) distributed during the period is calculated by dividing dividends paid over the past 12 months by the closing share price. Dividends are identical for series A and series B shares; there are no economic differences between the two series.

3. ANALYSIS OF DIFFERENCES IN ASSETS

The Company is not aware of any significant differences regarding the book values, economic values, and/or market values of its principal assets.

4. ANALYSIS OF THE CASH FLOW STATEMENT

The principal components of cash equivalent and cash flow as of December 31, 2013 and 2012, comprised the following:

Cash Equivalent and Cash Flow Statement	12/31/2013 k US\$	12/31/2012 k US\$
Net cash flow generated from (used in) operating activities	651,713	650,206
Net cash flow generated from (used in) investment activities	(487,385)	(562,885)
Net cash flow generated from (used in) financing activities	(2,285)	(197,697)
Effects on cash equivalent and cash flow of variation in exchange rates	(9,774)	(10,263)
Cash and cash equivalent at the start of the period	324,353	444,992
Cash and cash equivalent at the end of the period	476,622	324,353

5. MARKET RISK ANALYSIS

Interest rate: As of December 31, 2012, the Company's current and non-current financial liabilities subject to interest accrual stood at US\$1,811,251,000, including the following types of financing:

- i. Bank Loans that accrue current interest, at a variable interest rate (Libor) plus a spread (considering only capital): bilateral credit for US\$150 million;
- ii. Bank Loans that accrue non-current interest (considering only capital): one bilateral credit for US\$140 million with a variable interest rate (Libor) plus a spread, and four bilateral credits for US\$190 million with a Libor interest rate plus a spread, most of which are held at a fixed rate with Interest Rate Swap contracts.
- iii. Current and non-current non-guaranteed obligations that accrue interest (considering

only capital): a bond denominated in dollars for US\$300 million with a fixed interest rate of 3.625%, a bond denominated in dollars for US\$250 million with a fixed interest rate of 5.5%, a bond denominated in dollars for US\$200 million with a fixed interest rate of 6.125%; a bond denominated in UF units for an equivalent of US\$86.642 million at a fixed rate in dollars, through a Cross Currency Swap, of 5.84%; a bond denominated in Chilean pesos for an equivalent of US\$40.029 million at a fixed rate in dollars, through a Cross Currency Swap, of 5.27%; a bond denominated in UF units for an equivalent of US\$177.728 million at a fixed rate in dollars, through a Cross Currency Swap, of 4.03%; a bond denominated in UF units for an equivalent of US\$66.648 million at a fixed rate in dollars, through a Cross Currency Swap, of 4.8%; a bond denominated in Chilean pesos for an equivalent of US\$99.121 million at a fixed rate in dollars, through a Cross Currency Swap, of 4.48%; a bond denominated in UF units for an equivalent of US\$44.432 million at a fixed rate in dollars, through a Cross Currency Swap, of 2.9%; and a bond denominated in UF units for an equivalent of US\$66.648 million at a fixed rate in dollars, through a Cross Currency Swap, of 3.56%;

Therefore, approximately 16% of dollarized financial obligations are variable and subject to international interest rate variations and risks, particularly regarding the Libor rate.

As of December 31, 2013, the Company recorded other current financial liabilities amounting to US\$401.426 million, and US\$1,417,389,000 as other non-current financial liabilities.

Exchange rate: SQM's principal economic environment is in US dollars. However, given the Company's international extension, it operates in different countries, leading to exposure to variations in the exchange rates between the dollar and the currencies used. SQM therefore maintains hedge contracts to mitigate exchange rate exposure generated by its principal holdings (assets net of liabilities) in currencies other than the dollar. These contracts are updated on a weekly basis depending on the quantity of assets and liabilities that must be hedged for non-dollar currencies.

In order to ensure the difference between its assets and its liabilities, as of December 31, 2013 the Company held the following derivatives contracts: US\$6.600 million net in Chilean peso/dollar contracts, US\$22.360 million net in euro/dollar

contracts, and US\$29.014 million net in South African rand/dollar contracts,

The Company also held US\$134.164 million in derivatives contracts to cover its investment in fixed term deposits in Chilean pesos and UF units.

As of December 31, 2013, the Company did not hold any Chilean peso/dollar derivatives contracts to cover net expected cash flow in Chilean pesos relating to fertilizer trading in Chile. As of December 31, 2013, the Company held US\$30.371 million in euro/dollar derivatives contracts to cover net expected cash flow in euros.

Commodity prices The principal commodities consumed by the Company are different petroleum/crude oil derivative products. The Company currently holds no hedge contracts to cover international price fluctuations, but does hold long term energy supply contracts.

