

Annual Report 2010





Chairman's Letter

Julio Ponce Chairman

We continue to be committed to fulfilling one of our principal objectives: generating sustained value to benefit our shareholders and employees. This goal is at the core of both our long-term planning and our daily objectives. I believe that we have been successful with this strategy, and I am confident that the Company and the value created will continue to grow in the future.

In 2010, we reported revenues of US\$1.83 billion and net income of US\$382.1 million, exceeding 2009 earnings and making this year the second best in SQM's history. In large part, these improved results were due to the recovery of demand and sales volumes across all of our markets as well as our continued cost control efforts.

As expected, 2010 was a year of transition towards demand levels seen before the 2008 financial crisis. However, this transition and accelerated recovery occurred earlier than predicted, reflecting improved economic conditions worldwide. The solid fundamentals that historically sustained markets returned in full force. In many businesses, demand and sales volumes recuperated within a year, and in our iodine and lithium business lines we posted record sales figures.

This positive scenario has revived our investment and expansion plans. We continue to focus efforts on continually expanding the production capacity of potassium products from the Salar de Atacama, where we expect production volumes to increase in 2011 over the prior year as a result of these plans. In addition, construction of a new potassium nitrate plant in Coya Sur was completed in late 2010. The new technology employed by this operation will enable the Company to decrease costs and efficiently use natural resources. Lastly, among many other plans in development, in September of 2010 we received environmental approval for our project to expand iodine and nitrate production in the Tarapacá Region, which will increase iodine capacity 6,500 metric tons a year, in addition to our current capacity in Nueva Victoria.

SQM's business strategy is based on developing and strengthening its long-term sustainable competitive advantages. A fundamental part of these advantages is our access to extensive, unique natural resources, our global distribution network, operating assets, production know-how, the specialization and experience of our workers and a



healthy financial position that allows us to capitalize on the diverse business opportunities that come our way.

SQM's sound financial position is evident not only in our ability to generate cash and our high liquidity, but also through the 144-A bond placed in the United States in April 2010 for US\$250 million. This transaction obtained, at that time, the lowest placement rate that a Chilean company had secured in that market.

These accomplishments reflect our capacity to react quickly and efficiently to market changes in order to take advantage of opportunities that arise. We are optimistic about SQM's future growth and the demand for our products. Positive trends from 2010 have continued into the first few months of 2011 and we remain enthusiastic about the year ahead. In these normalized conditions, we anticipate moderate growth compared to the recovery seen in 2010 as the market resumes historic expansion levels.

Lastly, I would like to take this opportunity to recognize the efforts of all SQM associates throughout Chile and the world. Without our workers' commitment, the Company's sustained growth would not have been possible. I also want to acknowledge the trust and support that our shareholders have continuously provided throughout the years.

Thank you.

Sincerely,
Julio Ponce L.



Board of Directors

As of December 31, 2010, the members of the Board of Directors were:



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1 | DIRECTOR
Kendrik T. Wallace
 Lawyer
 Harvard Law School
 Passport: 712198876

2 | DIRECTOR
Daniel Yarur E.
 Information Engineer
 Universidad de Chile
 Rut: 6.022.573-7

3 | DIRECTOR
Wolf Von Appen B.
 Entrepreneur
 Rut: 2.884.455-7

4 | CHAIRMAN
Julio Ponce
 Forestry Engineer
 Universidad de Chile
 Rut: 4.250.719-9

5 | DIRECTOR
Eduardo Novoa
 Comercial Engineer
 Universidad de Chile
 Rut: 7.836.212-K

6 | DIRECTOR
Hernán Büchi B.
 Civil Engineer
 Universidad de Chile
 Rut: 5.718.666-6

7 | VICE CHAIRMAN
Wayne R. Brownlee
 Economist
 Universidad de Saskatchewan
 Passport: BD 108168

8 | DIRECTOR
José María Eyzaguirre B.
 Lawyer
 Universidad de Chile
 Rut: 7.011.679-0

The Board of Directors was elected at the General Shareholders Meeting held on April 30, 2008.

The members of the Director's Committee and Audit Committee are Mr. Hernán Büchi, Mr. Eduardo Novoa and Mr. Daniel Yarur.

Senior Management

As of December 31, 2010, the Company's Senior Management was made up by:

1| Chief Executive Officer
Patricio Contesse G.
 Forestry Engineer
 Universidad de Chile
 Rut: 6.356.264-5

2| Executive Vice President
 and Chief Operating Officer
Patricio de Solminihaç T.
 Industrial Engineer
 Universidad Católica de Chile
 Rut: 6.263.302-6

3| Chief Financial Officer
 and Business Development
 Senior Vice President
Ricardo Ramos R.
 Industrial Engineer
 Universidad Católica de Chile
 Rut: 8.037.690-1

4| Senior Commercial Vice
 President
Eugenio Ponce L.
 Mechanical Engineer
 Universidad Católica de Valparaíso
 Rut: 5.370.715-7

5| General Counsel
Matías Astaburuaga S.
 Lawyer
 Universidad Católica de Chile
 Rut: 7.080.469-7

6| Nitrates and Iodine
 Operations Senior Vice
 President
Mauricio Cabello C.
 Mechanical Engineer
 Universidad de Santiago de Chile
 Rut: 10.391.635-6



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7| Salar-Lithium Operations
 Senior Vice President
Juan Carlos Barrera P.
 Industrial Engineer
 Universidad Católica de Chile
 Rut: 10.528.182-K

8| Nueva Victoria Operations
 Senior Vice President
Jaime San Martín L.
 Transportation Engineer
 Universidad Católica de Chile
 Rut: 8.931.725-8

9| Human Resources and
 Corporate Affairs Senior
 Vice President
Daniel Jiménez Sch.
 Industrial Engineer
 Universidad Católica de Chile
 Rut: 6.362.533-7

10| Safety, Health and
 Environment Senior Vice President
Pauline de Vidts S.
 Industrial Engineer
 Universidad Católica de Chile
 Rut: 9.668.138-0

Main Shareholders

The Company's main shareholders as of December 31, 2010 were:

Series A Shareholders Share	Number of shares	% Ownership of series A Shares	% Ownership of total Shares
SOCIEDAD DE INVERSIONES PAMPA CALICHERA S.A.	55,437,977	38.82%	21.06%
INVERSIONES EL BOLDO LTDA.	44,746,513	31.33%	17.00%
INVERSIONES RAC CHILE LTDA.	19,200,242	13.44%	7.30%
INVERSIONES GLOBAL MINING CHILE LTDA.	13,798,539	9.66%	5.24%
INVERSIONES LA ESPERANZA CHILE LTDA.	3,693,977	2.59%	1.40%
LARRAIN VIAL S.A. CORREDORA DE BOLSA	2,549,382	1.79%	0.97%
KOWA CO. LTD.	781,429	0.55%	0.30%
KOCHI S.A.	714,084	0.50%	0.27%
LA ESPERANZA DELAWARE CORPORATION	227,550	0.16%	0.09%
INVERSIONES RENTAMAX LTDA.	154,000	0.11%	0.06%
BANCHILE CORREDORES DE BOLSA S.A.	131,914	0.09%	0.05%
INMOBILIARIA Y COMERCIAL RECOLETA SUR LTDA.	97,572	0.07%	0.04%
Subtotal Main Series A Shares	141,533,179	99.10%	53.77%
Total Series A Shares	142,819,552	100%	54.26%
Total Series A Shareholders	493		
Series B Shareholders	Number of shares	% Ownership of series B Shares	% Ownership of total Shares
THE BANK OF NEW YORK MELLON	45,345,530	37.67%	17.23%
INVERSIONES EL BOLDO LTDA.	17,576,359	14.60%	6.68%
SOCIEDAD DE INVERSIONES PAMPA CALICHERA S.A.	8,903,774	7.40%	3.38%
BANCHILE CORREDORES DE BOLSA S.A.	5,178,641	4.30%	1.97%
AFP PROVIDA S.A.	3,109,256	2.58%	1.18%
BANCO ITAU POR CUENTA DE INVERSIONISTAS	2,874,819	2.39%	1.09%
INVERSIONES RAC CHILE LTDA.	2,699,773	2.24%	1.03%
LARRAIN VIAL S.A. CORREDORA DE BOLSA	2,369,576	1.97%	0.90%
AFP CAPITAL S.A.	1,872,620	1.56%	0.71%
AFP HABITAT S.A.	1,737,253	1.44%	0.66%
BANCO DE CHILE POR CUENTA DE TERCEROS	1,636,070	1.36%	0.62%
BANCO SANTANDER POR CUENTA DE INV. EXTRANJEROS	1,595,378	1.33%	0.61%
Subtotal Main Series B Shares	94,899,049	78.83%	36.06%
Total Series B Shares	120,376,972	100%	45.74%
Total Series B Shareholders	1,518		
Total Series A and B Shareholders	1,629		

As of December 31, 2010, Sociedad de Inversiones Pampa Calichera S.A., Inversiones Global Mining (Chile) Ltda., and Norte Grande S.A. –collectively, Pampa Group–controlled 31.12% of the total shares of SQM S.A. Likewise, Kowa Company Ltd., Inversiones La Esperanza (Chile) Limitada, Kochi S.A. and La Esperanza Delaware Corporation –collectively, Kowa Group– control 2.08% of the total shares of SQM S.A. On December 21, 2006, Pampa Group and Kowa Group signed a joint agreement, pursuant to which these two groups are considered the Controlling Group of SQM S.A.

(*) As previously stated, Pampa Group's holding in SQM is 31.12%, of which 29.69% is directly held as shown in the table above. The additional shares are: (1) 1.34% included in Larrain Vial and Banchile holdings; and (2) 0.09% held by Norte Grande S.A.