As indicated in the Company's Annual Report, the markets in which the Company is active are relatively unpredictable, exposed to significant fluctuations in supply and demand, and with highly volatile prices. Furthermore, the supply of certain fertilizers and chemical products, including a number of products marketed by the Company, varies mainly depending on the production levels and business strategies of leading producers. The Company is therefore unable to make definitive predictions regarding changes in demand, competitors' responses, and fluctuations in the final prices of its products. This situation may lead to significant impacts on sales volumes of the Company's products, as well as its financial situation and share price.

6. REVENUE AND EXPENDITURE BREAKDOWN BY CURRENCY

The revenue and expenditure breakdown by currency, as of December 31, 2013 and 2012, is as follows:

As of 12/31/2013	Foreign Currency %	Operating currency %	Total %
Revenue	33.31	66.69	100
Expenditure	12.87	87.13	100

As of 12/31/2012	Foreign Currency %	Operating currency %	Total %
Revenue	32.76	67.24	100
Expenditure	15.76	84.24	100

SUMMARIZED STATEMENT OF FINANCIAL POSITION

SQM POTASIO S.A. AND SUBSIDIARIES

 Summarized Classified Statement of
Financial Position

Assets	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Cash and cash equivalents	183,562	87,661
Trade receivables due from related parties, current	587,273	659,450
Current inventories	213,466	186,877
Other current assets	90,983	69,672
Total current assets	1,075,284	1,003,660
Property, plant and equipment	1,017,578	926,641
Other non-current assets	88,597	117,712
Total non-current assets	1,104,175	1,044,353
Total assets	2,179,459	2,048,013
Liabilities and Equity		
Other current financial liabilities	112,618	45,105
Trade payables due to related parties, current	381,986	216,613
Other current liabilities	59,969	85,036
Total current liabilities	554,573	346,754
Other financial liabilities	170,000	239,214
Other non-current liabilities	131,383	118,018
Total non-current liabilities	301,383	357,232
Equity attributable to owners of the Parent	1,139,876	1,135,411
Non-controlling interests	183,627	208,616
Total equity	1,323,503	1,344,027
Total liabilities and equity	2,179,459	2,048,013

Summarized Financial Results

	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Revenue	795,963	939,291
Cost of sales	(492,435)	(502,145)
Gross profit	303,528	437,146
Other expenses by function	(8,025)	(4,324)
Finance income	16,200	10,987
Finance costs	(21,365)	(25,259)
Share of profit of associates and joint ventures accounted for using the equity method	9,544	13,126
Other gains (losses)	(9,224)	(6,780)
Income tax expense, continuing operations	(68,154)	(107,488)
Profit for the year	222,504	317,408
Other comprehensive income	514	6,869
Total comprehensive income	223,018	324,277
Comprehensive income attributable to		
Owners of the Parent	185,465	266,447
Non-controlling interests	37,553	57,830
Total comprehensive income	223,018	324,277

Summarized Statement of Cash Flows

Statement of cash flows	12/31/2013 THUS\$	12/31/2012 THUS\$
Net cash generated from (used in) operating activities	406,025	95,649
Net cash generated from (used in) investing activities	(210,100)	(154,187)
Net cash generated from (used in) financing activities	(100,000)	29,667
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate	95,925	(28,871)
Effects of exchange rate fluctuations on cash held	(25)	(1,022)
Cash and cash equivalents at beginning of period	87,662	117,555
Cash and cash equivalents at end of period	183,562	87,662

Statement of Changes in Equity

2013	Share capital ThUS\$	Other reserves ThUS\$	Retained earnings ThUS\$	Equity attributable to owners of the Parent ThUS\$	Non-controlling interests ThUS\$	Total ThUS\$
Equity at beginning of the year	257,010	6,974	871,427	1,135,411	208,616	1,344,027
Profit for the year	-	-	184,948	184,948	37,556	222,504
Other comprehensive income	-	517	-	517	(3)	514
Comprehensive income	-	517	184,948	185,465	37,553	223,018
Dividends	-	-	(181,000)	(181,000)	(62,543)	(243,543)
Equity As of December 31, 2013	257,010	7,491	875,375	1,139,876	183,627	1,323,503

2012	Share capital THUS\$	Other reserves THUS\$	Retained earnings THUS\$	Equity attributable to owners of the Parent THUS\$	Non-controlling interests THUS\$	Total THUS\$
Equity at beginning of the year	39,020	105	611,849	650,974	150,716	801,690
Profit for the year	-	-	259,578	259,578	57,830	317,408
Other comprehensive income	-	6,869	-	6,869	-	6,869
Comprehensive income	-	6,869	259,578	266,447	57,830	324,277
Increase (decrease) for other contributions from the owners	217,990	-	-	217,990	-	217,990
Increase (decrease) in transfers and other changes	-	-	-	-	70	70
Equity As of December 31, 2012	257,010	6,974	871,427	1,135,411	208,616	1,344,027

Related party transactions

Transactions between the Parent and its subsidiaries are part of the Company's common transactions. Their conditions are those customary for these types of transactions in respect of terms and market prices. In addition, these have been eliminated in consolidation and are not detailed in this note.