Potash Corporation of Saskatchewan, Inc. ("PCS") controls 100% of the total shares of Inversiones El Boldo Limitada and Inversiones RAC Chile Limitada. As of December 31, 2010, PCS controlled 32% of the total shares of SQM S.A.

Additionally, during the year 2010 some of the Company's main shareholders have decreased or terminated their shareholding, and others have acquired or increased their shareholding in SQM S.A. For more information see "Participation of Major Shareholders" in Additional Information.



Historical Background

1924

The Guggenheim family acquires the Coya Norte land in the El Toco sector of northern Chile, in order to build a facility for caliche operations. María Elena is constructed and begins operating on November 22, 1926 using the Guggenheim method, which is still used in today's production process.

1930

Construction of the Pedro de Valdivia caliche facility begins. This facility has greater capacity than María Elena and starts operations on June 6, 1931.

1951

A crystallizing plant is built in Coya Sur in order to efficiently use the nitrate precipitation in the solar evaporation ponds.

1968

SQM is created through the merger of Corporación de Ventas de Salitre y Yodo, Compañía Salitrera Anglo Lautaro, Compañía Victoria and the Government of Chile.

1971

CORFO (Chilean Economic Development Agency) takes control of 100% of the ownership of SQM.

1983

SQM's five-year privatization process starts and private pension funds acquire an ownership stake.

1985

The heap leaching process is applied in the extraction of nitrates and iodine.

1986

The potassium nitrate facility at Coya Sur begins production.

1993

The technical-grade potassium nitrate facility begins operations, and the Company issues the first offering of shares on the international markets through an ADR program.

1995

The Company issues a second share offering, with access to international markets through its ADR program. Production of potassium chloride begins in the Salar de Atacama.

1997

SQM begins producing lithium carbonate using lithium brines.



2000

Construction of a new potassium nitrate facility is completed. SQM increases its potassium chloride production capacity.

2001

A commercial distribution agreement is signed with the Norwegian company Yara International ASA, allowing SQM to achieve significant cost synergies in its Specialty Plant Nutrition business.

2005

SQM purchases the Kemira Emirates Fertilizers Company (Kecco) plant. The lithium hydroxide facility in the Salar del Carmen begins operations.

2006

SQM acquires the iodine business of DSM in Chile.

2007

Production at the new prilling and granulating facility at Coya Sur starts up and work begins on the expansion of the lithium carbonate plant. SQM attains ISO 9001:2000 certification for its lithium hydroxide operations.

2008

SQM signs a joint venture agreement with Migao Corporation, to produce and distribute potassium nitrate in China. Lithium carbonate production capacity expands to 40,000 MT per year.

2009

Work continues on potassium nitrate and potassium chloride expansion projects. SQM signs new joint venture agreements with Coromandel (India), Qingdao Star (China) and Roullier (France).

2010

New potassium nitrate plant begins trial production phase. Work continues on potassium expansion projects in the Salar de Atacama. In Dubai, SQM Vitas launches a new line of water-soluble phosphate products.



Company Profile



Patricio Contesse
Chief Executive Officer

The year 2010 was characterized by a return to normal levels in our diverse markets, where we observed an increase in demand for our products, sustained by global economic recovery. During 2010, we improved earnings and continued to create value for the Company—one of our core objectives. In line with this goal, SQM was featured in a study by Boston Consulting Group as one of the global mining companies that has created the most value for its shareholders over the last decade.

SQM has grown substantially since its beginnings as a nitrate company that primarily produced and sold fertilizers. For over 40 years, SQM has expanded by broadening its business and product offering, always visionary in its growth from its inception in 1968.

One of SQM's main goals has always been to generate value for its shareholders using a multidisciplinary strategy: to focus the company's growth on areas where it has sustainable competitive advantages; to maintain a conservative and sound financial position; to optimize production processes in order to maximize

efficiency and be a low-cost producer; and to strive to develop new products, markets and applications.

SQM is committed to maintaining and strengthening its global leadership in its key markets. Today, SQM is an



integrated producer of specialty fertilizers and chemicals that enjoys important competitive advantages, that have afforded it significant growth over the past few years.

Currently, SQM has a global presence in a variety of industries through its 5 business lines: Specialty Plant Nutrition; Iodine and Derivatives; Lithium and Derivatives; Industrial Chemicals and Potassium. Presently, SQM is the world's largest producer in the niche markets of specialty plant nutrition, iodine and derivatives and lithium and derivatives.

In recent years, SQM has focused efforts on its potassium products through an important expansion plan in the Salar de Atacama. This expansion has allowed the Company to increase its presence in the commodity market for potassium chloride. Increased production capacity of potassium chloride will have a major impact on earnings over the next few years.

SQM's strong competitive position in each of its businesses is based on the following fundamentals:

- Vast natural resources, whose location, ease of extraction and chemical composition make them unique in the world.
- Significant economies of scale in its different business areas, affording major cost advantages over its competitors.
- Important synergies between our raw materials: caliche ore and brines.
- Flexible production processes that complement each other.
- A global presence through an extensive distribution and sales network.
- Participation in markets with high growth potential.



Natural Resources

The Atacama Desert, located in the Tarapacá and Antofagasta Regions, is the vast backdrop for SQM's production plants. There, the Company has exclusive access to natural reserves of unrivaled magnitude and quality: the most extensive iodine and nitrate reserves known to man and very high concentrations of lithium and potassium.

SQM's deposits are globally unparalleled and make its business model difficult for any other company in the world to replicate. From these caliche ore and brine reserves, the Company obtains the products on which it bases its business formulas, one of the values that uphold its strategic position in each business line: Specialty Plant Nutrition, Iodine, Lithium, Industrial Chemicals and Potassium.

These two raw materials provide important competitive advantages:

Caliche ore is a mineral containing high concentration of nitrate and iodine that is found no more than two meters below the desert's surface, in layers between 20 centimeters to 5 meters thick covered by a superficial inert layer between 0.5 meters to 1.5 meters.

Caliche ore, which began to be mined industrially in the nineteenth century to obtain nitrate, is abundant in northern Chile. It is, in fact, the world's largest natural deposit of iodine and nitrate. It is also the only commercially exploitable nitrate source in the world. The main products derived from caliche ore are sodium nitrate, potassium nitrate, sodium potassium nitrate and iodine and its derivatives.

The Salar de Atacama is a salt-encrusted depression in the Atacama Desert, where underground brine deposits are contained in porous rocks of sodium chloride fed by an underground water flow from the Andes Mountains.

The brines found in the Salar de Atacama have high concentrations of lithium and potassium, as well as considerable concentrations of sulfate, boron and magnesium. The main products derived from the Salar are potassium chloride, lithium carbonate, potassium sulfate, boric acid and magnesium chloride.

In addition to the high mineral concentrations in the brines, the Salar de Atacama has a series of other advantages: its reduced magnesium content allows for low-cost processing, and its exceptional climate affords higher evaporation indices than other salt flats in the world and permits year-round operations.

The characteristics of these resources are one of the most important pillars of the Company's strategy. In addition, the production process for each mineral benefits from the ease of extraction and scale of our operations, which—coupled with the high grade, quality and quantity of these resources—enables us to be low-cost producers.

In addition, over the course of the years we have developed unique production processes and customized technology to meet our needs and maximize our natural resources. These continuous improvement efforts have allowed us to develop the know-how necessary to maintain our competitive advantage in all of our markets.

Quality

SQM strives to create long-term relationships with its customers, which we have achieved thanks to our Quality Management System. This system's guiding principle is customer satisfaction, secured by delivering products that meet agreed-upon standards and specifications, and providing high-quality service that leads to mutually beneficial relationships.

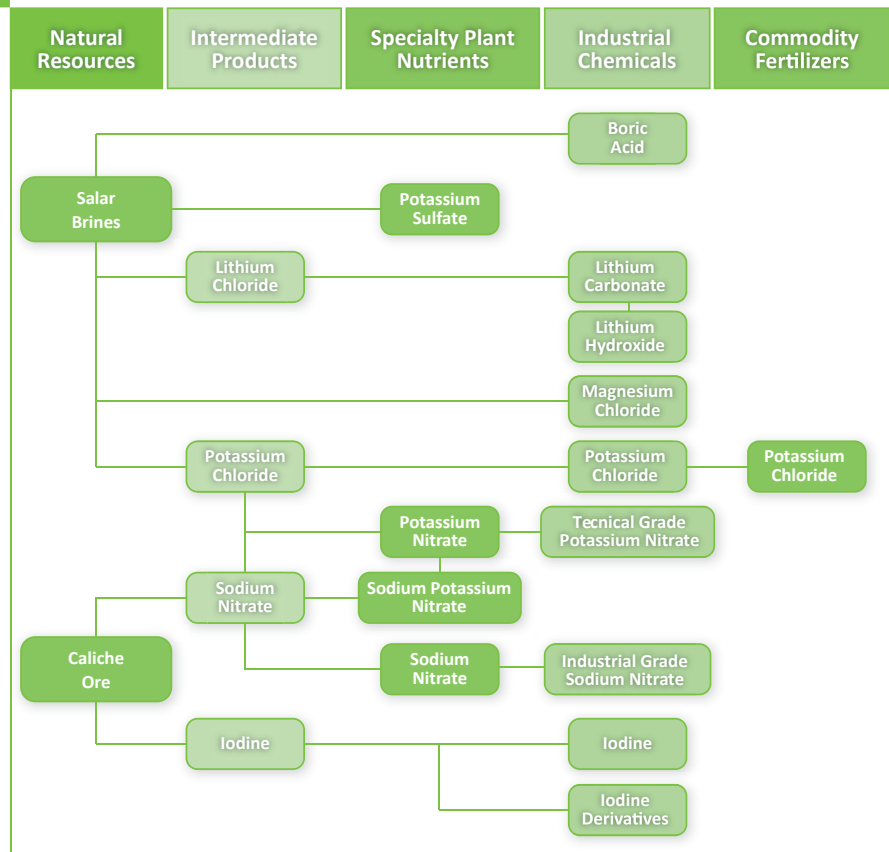
To sustain client relationships based on trust and transparency, SQM maintains open communication with customers via our Complaint System, where any customer can submit concerns, complaints or questions. We make every effort to respond appropriately and opportunely.