Maturity terms for each case vary by virtue of the transaction giving rise to them.

As of December 31, 2013 and December 31, 2012, there are no allowances for doubtful accounts related to balances pending of transactions with related parties as there is no impairment in them.

As of December 31, 2013 and December 31, 2012, the detail of transactions with related parties is as follows:

TAX ID NO.	Company	Nature	Country of origin	Transaction	12/31/2013 THUS\$	12/31/2012 THUS\$
Foreign	SQM Africa Pty. Ltd..	Other related parties	South Africa	Sale of products	34,135	58,099
77.557.430-5	Sales de Magnesio Ltda.	Associate	Chile	Sale of products	1,144	1,152
77.557.430-5	Sales de Magnesio Ltda.	Associate	Chile	Dividends	892	1,039
Foreign	SQM Ecuador S.A.	Other related parties	Ecuador	Sale of products	8,205	17,065
Foreign	SQM Europe N.V.	Other related parties	Belgium	Sale of products	226,530	285,611
Foreign	SQM Europe N.V.	Other related parties	Belgium	Services received	124	-
96.592.190-7	SQM Nitratos S.A.	Associates	Chile	Interest	342	43
79.947.100-0	SQM Industrial S.A.	Operating Subsid.	Chile	Sale of products	112,392	143,785
79.947.100-0	SQM Industrial S.A.	Operating Subsid.	Chile	Purchase fixed asset	608	394
79.947.100-0	SQM Industrial S.A.	Operating Subsid.	Chile	Sale of fixed assets	1,986	-
79.947.100-0	SQM Industrial S.A.	Operating Subsid.	Chile	Interest	10,860	7,651
93.007.000-9	SQM S.A.	Parent Company	Chile	Interest	1,820	322
93.007.000-9	SQM S.A.	Parent Company	Chile	Interest	13,364	20,301
93.007.000-9	SQM S.A.	Parent Company	Chile	Purchase fixed asset	367	-
93.007.000-9	SQM S.A.	Parent Company	Chile	Sale of fixed assets	53	-
93.007.000-9	SQM S.A.	Parent Company	Chile	Services received	2,151	665,116
Foreign	Royal Seed Trading Corporation A.V.V..	Other related parties	Aruba	Interest	2,363	2,574
Foreign	SQM North America Corp.	Other related parties	United States	Sale of products	46,565	54,909
Foreign	SQM North America Corp.	Other related parties	United States	Interest	-	122
79.768.170-9	Soquimich Comercial S.A.	Other related parties	Chile	Sale of products	28,897	38,745
Foreign	Ajay North America	Associates	United States	Dividends	10,437	10,628
Foreign	Kowa Company Ltd.	Other related parties	Japan	Sale of products	22,760	35,580
79.770.780-5	SIT S.A.	Other related parties	Chile	Interest	6,330	4,906
Foreign	SQM Comercial de México S.A. de C.V.	Other related parties	Mexico	Sale of products	44,712	53,660
Foreign	SQM Iberian S.A.	Other related parties	Spain	Sale of products	34,624	29,350
Foreign	SQM Vitas Brasil Agroindustria	Other related parties	Brazil	Sale of products	38,524	36,565
Foreign	Sichuan SQM Migao Chemical	Other related parties	China	Sale of products	38,402	-
Foreign	SQM Vitas Peru S.A.C.	Other related parties	Peru	Sale of products	9,810	12,840

SQM INDUSTRIAL S.A. AND SUBSIDIARIES

Summarized Classified Statement of Financial Position

Assets	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Trade and other receivables, current	290,763	481,579
Trade receivables due from related parties, current	488,837	500,938
Current inventories	999,950	1,067,253
Other current assets	181,235	144,961
Total current assets	1,960,785	2,194,731
Investments in associates	71,031	63,520
Property, plant and equipment	679,648	632,488
Other non-current assets	25,543	21,316
Total non-current assets	776,222	717,324
Total assets	2,737,007	2,912,055
Liabilities and Equity		
Trade and other payables, current	83,737	120,111
Trade payables due to related parties, current	1,447,751	1,617,528
Other current liabilities	80,957	119,771
Total current liabilities	1,612,445	1,857,410
Deferred tax liabilities	57,037	49,221
Provisions for employee benefits, non-current	17,126	18,557
Other non-current liabilities	10,414	9,139
Total non-current liabilities	84,577	76,917
Equity attributable to owners of the Parent	979,897	918,044
Non-controlling interests	60,088	59,684
Total equity	1,039,985	977,728
Total Liabilities and Equity	2,737,007	2,912,055

Summarized Consolidated Statement of Income by Function

	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Revenue	2,189,557	2,454,144
Cost of sales	(1,975,291)	(2,204,851)
Gross profit	214,266	249,293
Administrative expenses	(68,554)	(69,753)
Other expenses by function	(30,522)	(16,434)
Finance income	40,765	56,450
Finance costs	(77,300)	(87,895)
Other gains (losses)	11,510	8,092
Income tax expense, continuing operations	(23,386)	(33,580)
Profit for the year	66,779	106,173
Other comprehensive income	(2,496)	1,671
Total comprehensive income	64,283	107,844
Comprehensive income attributable to		
Owners of the Parent	61,853	94,662
Non-controlling interests	2,430	13,182
Total comprehensive income	64,283	107,844

Summarized Statement of Cash Flows

Statements of cash flows	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Net cash generated from (used in) operating activities	209,893	190,905
Net cash generated from (used in) investing activities	(181,985)	(156,955)
Net cash generated from (used in) financing activities	(22,026)	(1,421)
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate	5,882	32,529
Effects of exchange rate fluctuations on cash held	431	(2,779)
Cash and cash equivalents at beginning of period	92,513	62,763
Cash and cash equivalents at end of period	98,826	92,513

Statements of Changes in Equity

2013	Share capital ThUS\$	Other reserves ThUS\$	Retained earnings ThUS\$	Equity attributable to owners of the Parent ThUS\$	Non-controlling interests ThUS\$	Total ThUS\$
Equity at beginning of the year	715,066	3,729	199,249	918,044	59,684	977,728
Profit for the year	-	-	64,602	64,602	2,177	66,779
Other comprehensive income	-	(2,749)	-	(2,749)	253	(2,496)
Comprehensive income	-	(2,749)	64,602	61,853	2,430	64,283
Dividends	-	-	-	-	(2,026)	(2,026)
Equity As of December 31, 2013	715,066	980	263,851	979,897	60,088	1,039,985

2012	Share capital ThUS\$	Other reserves ThUS\$	Retained earnings ThUS\$	Equity attributable to owners of the Parent ThUS\$	Non-controlling interests ThUS\$	Total ThUS\$
Equity at beginning of the year	715,066	2,555	105,761	823,382	48,186	871,568
Profit for the year	-	-	93,488	93,488	12,685	106,173
Other comprehensive income	-	1,174	-	1,174	497	1,671
Comprehensive income	-	1,174	93,488	94,662	13,182	107,844
Dividends	-	-	-	-	(1,684)	(1,684)
Equity As of December 31, 2012	715,066	3,729	199,249	918,044	59,684	977,728

Related party transactions

Transactions between the Parent and its subsidiaries are part of the Company's common transactions. Their conditions are those customary for these types of transactions in respect of terms and market prices. In addition, these have been eliminated in consolidation and are not detailed in this note.

Maturity terms for each case vary by virtue of the transaction giving rise to them.

As of December 31, 2013 and December 31, 2012, there are no allowances for doubtful accounts related to balances pending of transactions with related parties as there is no impairment in them.

As of December 31, 2013 and December 31, 2012, the detail of transactions with related parties is as follows:

TAX ID NO.	Company	Nature	Country of origin	Transaction	12/31/2013 THUS\$	12/31/2012 THUS\$
96.592.190-7	SQM Nitratos S.A.	Operating Subsid.	Chile	Sale of services	6,317	5,960
96.592.190-7	SQM Nitratos S.A.	Operating Subsid.	Chile	Purchase fixed asset	38	-
96.592.190-7	SQM Nitratos S.A.	Operating Subsid.	Chile	Sale of fixed assets	1,086	1,015
96.592.190-7	SQM Nitratos S.A.	Operating Subsid.	Chile	Interest	47,557	61,719
96.592.190-7	SQM Nitratos S.A.	Operating Subsid.	Chile	Interest	3,605	2,887
93.007.000-9	SQM S.A.	Parent Company	Chile	Sales of Solutions	296,693	316,352
93.007.000-9	SQM S.A.	Parent Company	Chile	Interest	23,789	18,679
93.007.000-9	SQM S.A.	Parent Company	Chile	Interest	29,549	41,555
93.007.000-9	SQM S.A.	Parent Company	Chile	Sale of services	823	648
93.007.000-9	SQM S.A.	Parent Company	Chile	Rental Services	294	264
93.007.000-9	SQM S.A.	Parent Company	Chile	Purchase of fixed assets	595	1,617
93.007.000-9	SQM S.A.	Parent Company	Chile	Sale of fixed assets	2,989	3,190
79.626.800-K	SQM Salar S.A.	Operating Subsid.	Chile	Sale of services	17,522	15,860
79.626.800-K	SQM Salar S.A.	Operating Subsid.	Chile	Rental Services	263	261
79.626.800-K	SQM Salar S.A.	Operating Subsid.	Chile	Sale of fixed assets	181	394
79.626.800-K	SQM Salar S.A.	Operating Subsid.	Chile	Interest	8,819	7,120
79.626.800-K	SQM Salar S.A.	Operating Subsid.	Chile	Interest	6,329	4,906
Foreign	Royal Seed Trading Corporation V.V.	Other related parties	Aruba	Interest	1,290	1,404
Foreign	SQM Investment Corporation N.V.	Other related parties	Dutch Antilles	Interest	1,073	1,170
Foreign	Ajay Europe SARL	Associates	France	Sale of products	34,087	34,510
Foreign	Ajay Europe SARL	Associates	France	Dividends	5,093	3,516
Foreign	Abu Dhabi Fertilizer Industries WWL	Associates	United Arab EmiratesUnidos	Sale of products	7,908	6,285
Foreign	Ajay North America LLC	Other related parties	United States	Sale of products	37,460	37,580
Foreign	Doktor Tarsa Tarim Sanayi AS	Associates	Turkey	Sale of products	13,844	9,587
Foreign	Kowa Company Ltd.	Other related parties	Japan	Sale of products	27,006	50,720
96.651.060-9	SQM Potasio S.A.	Matriz Común	Chile	Interest	2,039	428
96.651.060-9	SQM Potasio S.A.	Matriz Común	Chile	Sale of fixed assets	1,986	-
96.651.060-9	SQM Potasio S.A.	Matriz Común	Chile	Sale of fixed assets	427	-
Foreign	Charlee SQM Thailand Co. Ltd.	Associates	Thailand	Sale of products	5,668	10,203
Foreign	SQM Japon Co. Ltd.	Other related parties	Japan	Sale of products	424	305
Foreign	Coromandel SQM	Joint venture	India	Sale of products	5,242	2,300
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	Joint venture	China	Sale of products	17,852	-
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	Joint venture	China	Sale of services	282	62
Foreign	SQM Star Qingdao Crop Nutrition Co.Ltd.	Joint venture	China	Sale of services	148	-
Foreign	SQM Vitas Brasil Agroindustria	Joint venture	Brazil	Sale of products	14,378	3,896
Foreign	SQM Vitas Fzco.	Joint venture	United Arab EmiratesUnidos	Sale of products	289	120
Foreign	SQM Vitas Fzco.	Joint venture	United Arab EmiratesUnidos	Sale of services	98	-
Foreign	SQM Vitas Perú S.A.C.	Joint venture	Peru	Sale of products	11,445	13,283
Foreign	SQM Vitas Southem Africa Pty	Joint venture	South Africa	Sale of products	17,908	10,930
Foreign	SQM Vitas Spain	Joint venture	Spain	Sale of products	1,624	-

SQM NITRATOS S.A.

Summarized Classified Statement of Financial Position

Assets	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Trade receivables due from related parties, current	459,810	593,114
Other current assets	30,274	11,369
Total current assets	490,084	604,483
Property, plant and equipment	117,800	121,724
Other non-current assets	7,166	9,339
Total non-current assets	124,966	131,063
Total assets	615,050	735,456

Liabilities and Equity

Trade payables due to related parties, current	511,580	470,612
Other current liabilities	14,344	48,536
Total current liabilities	525,924	519,148
Deferred tax liabilities	13,434	12,572
Other non-current liabilities	2,111	3,149
Total non-current liabilities	15,545	15,721
Equity attributable to owners of the Parent	73,581	200,677
Non-controlling interests	-	-
Total equity	73,581	200,677
Total Liabilities and Equity	615,050	735,546

Summarized Statement of Income by

Function

	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Revenue	184,486	366,936
Cost of sales	(163,071)	(174,007)
Gross profit	21,415	192,929
Other gains (losses)	(3,215)	-
Finance income	47,558	61,726
Finance costs	(41,141)	(49,983)
Other gains (losses)	(395)	(3,507)
Income tax expense, continuing operations	(5,788)	(52,397)
Profit for the year	18,434	148,768
Other comprehensive income	-	-
Total comprehensive income	18,434	148,768