To reinforce its commitment to deliver quality products and services, SQM maintains independent certifications under standard ISO 9001:2008, for production and sales processes

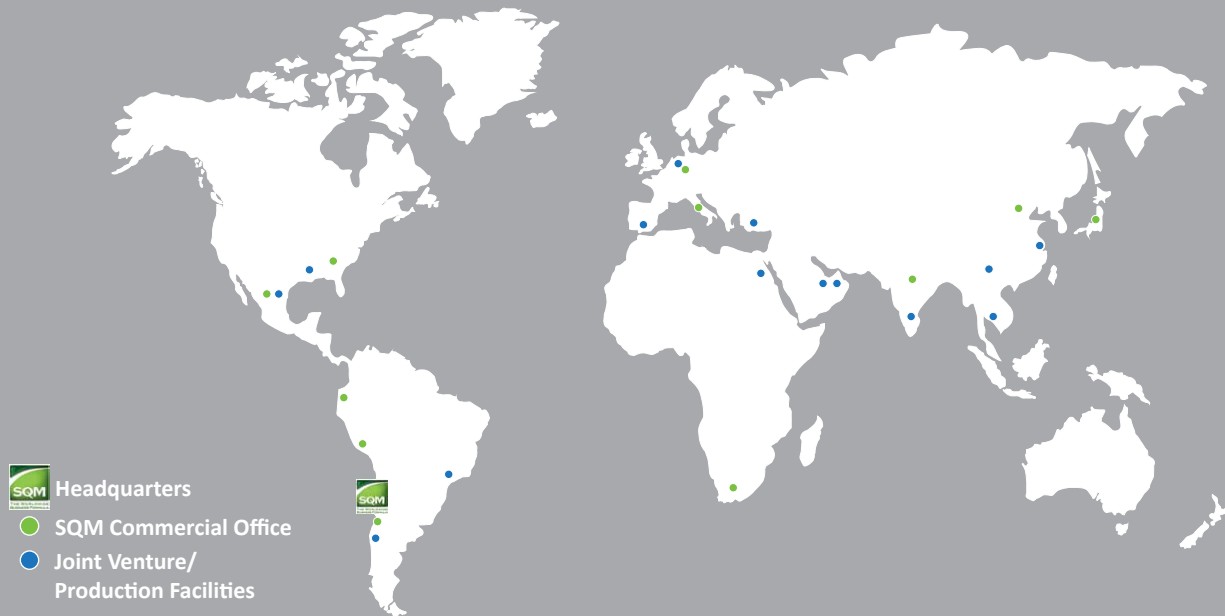
of the following products: iodine; industrial, technical and battery-grade lithium carbonate and lithium hydroxide; standard, refined and technical-grade potassium nitrate and sodium nitrate; and some soluble products for specialty plant nutrition.

Supplying customers with products in a timely manner is a priority and, therefore, we not only concern ourselves with operational excellence, but also with responding quickly to changes in national and international regulations that may affect sales of our products. One such example is the new system for managing chemical substances, instituted by the European Union, REACH (Registration, Evaluation and Authorization of Chemicals). SQM completed the first stage of product registration in 2010, thus guaranteeing continued product deliveries to European customers.

Main Products



Logistics and Distribution



Logistics and distribution have always been considerable challenges for the Company. SQM's distribution network and its global reach are some of our most important strengths, and reliable and efficient delivery of our products has been key to the Company's success.

SQM's product supply chain consists of an extensive truck and rail network, exclusive access to the Port of Tocopilla, sales and representation offices in more than 20 countries, strategically located warehouses and mixing plants and major distribution agreements and joint ventures to maximize the Company's global reach.

In 2010, we made important investments in our port facilities, including new receiving and weighing systems, warehouses, packing systems and cranes, among others, thus ensuring high-quality service to delivery our products in optimum condition.

Thanks to this network, we are able to deliver our products to thousands of customers in over 100 countries on 6 continents. This proximity to our main markets and customers enables us to guarantee product quality, to advise our customers on our products and to obtain real-time market information.

The logistics system we have put in place to efficiently manage our resources and to deliver our products in a timely manner has been fundamental in satisfying customer needs and creating value for our stakeholders.





Sustainable Development



Patricio de Solminihac
Executive Vice President and Chief Operating Officer

Although we had a good year in 2010, the current business scenario presents new and interesting challenges, which we continue to address with determination and dedication. Our US\$750 million investment plan for 2011 and 2012 is one such challenge. This plan entails further increasing production capacity of potassium-based products from the Salar de Atacama, optimizing and increasing iodine and nitrate production capacity, improving railway infrastructure and engaging in a series of other projects designed to maintain production capacity, increase returns and reduce costs.

SQM is committed to sustainably developing its business, integrating care and respect for its employees and subcontractors, the environment, the community and its customers into its production and sales processes. Good performance in these areas is key to the success of its business and future development. Its guiding principles are outlined in the Sustainable Development Policy, recently updated in November 2010.

The Environment

SQM's commitment to the environment is a commitment to future generations. The Company has developed a thorough understanding of the ecosystems surrounding its operations, which enables it to develop and implement prevention plans and necessary mitigation measures to ensure these environments are protected. It



works to continually improve its processes and operations, using natural resources and productive inputs responsibly while appropriately managing and disposing of waste.

To achieve these objectives, SQM does business using an Environmental Management System that involves periodically assessing its environmental performance through internal and external audits, thus facilitating continuous improvement of such matters.

To minimize the potential environmental impact of its activities on its surroundings, SQM incorporates environmental variables in early stages of operational design. That way, all new projects and modifications to existing operations are environmentally assessed and processed through the Environmental Impact Assessment System, if applicable. As of December 2010, SQM held 51 environmental approvals: 11 Environmental Impact Studies and 40 Environmental Impact Statements. During 2010, SQM obtained environmental approval for various projects, including the Environmental Impact Study for the Pampa Hermosa project, intended to expand iodine and nitrate operations in the Nueva Victoria facility in the Tarapacá Region. The environmental approval of three projects at SQM's operations in the Salar de Atacama also deserves mention: the new potassium chloride drying and compacting plant, expansion of the SOP plant and increased carnallite processing capacity, which will enable SQM to consolidate production capacities to respond opportunely to potassium market needs.

Management of Operating Risks

Yet another key pillar of SQM's work is the safety of its employees. For the Company, *a job well done is a job done safely*, and no operating goal justifies exposing a worker to an uncontrolled risk. Under this concept, SQM has labored systematically to continuously improve risk prevention, leading to consistent decreases in its accidentability indices from 2004 until now.

However, these efforts have not managed to fully prevent accidents, resulting in loss of life of our own workers as well as partner company employees. Nevertheless, SQM will continue to diligently implement appropriate protective measures and will also continue to require its employees who have proper training and protective elements to assume increasingly more responsibility while exercising their functions in the interests of their safety and that of third parties.

SQM works under a Safety and Occupational Health Management System, based on the Competitive Company Program (CCP) offered by the Mutual de Seguridad to affiliated businesses. The program's main objective is to permanently and systematically reduce work-related accidents and professional illnesses, emphasizing participation from the entire organization. The success of this system is dependent on on-site, visible and tangible leadership from executives

and supervisors, together with the activities they carry out on Joint Committees. SQM obtained accreditation from the Mutual de Seguridad in January 2010.

One of SQM's challenges in safety matters is to deeply engrain a culture of prevention and personal care in each of its employees.

In addition to the Competitive Company Program, SQM has developed further tools to strengthen preventative management, such as defining Basic Safety Rules, the program Behavior Based Prevention and training on preventative techniques directed to company employees and supervisors. These tools are periodically assessed and audited to verify that they are being implemented and used appropriately in all facilities.

SQM's believes that accidents are preventable and, therefore, "Zero Accidents" is the goal we set for ourselves and strive to reach on a daily basis.

Our People

SQM seeks to employ reliable and dedicated people, who are aware of the important role they play in the Company's progress. To do so, we create personal and professional development opportunities and look after the health and physical wellbeing of its employees.

SQM is concerned with the professional and personal growth of its team members and, therefore, provides university and graduate-level scholarships to outstanding employees so they may advance professionally.

The Company offers training courses to all employees on a variety of topics. In 2010, more than 2,500 employees underwent training in almost 55,000 classroom hours.

SQM maintains fluent communication with employee representatives, organized into labor unions, which enables it to address to its employees' concerns and needs in a timely fashion. The safety and health of the people working for SQM is just one issue on which the Company collaborates with labor representatives. Joint committees on safety and health as well as food commissions have been formed that work in conjunction with management to review areas that need attention and improvement.

Social Development

SQM strives to be a good neighbor to the towns surrounding its facilities, creating long-term relationships based on respect and trust that ensure development of both the Company and neighboring communities. To do so, we maintain open and constant communication with authorities and residents of each town near its facilities and promote economic and social development by working together on projects and activities to improve their quality of life. To this end, the Company has identified three major focuses for its community development programs:

- Cultural heritage: to restore, conserve and spread the legacy of the nitrate industry inherited by SQM, and to promote efforts to value and draw attention to the cultures of the Atacama and Aymara peoples.
- Education and culture: to develop neighboring communities based on integrated education of future generations.
- Social development: to encourage entrepreneurship of economically sustainable activities that allow for long-term local development.



Cultural Heritage

SQM understands the importance of Chile’s nitrate history and, as a result, has placed special emphasis on recovering and spreading the legacy of this heritage. The Company supports the Chacabuco Foundation and the Nitrate Museum Foundation, entities charged with restoring and conserving the former Humberstone and Santa Laura nitrate offices, by covering their monthly operating expenses and contributing to cultural and tourism activities.

During 2010, SQM—with support from Antofagasta’s El Mercurio newspaper—organized the Third Literary Contest “Stories of the Pampa”, which attracted 350 works and featured renowned writer Hernán Rivera Letelier as jury president. The 3 winning short stories along with the 3 stories receiving honorable mention were published in a book that will be donated to public libraries and educational establishments.

Along other fronts, renovation was completed on the Coya Sur Plaza in Maria Elena, which was inaugurated at a ceremony attended by authorities from SQM, workers and former residents of this nitrate town. The plaza’s largest attraction is the renovation work done on the historical Oregon pine “kiosk”, which continues to be one of the most representative emblems of the former Coya Sur nitrate town given its significance as the epicenter of all social gatherings on the pampa.

In accordance with current legislation and environmental studies, SQM continued efforts to register and protect pre-Hispanic and historical heritage sites, especially in areas surrounding María Elena and Nueva Victoria.

As part of Chile’s bicentennial celebrations and SQM’s 42nd anniversary, the Company organized a “Bicentennial

Concert” featuring well-known Chilean singers and musicians performing for more than 9,000 people at 3 shows in María Elena, Iquique and Antofagasta. In addition, SQM donated time capsules to 9 districts in the Antofagasta Region. These capsules contain different objects from each district’s past and present, which were deposited in a vault constructed especially by the Company in María Elena’s Bicentennial Plaza, where they will lie or one hundred years to be opened by that area’s future inhabitants during the country’s tercentennial celebration.

Education and Culture

The educational programs developed by SQM aim to reinforce the need of all people to obtain new skills and broaden already acquired knowledge. To accomplish this goal, the Company continued with the following programs: Dual Education for high school students; Free Community Training with a variety of courses for the residents of Antofagasta, Pozo Almonte, María Elena, Tocopilla, Socaire, Toconao and San Pedro de Atacama; the Municipal Agreement with San Pedro de Atacama to finance an educational specialist to work with students with learning disabilities and bus fares for students to travel to and from their schools or universities in diverse cities, among others.

During 2010, the Company continued to support the traditional festivities of its neighboring communities such as the Multigrade Games in San Pedro de Atacama, Patron Saint’s Day in Quillagua, Cultural Heritage Day in María Elena, and the anniversary of the former Pedro de Valdivia nitrate town, among others.

It is also important to mention the solidarity shown by the Company and its employees following the major earthquake that affected Chile in February 2010. A total of Ch\$150 million in money and other contributions was donated to Hogar de Cristo to channel help to the areas most affected by the earthquake that hit south central Chile.

Community Development

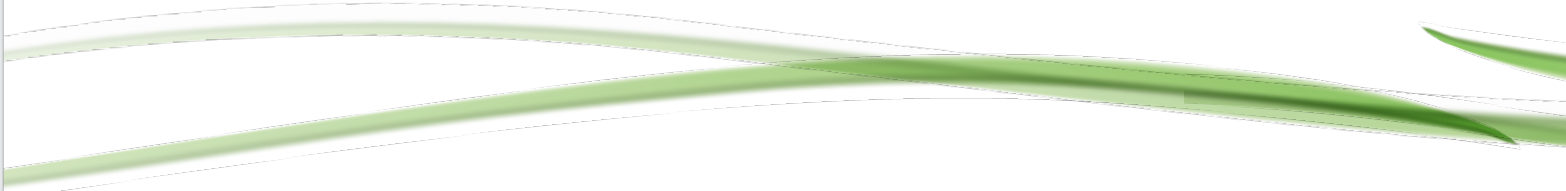
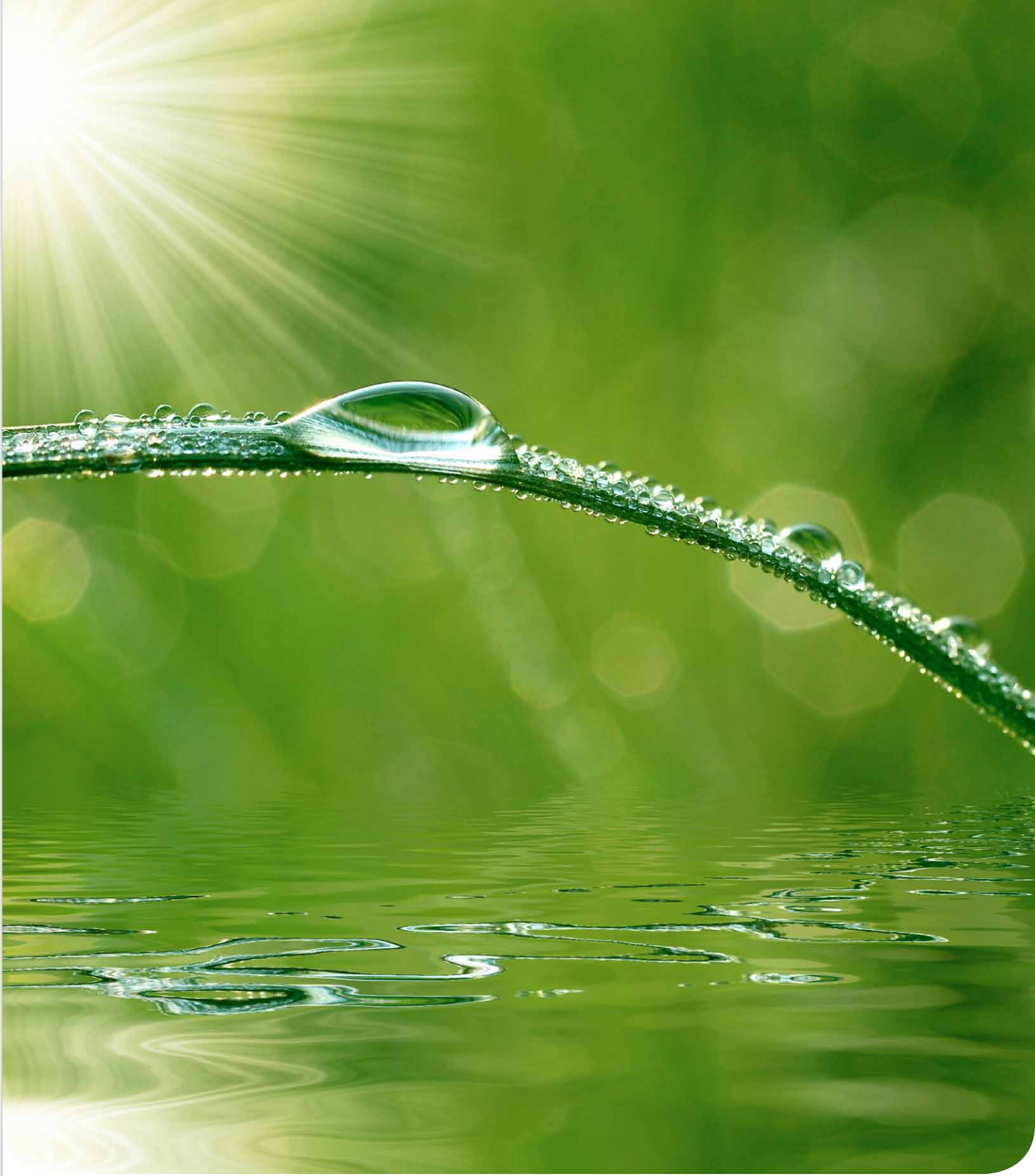
In San Pedro de Atacama, for the fourth consecutive year, the Company allocated resources to local micro-entrepreneurs to carry out their projects, which directly benefit community development. In 2010, a total of nine projects were approved in San Pedro de Atacama and the surrounding towns in areas such as agriculture, livestock farming, traditional handicrafts, special-interest tourism and local impact businesses.

SQM also continued with its agricultural development program “Atacama Fertile Land”, which supports development in the areas surrounding the Salar de Atacama. This program aims to improve the economy of local farmers and promote self-sustainability by introducing sustainable agricultural practices, transferring technology to participating farmers and reinforcing schooling of agricultural students at Lickan Antay School in San Pedro de Atacama, as a basis for encouraging culturally relevant sustainable agricultural practices. Organizations from the indigenous communities of Talabre and Socaire, the indigenous association of Toconao and the Lickan Antay Agricultural School in San Pedro de Atacama all participate in this program.

This program’s positive impact has prompted SQM to renew support, increasing both its investment and the number of participants. This initiative has helped to develop local agriculture, improve the economy and promote sustainability.

In the district of Pozo Almonte, SQM continued its support of the Comunidad Agrícola de Pintados School, contributing to improve its infrastructure and implement different classes and workshops for its students. SQM recognizes the need to work in harmony with the communities near its production facilities and, therefore, works intensely to responsibly fulfill its commitment to improve their quality of life, in balance with their culture and the environment.