Summarized Statement of Cash Flows

Statements of cash flows	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Net cash generated from (used in) operating activities	17,309	52,675
Net cash generated from (used in) investing activities	(18,646)	(51,524)
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate	(1,337)	1,151
Effects of exchange rate fluctuations on cash held	98	(90)
Cash and cash equivalents at beginning of period	1,347	286
Cash and cash equivalents at end of period	108	1,347

Statements of Change in Equity

2013	Share capital ThUS\$	Retained earnings ThUS\$	Equity attributable to owners of the Parent ThUS\$	Total ThUS\$
Equity at beginning of the year	30,350	170,327	200,677	200,677
Profit for the year	-	18,434	18,434	18,434
Comprehensive income	-	18,434	18,434	18,434
Dividends	-	(145,530)	(145,530)	(145,530)
Equity As of December 31, 2013	30,350	42,231	73,581	73,581

2012	Share capital ThUS\$	Retained earnings ThUS\$	Equity attributable to owners of the Parent ThUS\$	Total ThUS\$
Equity at beginning of the year	30,350	123,559	153,909	153,909
Profit for the year	-	148,768	148,768	148,768
Comprehensive income	-	148,768	148,768	148,768
Dividends	-	(102,000)	(102,000)	(102,000)
Equity As of December 31, 2012	30,350	170,327	200,677	200,677

Related party transactions

Transactions between the Parent and its subsidiaries are part of the Company's common transactions. Their conditions are those customary for these types of transactions in respect of terms and market prices.

Maturity terms for each case vary by virtue of the transaction giving rise to them.

As of December 31, 2013 and December 31, 2012, there are no allowances for doubtful accounts related to balances pending of transactions with related parties as there is no impairment in them.

As of December 31, 2013 and December 31, 2012, the detail of transactions with related parties is as follows:

TAX ID NO.	Company	Nature	Country of origin	Transaction	12/31/2013 THUS\$	12/31/2012 THUS\$
79.947.100-0	SQM Industrial S.A.	Operating Subsid.	Chile	Sale of products	184,487	366,936
79.947.100-0	SQM Industrial S.A.	Operating Subsid.	Chile	Services received	127	147
79.947.100-0	SQM Industrial S.A.	Operating Subsid.	Chile	Intereses Cuenta Corriente	47,557	61,719
79.947.100-0	SQM Industrial S.A.	Operating Subsid.	Chile	Purchase fixed asset	675	123
79.947.100-0	SQM Industrial S.A.	Operating Subsid.	Chile	Sale of fixed assets	38	-
79.947.100-0	SQM Industrial S.A.	Operating Subsid.	Chile	Purchase of material	-	1,015
93.007.000-9	SQM S.A.	Parent Company	Chile	Services received	13,816	16,209
93.007.000-9	SQM S.A.	Parent Company	Chile	Interest	37,895	47,911
79.770.780-5	SIT S.A.	Other related parties	Chile	Services received	5,524	5,170
79.770.780-6	SIT S.A.	Other related parties	Chile	Purchase of Fixed Assets	411	-
79.770.780-5	SIT S.A.	Other related parties	Chile	Interest	3,605	2,887
79.626.800-K	SQM Salar S.A.	Other related parties	Chile	Sale of products	-	53
79.626.800-K	SQM Salar S.A.	Other related parties	Chile	Interest	14	11
76.725.380-9	Exploraciones Mineras S.A.	Other related parties	Chile	Interest	20	-
79.906.120-1	Isapre Norte Grande Ltda.	Other related parties	Chile	Services received	347	356
76.534.490-5	Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	Other related parties	Chile	Services received	320	287
96.651.060-9	SQM Potasio S.A.	Matriz Común	Chile	Interest	331	797

AJAY SQM CHILE S.A.

Summarized Classified Statement of Financial Position

Assets	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Cash and cash equivalents	1,255	2,570
Trade and other receivables, current	7,123	6,770
Current inventories	12,848	13,870
Other current assets	1,495	1,915
Total current assets	22,721	25,125
Property, plant and equipment	1,231	1,137
Total non-current assets	1,231	1,137
Total assets	23,952	26,262
Liabilities and Equity		
Trade payables due to related parties, current	3,852	3,221
Other current liabilities	1,374	2,233
Total current liabilities	5,226	5,454
Provisions for employee benefits, non-current	709	694
Other non-current liabilities	46	78
Total non-current liabilities	755	772
Equity attributable to owners of the Parent	17,971	20,036
Non-controlling interests	-	-
Total equity	17,971	20,036
Total Liabilities and Equity	23,952	26,262

Summarized Statement of Income by Function

	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Revenue	67,413	64,806
Cost of sales	(57,702)	(50,771)
Gross profit	9,711	14,035
Administrative expenses	(1,011)	(985)
Other gains (losses)	(38)	(558)
Income tax expense, continuing operations	(1,746)	(2,512)
Profit for the year	6,916	9,980
Other comprehensive income	-	-
Total comprehensive income	6,916	9,980

Summarized Statements of Cash Flows

Statements of cash flows	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Net cash generated from (used in) operating activities	7,918	7,370
Net cash generated from (used in) investing activities	(253)	(169)
Flujos de efectivo netos procedentes de (utilizados en) actividades de financiación	(8,980)	(7,066)
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate	(1,315)	135
Cash and cash equivalents at beginning of period	2,570	2,435
Cash and cash equivalents at end of period	1,255	2,570

Statements of Change in Equity

2013	Share capital ThUS\$	Retained earnings ThUS\$	Equity attributable to owners of the Parent ThUS\$	Total ThUS\$
Equity at beginning of the year	5,314	14,722	20,036	20,036
Profit for the year	-	6,916	6,916	6,916
Comprehensive income	-	6,916	6,916	6,916
Dividends	-	(8,981)	(8,981)	(8,981)
Equity As of December 31, 2013	5,314	12,657	17,971	17,971

2012	Share capital ThUS\$	Retained earnings ThUS\$	Equity attributable to owners of the Parent ThUS\$	Total ThUS\$
Equity at beginning of the year	5,314	11,808	17,122	17,122
Profit for the year	-	9,980	9,980	9,980
Comprehensive income	-	9,980	9,980	9,980
Dividends	-	(7,066)	(7,066)	(7,066)
Equity As of December 31, 2012	5,314	14,722	20,036	20,036

Related party transactions

Transactions between the Parent and its subsidiaries are part of the Company's common transactions. Their conditions are those customary for these types of transactions in respect of terms and market prices.

Maturity terms for each case vary by virtue of the transaction giving rise to them.

As of December 31, 2013 and December 31, 2012, there are no allowances for doubtful accounts related to balances pending of transactions with related parties as there is no impairment in them.

As of December 31, 2013 and December 31, 2012, the detail of transactions with related parties is as follows:

TAX ID NO.	Company	Nature	Country of origin	Transaction	12/31/2013 THUS\$	12/31/2012 THUS\$
79.947.100-0	SQM Industrial S.A.	Operating Subsid.	Chile	Sale of products	1,161	377
93.007.000-9	SQM S.A.	Parent Company	Chile	Sale of products	22,089	14,763
93.007.000-9	SQM S.A.	Parent Company	Chile	Purchase of products	48,631	44,781
Foreign	SQM Europe N.V.	Other related parties	Belgium	Sale of products	5,846	8,703
Foreign	SQM Oceanía Pty Limited	Other related parties	Australia	Sale of products	3,253	3,331
Foreign	Ajay Europe SARL	Associate	France	Sale of products	1,797	2,722
Foreign	Ajay North America	Associate	United States	Sale of products	3,145	2,827

ORCOMA ESTUDIOS SPA.

Summarized Classified Statement of Financial Position

Assets	12/31/2013 ThUS\$
Current assets	
Trade receivables due from related parties, current,	2
Total current assets	2
Total assets	2
Liabilities and Equity	
Share capital	2
Total equity	2
Total Liabilities and Equity	2

Statements of Change in Equity

2013	Share capital ThUS\$	Retained earnings ThUS\$	Total ThUS\$
Equity at beginning of the year	-	-	-
Profit for the year	-	-	-
Comprehensive income	-	-	-
Emisión de acciones	2	-	2
Equity As of December 31, 2013	2	-	2

Related party transactions

Transactions between the Parent and its subsidiaries are part of the Company's common transactions. Their conditions are those customary for these types of transactions in respect of terms and market prices.

Maturity terms for each case vary by virtue of the transaction giving rise to them.

As of December 31, 2013 and December 31, 2012, there are no allowances for doubtful accounts related to balances pending of transactions with related parties as there is no impairment in them.

As of December 31, 2013 and December 31, 2012, the detail of transactions with related parties is as follows:

TAX ID NO.	Company	Nature	Country of origin	Transaction	12/31/2013 THUS\$	12/31/2012 THUS\$
93.007.000-9	SQM S.A.	Parent Company	Chile	Capital	2	-

ORCOMA SPA.