Specialty Plant Nutrition



Specialty Plant Nutrition

SQM has participated in the specialty fertilizer business for more than two decades and is now the global leader in the potassium nitrate market. Currently, Specialty Plant Nutrition is one of the Company's main business lines, representing close to 33% of consolidated sales in 2010.

Since entering this industry, SQM has focused efforts on not only becoming the world's largest producer but in having the greatest potential for future growth. This potential is evidenced by construction of a new plant that will bring potassium nitrate installed capacity to 950,000 metric tons at the beginning of 2011. Along the same lines, SQM entered into a joint venture with Migao Corporation to build a new potassium nitrate plant, inaugurated in January 2011, with capacity of 40,000 metric tons in the Chinese province of Sichuan. These investments demonstrate our confidence in the solid fundamentals of this market.

In analyzing 2010 sales figures, it is important to consider the unprecedented economic crisis experienced in 2009. In 2010, the potassium nitrate market recovered beyond expectations, increasing 46% over 2009. This recovery translates into global sales of around 960,000 metric tons, excluding local Chinese production and consumption. For 2011, demand for potassium nitrate is expected to approach 1.05 million metric tons. At present, farmers are faced with the significant challenge of producing increasingly greater quantities of higher quality crops. This challenge is complicated by restrictions particular to agriculture, such as scarce

water and farmland. Therefore, the need to maximize the efficiency of these basic resources becomes critical.

The need to maximize the efficiency of these resources has created incentives for developing new farming techniques for using fertilizers and water, such as fertirrigation (open-field, hydroponics and greenhouse), foliar application and micro-irrigation that require significantly less water than traditional irrigation systems. These techniques essentially help attain higher yields with less water consumption.

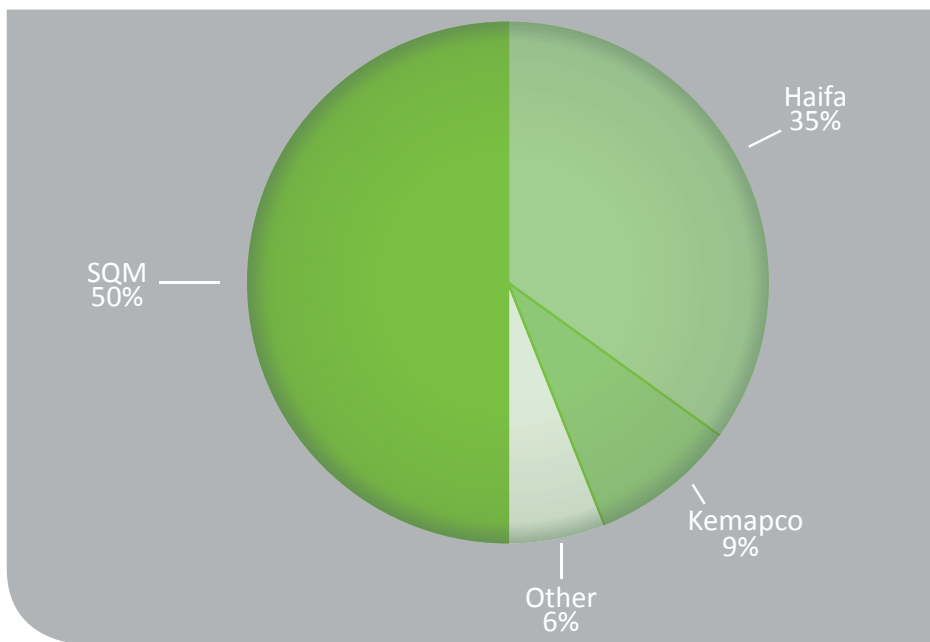
The world's irrigated surface has grown at an average yearly rate of 1.5% over the last 20 years, reaching 280 million

hectares. However, micro-irrigation—the most efficient irrigation method—has expanded at rates of 10% annually during the same period, reaching 8.5 million hectares in 2010.

The specialty plant nutrient market is a niche market that provides important solutions to modern-day agricultural challenges. The specialty plant nutrients SQM manufactures provide farmers with tools to confront such challenges.

Commodity fertilizers do not provide the yield necessary to make these modern technological investments profitable. As a result, a critical need arises for specialty plant nutrients.

Potassium Nitrate Market Share





Specialty Plant Nutrition



Eugenio Ponce
Senior Commercial Vice President

In 2010 we observed an important revitalization of our markets. Demand for iodine and lithium exceeded our initial expectations, resulting in record sales volumes for these business lines. Fertilizer markets also performed positively in 2010, and we are optimistic about future growth in these markets. In other matters, our broad distribution network has played a fundamental role in our ability to react quickly and efficiently to these market changes, meeting our customers' needs.

Specialty Plant Nutrition is a concept that combines products with particular physical and chemical properties with knowledge regarding balance and timing of application that, together with other measures, enable crops to attain yield and quality potentials demanded by markets.

SQM's specialty nutrients consist of potassium nitrate, sodium nitrate and sodium potassium nitrate. Some of their distinguishing features include:

- Nitric nitrogen: Nitrogen source preferred by plants that does not need to be transformed before being absorbed.
- High solubility: Allows rapid absorption of nutrients, especially in stages when large quantities are needed.

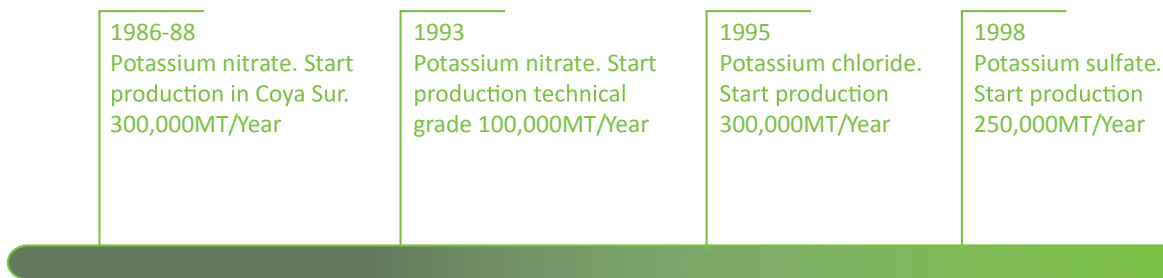
- Chlorine-free: Several crops such as tobacco, potatoes, citric plants, avocado, etc., are sensitive to this element and their production potential and/or quality is affected when products containing chlorine are used.

Depending on the application systems used for specialty nutrients, fertilizers can be classified as Specialty Field Fertilizers (SFF) or Water Soluble Fertilizers (WSF).

The first group is applied directly to the soil either manually or mechanically. Their high solubility, the absence of chlorine and the fact that they do not cause acidic reactions make these products especially suitable for crops like tobacco, potato, coffee, cotton and many fruits and vegetables.

The WSF line includes all specialty nutrients incorporated into fertirrigation, foliar applications and technical irrigation systems. As these systems are highly technical, the products used must be extremely soluble, nutrient-packed and free of impurities and insoluble elements while having low saline indices. One product in this line deserves special mention—potassium nitrate. Its optimal balance of nitric nitrogen and chlorine-free potassium (the two macronutrients most needed by plants) make it an irreplaceable source for nourishing crops using high-tech automated irrigation systems.

Potassium Evolution in SQM





2000

-Potassium nitrate.
Capacity expansion
technical grade.
260,000MT/Year
-Potassium chloride.
Capacity expansion
650,000MT/Year

2005

Potassium nitrate.
PCS –Yumbes
acquired by SQM

2009

Potassium
chloride/Potassium
sulfate.
1.5 millionMT/Year

2010

Potassium nitrate.
New plant
300,000MT/Year



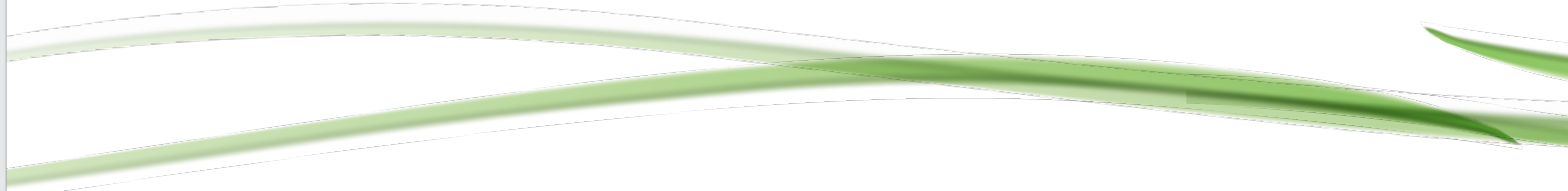
In September 2010, SQM VITAS, the partnership between SQM and the Roullier Group, inaugurated a new line of phosphate products in its facilities in Dubai.

This new effort will allow production of two of the most important phosphate products in the soluble segment, MAP and urea phosphate.

In addition to these products, SQM has built a portfolio of more than 200 specialty blends, including proprietary brands such as Ultrasol™ for fertirrigation; Qrop™ for soil application; Speedfol™ for foliar application; and Allganic™ for organic farming.

The solid fundamentals of this market will drive future growth of potassium nitrate demand. SQM is committed to being the leading producer in this market. The Company is well-positioned to take advantage of this market growth thanks not only to our access to unparalleled natural resources, unique technology and *know-how* that we have developed in order to maximize our resources; but also to our extensive global distribution network, which brings us closer to our end customers so we can identify and meet their needs. Multiple commercial agreements, joint ventures and strategic alliances that SQM has established throughout the years complement and strengthen this network.