Summarized Classified Statement of Financial Position

	12/31/2013 ThUS\$
Assets	
Current assets	
Trade receivables due from related parties, current	2
Total current assets	2
Non-current assets	
Intangible assets other than goodwill	2,356
Total non-current assets	2,356
Total assets	2,358
Liabilities and Equity	
Equity	
Share capital	2,358
Total equity	2,358
Total Liabilities and Equity	2,358

Statements of Change in Equity

2013	Share capital ThUS\$	Retained earnings ThUS\$	Total ThUS\$
Equity at beginning of the year	-	-	-
Profit for the year	-	-	-
Comprehensive income	-	-	-
Emisión de acciones	2,358	-	2,358
Equity As of December 31, 2013	2,358	-	2,358

Related party transactions

Transactions between the Parent and its subsidiaries are part of the Company's common transactions. Their conditions are those customary for these types of transactions in respect of terms and market prices.

Maturity terms for each case vary by virtue of the transaction giving rise to them.

As of December 31, 2013 and December 31, 2012, there are no allowances for doubtful accounts related to balances pending of transactions with related parties as there is no impairment in them.

As of December 31, 2013 and December 31, 2012, the detail of transactions with related parties is as follows:

TAX ID NO.	Company	Nature	Country of origin	Transaction	12/31/2013 THUS\$	12/31/2012 THUS\$
93.007.000-9	SQM S.A.	Parent Company	Chile	Capital	2,358	-

RS AGRO CHEMICAL TRADING CORPORATION A.V.V.

Summarized Classified Statement of Financial Position

	As of December 31,2013 ThUS\$	As of December 31, 2012 ThUS\$
Assets		
Current assets		
Cash and cash equivalents	16	15
Trade receivables due from related parties, current	5,189	5,199
Total current assets	5,205	5,214
Total assets	5,205	5,214
Liabilities and Equity		
Equity attributable to owners of the Parent	5,205	5,214
Non-controlling interests	-	-
Total equity	5,205	5,214
Total Liabilities and Equity	5,205	5,214

Summarized Statement of Financial Position

	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Other expenses by function	(8)	(8)
Finance costs	(1)	(1)
Profit for the year	(9)	(9)
Other comprehensive income	-	-
Total comprehensive income	(9)	(9)

Statements of Cash Flows

	12/31/2013 ThUS\$	12/31/2012 ThUS\$
Statements of cash flows		
Net cash generated from (used in) operating activities	1	(9)
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate	1	(9)
Cash and cash equivalents at beginning of period	15	24
Cash and cash equivalents at end of period	16	15

Statements of Change in Equity

2013	Share capital ThUS\$	Retained earnings ThUS\$	Total ThUS\$
Equity at beginning of the year	6	5,208	5,208
Profit for the year	-	(9)	(9)
Comprehensive income	-	-	-
Dividends	-	-	-
Equity As of December 31, 2013	6	5,199	5,205

2012	Share capital ThUS\$	Retained earnings ThUS\$	Total ThUS\$
Equity at beginning of the year	6	5,217	5,223
Profit for the year	-	(9)	(9)
Comprehensive income	-	-	-
Dividends	-	-	-
Equity As of December 31, 2012	6	5,208	5,214

Related party transactions

Transactions between the Parent and its subsidiaries are part of the Company's common transactions. Their conditions are those customary for these types of transactions in respect of terms and market prices.

Maturity terms for each case vary by virtue of the transaction giving rise to them.

As of December 31, 2013 and December 31, 2012, there are no allowances for doubtful accounts related to balances pending of transactions with related parties as there is no impairment in them.

RESPONSIBILITY STATEMENT

The Directors and Chief Executive Officer of SQM S.A. declare that we have exercised our respective functions as administrators and chief executive of the Company in conformity with the practices that are customarily used for such purposes in Chile and, in accordance with these practices, we swear under oath that the information in this Annual Report 2013 is true and that we accept any liability that may arise from this statement.



Chairman
Julio Ponce L.
Rut: 4.250.719-9



Vice Chairman
Wayne R. Brownlee
Canadian Passport N° BD 108168




Director
Hernán Büchi B.
Rut: 5.718.666-6



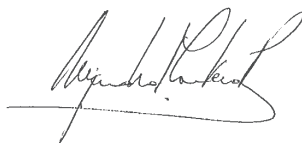
Director
Patricio Contesse F.
RUT: 15.315.085-0



Director
José María Eyzaguirre B.
RUT: 7.011.679-0



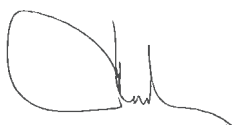
Director
Juan Antonio Guzmán M.
RUT: 5.123.918-0



Director
Alejandro Montero P.
RUT: 6.939.458-2



Director
Wolf Von Appen B.
RUT: 2.884.455-7



CEO
Patricio Contesse G.
RUT: 6.356.264-5