Iodine and Derivatives



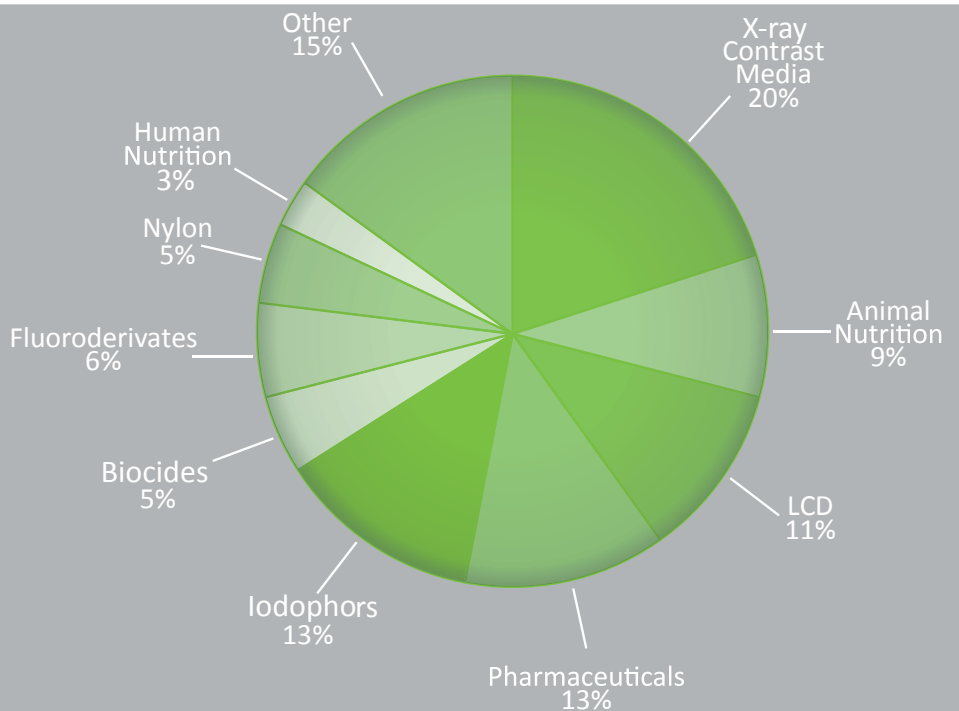


SQM and Iodine

Since SQM entered the iodine market, the Company has sought new business opportunities through innovation. As a result of these efforts, SQM is currently the world's principal iodine producer with a market share of 36%. During 2010, Iodine and Derivatives accounted for approximately 17% of the Company's total sales.

The iodine business has expanded over the past 30 years, and in the early 1990's, SQM entered the iodine derivatives market through a joint venture with U.S. company Ajay Chemicals. With production plants in Chile, the U.S. and France, Ajay-SQM has become the world's chief producer and seller of iodine derivatives.

Main Uses of Iodine





Main Uses of Iodine

Iodine is versatile and has a wide range of applications. This non-metallic element from the halogen family has pharmaceutical, industrial, technological and chemical uses. Close to 50% of iodine demand is for human and animal health and nutrition applications.

In the health care sector, iodine is used as contrast media for X-ray exams. Iodine is suitable for this application because of its high atomic number and density. When injected into the body, it helps create contrast between tissues, organs and blood vessels with similar atomic numbers. In fact, this use is the principal application of iodine and has driven demand growth in recent years.

Iodine is also a very efficient disinfectant, because of its ability to rapidly penetrate the cell walls of microorganisms, causing their protein structure and DNA to rupture. For this reason, iodine is used as an active ingredient in the production of biocides, disinfectants, bactericides, fungicides and germicides. One example of this type of product is povidone-iodine, which is used as an antiseptic in various medical treatments ranging from major surgery to simple wound care. Another product family that benefits from the disinfectant properties of iodine is the iodophors, which are used in diverse industrial hygiene applications.

Iodine has other important applications in the health care industry. For example, it 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 steroids.

Considering that iodine is essential for proper functioning of the thyroid gland, iodine deficiency is a dangerous condition, and every adult should maintain and iodine level of between 20 and 50 milligrams. Therefore, in order to ensure adequate intake, potassium iodide is added to salt for human consumption. Iodine is, also, crucial to animal nutrition, preventing illness and increasing yields of animal products like milk and eggs.

Iodine has various technological and industrial applications that are very important. In manufacturing light polarizing membranes—used in LCD screens for televisions, laptops, monitors and other portable devices—iodine serves as the polarizing agent, fulfilling an essential function in the production process. Iodine is also a critical element in a variety of industrial applications, such as catalysts for organic synthesis, dyes, soil fumigants, herbicides and heat stabilizers for nylon fibers, among others.

Trends in Demand

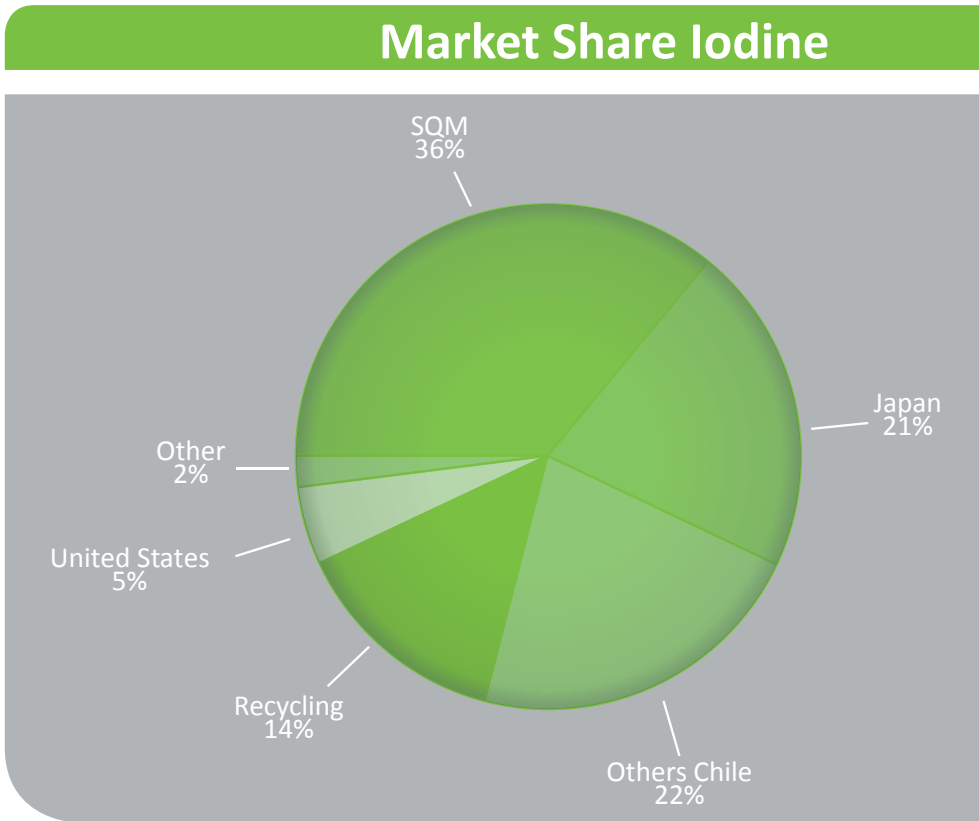
Over the last decade, the iodine market has expanded considerably, and during this time, new technological applications like LCD screens have emerged, boosting demand. The important increase in demand for contrast media for x-rays has sustained iodine market growth in recent years. As a result, between 2001 and 2008, global demand for iodine and derivatives grew at an average annual rate of 6%. The rest of the applications also reported attractive growth rates. In fact, demand for iodine excluding liquid crystal displays grew 4-5% per year during this period.

Some applications were affected more than others by the global financial crisis in 2009. For example, applications that are sensitive to economic cycles, like those related to the automotive industry (nylon) and construction (biocides),

experienced significant contractions as a result of the crisis. In addition, many companies optimized their inventory levels for certain applications. During 2010, these industries experienced important upturns, which translated into greater demand for iodine, attaining even higher levels than in 2008.

On the other hand, iodine consumption in medicine and human and animal nutrition has maintained relatively stable growth levels in the last few years.

During 2010, total demand for iodine is estimated to have expanded between 17-18% over 2009 and between 2-3% over 2008, exceeding pre-crisis levels.



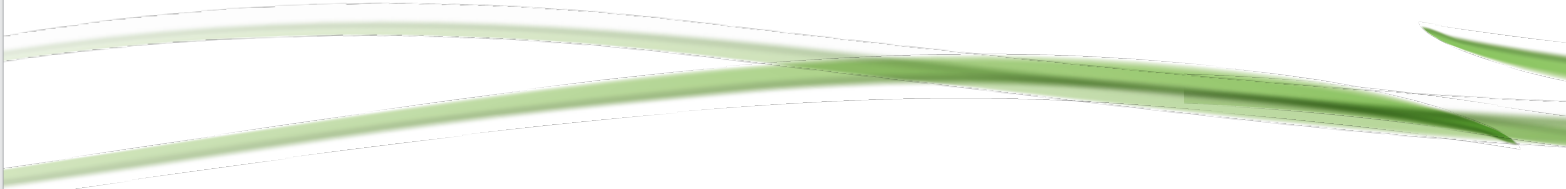


Heat Stabilizers

Iodine compounds such as potassium iodide and cupric iodide are used as thermal stabilizers in manufacturing polyamide fibers. Such use in heat stabilizers accounts for approximately 5% of global iodine consumption.

Polyamides are polymers commonly known as Nylon®, DuPont's brand name for the product. The most familiar varieties are Nylon 6.6 and Nylon 6. Nylon 6.6 was first produced commercially by DuPont in 1939. Nylon 6 was later developed to avoid patent problems with Nylon 6.6. The main difference between these polymers is that Nylon 6.6 has a much lower melting point, which is a disadvantage in certain applications. In addition to this difference, the choice between one material or the other for a given application depends highly on consumer preference.

Worldwide production of Nylon® is concentrated in the United States, Asia (mainly China and Taiwan) and Europe. When manufacturing Nylon®, iodide is added to protect polymer chain growth from heat generated during production and to give the polymer stability for its final use. The primary application of these iodine-based heat stabilizers is in manufacturing polyamide threads for tires, which must resist high temperatures during vulcanization and also reheating during road usage. For example, the tires of a small vehicle can reach 120°C when spinning. On average, the use of potassium iodide and cupric iodide allows the fibers to resist temperatures up to 170°C.



Lithium and Derivatives





SQM and Lithium

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

Since entering the lithium market, SQM has gradually increased its industry presence and is now the principal producer of lithium in the world. Currently, the Company's market share is around 26%⁽¹⁾, and the lithium business represents 8% of SQM's total sales.

(1) If only lithium chemicals are considered, SQM's market share is 31%.

Main Uses of Lithium

Lithium is a metal from the alkaline family and, given its versatility, it has numerous applications. Lithium can also be used in a variety of production processes to improve energy efficiency and manage raw materials shortages.

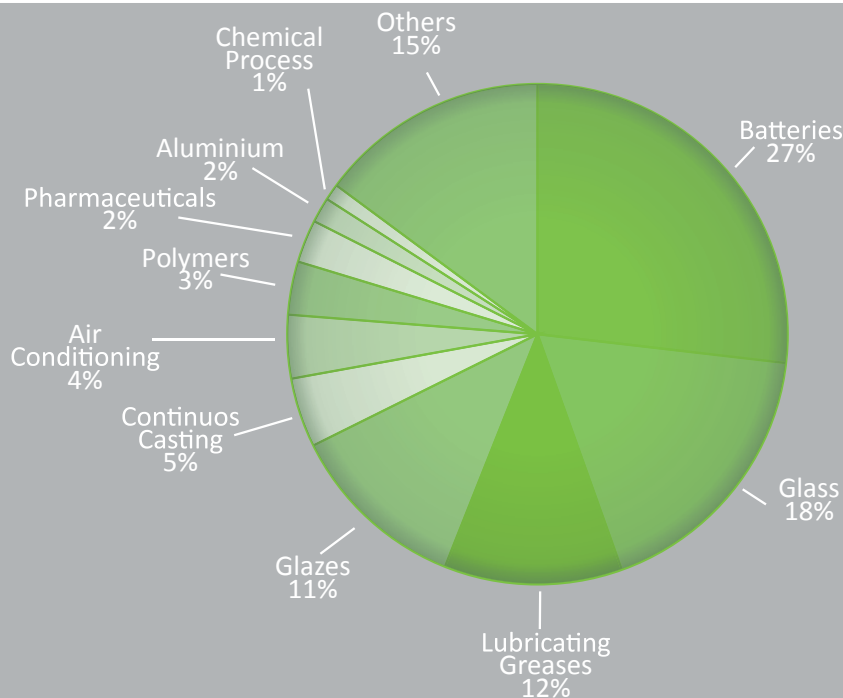
The main properties of lithium that make this element unique are:

- Lightest solid element at room temperature.
- Low coefficient of thermal expansion.
- High electrochemical potential and low density.
- Solid element with the greatest caloric capacity.

Lithium in the form of lithium carbonate and hydroxide is the ideal raw material for producing secondary (rechargeable) batteries. Given its high electrochemical potential and low density, lithium is used as cathode material in secondary batteries and as anode material in primary, or non-rechargeable, batteries. Lithium batteries have higher energy density, permitting them to store more energy per weight and volume.



Main Uses of Lithium



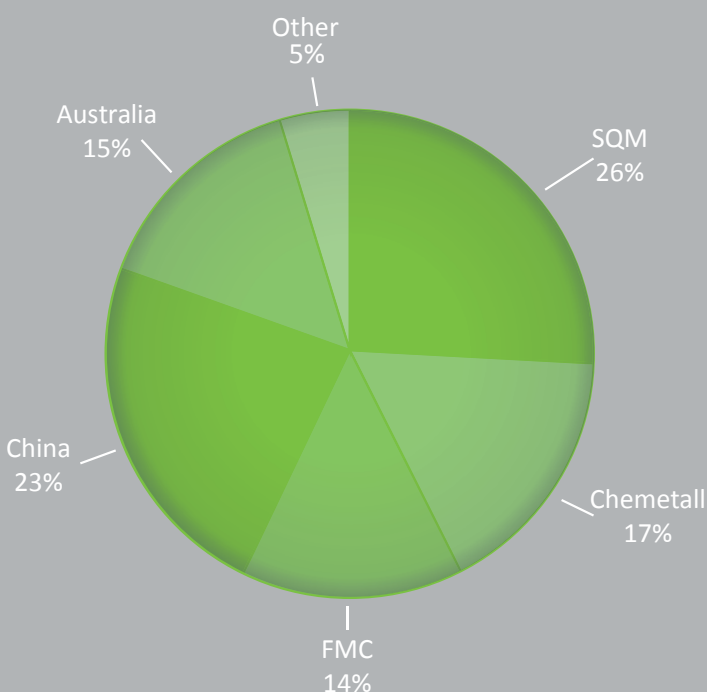
Lithium, as the solid with the greatest caloric capacity, is an excellent element in applications that involve heat transfer, such as ceramic glass—utilized in kitchen stovetops. One of the main advantages of using lithium to manufacture this type of glass is that it makes glass harder and improves its appearance.

Having a low coefficient of thermal expansion makes lithium-containing glass and glazes (ceramic coatings) more resistant to high temperatures and sudden changes in temperature. Lithium also decreases the melting points of the materials employed in this production process, resulting in energy savings and lower energy costs for manufacturers. Adding lithium to glass gives also the glass certain physical and mechanical properties such as hardness, shine, and increased resistance to chemical agents.

In addition to these traditional uses, lithium has interesting potential in the aerospace and aeronautical industry because it is the lightest of all metals. For example, aluminum-lithium alloys make planes lighter and, therefore, more efficient.

In recent years, lithium-based technologies have been under development for the automotive industry. Automakers continue to make progress in developing hybrid and electric cars that use lithium batteries. Companies like Hyundai, Nissan, Mitsubishi, General Motors and Mercedes Benz are beginning to sell vehicles that use lithium-ion batteries to store energy; such development is expected to advance favorably over the next few years.

Lithium Market Share



*Includes lithium chemicals and minerals

Trends in Demand

The lithium market is dynamic given the element's versatility and the new lithium-based technologies developed in recent years. Therefore, this market has generally reported attractive growth in recent years. From 2000 to 2008, global demand for lithium grew at average yearly rates of 6%, driven by the development of rechargeable batteries. Other applications also grew at considerable rates. In fact, demand for lithium, excluding battery use, grew around 4% per year.

To a large extent, lithium consumption is linked to industrial uses such as air conditioning, lubricating greases, glass and continuous casting for steel manufacturing, which contracted sharply as a result of the global economic crisis in 2009. During this time, many companies throughout the lithium supply chain optimized their inventory levels. Thus, global demand for lithium is estimated to have fallen nearly 20% in 2009 over 2008, reaching 90,000 metric tons (measured

as lithium carbonate equivalent) and reflecting the market's first drop after over a decade of sustained growth.

In response to these new market conditions, in September 2009, SQM announced a 20% price reduction for lithium carbonate and lithium hydroxide in order to accelerate demand recovery and encourage research into new uses for lithium.

Sales volumes began to pick up towards the end of 2009, a trend that continued throughout 2010. Consumption reported strong recovery as a result of greater market activity, while inventory returned to normal levels. Demand is estimated to have grown by 40% in 2010, greatly exceeding 2008 levels and reaching approximately 125,000 metric tons in 2010.



Large-Scale Energy Storage Systems

Renewable energy is playing an increasingly more significant role in electricity generation. Government initiatives, coupled with concerns surrounding global warming, have led to increased use of alternative energy such as wind and solar energy. These energy sources have multiple advantages but, by nature, they generate variable electricity supplies simply because wind does not always blow and the sun does not shine indefinitely in any given place.

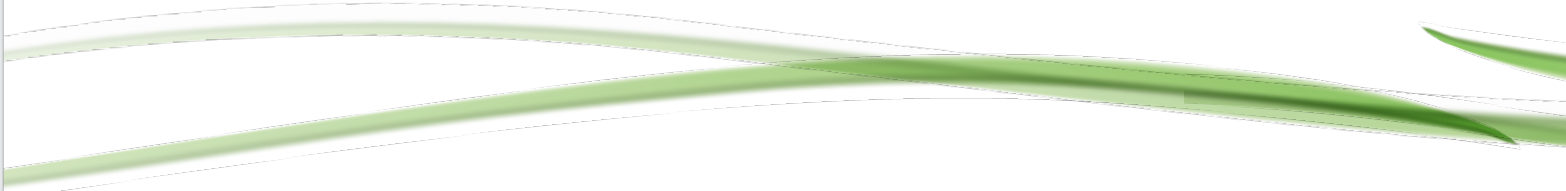
Increased use of these energies to generate electricity, together with their high future potential, has produced doubts as to whether an electricity network could depend highly on variable sources.

On the other hand, electricity demand is also variable, meaning that there are “peak” and “low” periods during the day. Generation systems are typically prepared to cover “peak” periods by operating marginal or variable-use generation systems, which are generally more inefficient and expensive than base-load generation systems. Generation from marginal or variable-use plants is also intended to cover additional unexpected demand.

One of the greatest challenges for the energy industry, is to manage these fluctuations in energy supply and demand and to respond as efficiently as possible. This problem is likely to worsen in the future as renewable energy is increasingly encouraged. To address this issue, new storage technologies with considerable potential have been under development in recent years. In this context, lithium-ion batteries will offer an excellent technological alternative, since the element’s properties make it an ideal material for storing energy.

Large-scale energy storage systems adjacent to electricity substations will reduce the impact of variability implicit to energy supply and demand. Furthermore, lithium-based storage systems can effectively increase the performance and efficiency of renewable energies, which have other benefits for society.

While this application is still in the initial stages of development, there is high potential for the use of large-scale energy storage systems in managing electricity networks.



Industrial Chemicals





SQM's industrial chemicals include various products—sodium nitrate, potassium nitrate, potassium chloride and boric acid—that are used as inputs in a number of production processes. SQM has participated in this business line for over 30 years and today these products account for approximately 8% of the Company's consolidated revenues.

Industrial Nitrates: Sodium Nitrate and Potassium Nitrate

Industrial nitrates are obtained by refining the nitrate-based fertilizers sodium nitrate and potassium nitrate. Industrial nitrate sales represent the majority of total industrial chemical sales.

Industrial nitrates are utilized in a wide variety of applications ranging from everyday uses like glass manufacturing and water treatment to explosives for mining and civil works and metal treatments. Both sodium nitrate and potassium nitrate are also employed in applications such as charcoal briquettes and the pyrotechnics industry, among others.

This broad range of uses, combined with a customer base spread throughout the world, affords SQM considerable diversification in its sales. SQM is the world's chief producer of industrial-grade sodium nitrate, with global market share of 54%, excluding China, which self-supplies its needs. This

product is sold in four grades of purity: standard, industrial, technical, and refined. The Company also has a 29% market share in industrial-grade potassium nitrate, available in three grades of purity: industrial, technical and refined.

Renewable Energy

One of the most recent applications in the industrial chemicals market is the use of a mixture of sodium nitrate and potassium nitrate to store thermal energy in solar energy plants.

Unlike traditional solar energy plants, these new plants use a "battery" or tank of melted nitrate salts that store energy in thermal form. During the day, large mirrors reflect solar light, which heats the nitrate salts. The salts are heated during the day and release energy captured from the sun at night, allowing the plant to operate for more hours each day.

This simple innovation enables solar generation plants to operate even in the absence of sunlight, boosting efficiency. In addition, plants using this new technology do not require a traditional energy backup source like diesel or coal, therefore producing 100% clean energy.



Other Industrial Chemicals

SQM complements its industrial nitrate product offerings with other industrial chemicals such as boric acid and potassium chloride, which are extracted from the brines of the Salar de Atacama.

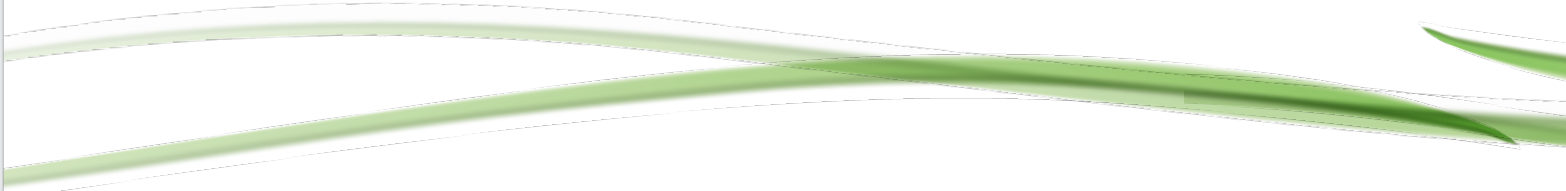
Given its higher grade of purity over other borates, boric acid has become an important input in a variety of industrial applications. In glass manufacturing, boric acid improves resistance to chemicals and heat. For insulation made from wood pulp, it acts as a fire retardant, while it improves chemical resistance in LCD screen manufacturing.

The main industrial application for potassium chloride is as a clay inhibitor in drilling fluids for oil wells and exploratory drilling, where it improves the stability of well walls. Potassium chloride is also used in treatments for certain metals.

Trends in Demand

In 2010, demand for industrial chemicals, especially in explosives for mining and construction, improved over 2009 resulting in improved sales, leaving behind the strong economic deceleration that impacted the world in 2009.

Sales levels approached pre-crisis figures in 2010 and are expected to continue to grow across all applications in 2011.



Potassium





SQM and Potassium

In order to supply itself with potassium chloride, the raw material for producing potassium nitrate, SQM began to operate in the Salar de Atacama in the 1990's. The initial investment included construction of a potassium chloride and potassium sulfate plant, among other facilities. The Potassium business line currently includes sales of two potassium fertilizers: potassium chloride and potassium sulfate. In 2010, this segment represented approximately 29% of SQM's total revenue.

The main sources of potassium that exist in the market for use in fertilizers are: potassium chloride (KCl), potassium sulfate (K_2SO_4) and potassium nitrate (KNO_3). Of these sources, potassium chloride is undoubtedly the most important worldwide. SQM is the only company that produces all three potassium sources.

Potassium, nitrogen and phosphate are the 3 macronutrients that a plant needs to develop. Potassium is an essential primary macronutrient that, despite not forming

part of a plant's structure, is critical to the development of its basic functions. Potassium cannot be replaced by any other macronutrient as each nutrient fulfills a unique role in plant development. Therefore, correctly applying potassium is fundamental to achieving properly balanced nutrition.

Potassium is a strategic nutrient that performs various important functions in plant development, including:

- **Yield:** Increasing crop yield by promoting photosynthesis, accelerating the flow of nutrients, improving nitrogen assimilation and making water use more efficient, among other factors.
- **Resistance:** Improving crop resistance to stressors like disease and plagues, extreme temperatures, droughts, etc.
- **Quality:** Guaranteeing crop quality, increasing post-harvest duration and improving taste, vitamin content and physical appearance.

Potassium: Efficient Water Use

According to the United Nations, water scarcity now affects all continents. Close to 1.2 billion people, almost one fifth of the world's population, live in areas where water is physically scarce, while 500 million are approaching this state. Another 1.6 billion, nearly a quarter of the world's inhabitants, deal with economic water scarcity, which occurs when countries lack the necessary infrastructure to transport water from rivers and aquifers.

Water scarcity is one of the main challenges of the twenty-first century that numerous civilizations around the world are facing. Throughout the last century, water use and consumption grew twice as fast as the world population and, although we cannot talk of global water scarcity, the number of regions with chronic water shortages is increasing. Plants use thousands of liters of water to produce the dry matter that gives the product value for farmers. In fact, for most crops, hundreds of liters of water are needed to produce one kilogram of dry matter.

Efficient use of water for crops is especially crucial in regions where water resources are limited or reduced and where rainwater is lacking. Efficient management of plant nutrients should take into account optimum use of water resources. Among the nutrients needed for crop growth, potassium is the element that most highly impacts efficient water use. Rational handling of this element is fundamental to obtaining maximum yield with minimum water.

Potassium is one of the essential elements to plant growth and has the highest number of functions, which include:

- Helping with photosynthesis.
- Forming and transporting sugars throughout the plant.
- Playing a role in the work of at least 60 enzymes (catalyzers of chemical reactions in plants), assisting with respiration, protein and starch formation and cellulose synthesis.
- Taking an active role in a plant's natural resistance to plagues and disease.

Potassium provides much of the "strength" needed for water to enter the root from the soil. Plants with potassium deficiency are more susceptible to damage from drought, primarily because they are not capable of using all of the water available in the soil.

Maintaining a plant's turgidity is essential to the proper functioning of the photosynthesis (sugar production). Without turgor pressure, growth comes to a halt. Stomata (pores) in a plant's leaves open when there is an increase in the turgor pressure (due to water) within the cells around the pores caused by the uptake of potassium. The improper functioning of stomata as a result of a potassium deficiency is linked to low photosynthesis levels and also inefficient water use by the plant. Ultimately, this leads to a decrease in a plant's growth rates and yield. With adequate potassium levels, transpiration (water vapor emissions from plants) and the exchange of gases needed for optimum plant development occur more efficiently.

When a plant has a potassium deficiency, the potassium inflow and outflow mechanisms of the cells of the stoma complex are altered, resulting in improper functioning and inefficient control of transpiration and photosynthesis. This is reflected in lower yields of dry matter and sugars and deterioration in the crop's efficient use of water. In practical terms, adequate potassium levels can represent lower irrigation costs per ton produced with greater water use efficiency per cultivated surface area.



Potassium participates in the activation process of more than 60 cellular enzymatic systems, and in the synthesis of proteins, vitamins, starch and cellulose, which ensure adequate metabolic function and tissue formation. In addition, potassium serves as a regulating agent for water levels in plants.

Potassium is also involved in sugar transport and accumulation processes in fruits and reserve organs in plants. This function is especially important for crops that store carbohydrates such as potatoes, sugar cane, and sugar beet and in the vast majority of fruits and vegetables, as well as in field crops such as grains, where potassium helps increase seed weight along with protein and carbohydrate levels.

Although global demand for potassium fell by nearly 45% from 2008 to 2009, with sales close to 30 million metric tons, SQM reported 200% growth in sales volumes during that year, capitalizing on its position as the market's smallest producer.

For 2010, global demand for potassium is estimated to have recovered beyond initial expectations, with demand approaching 50 million metric tons. It is worth mentioning that, despite this sharp recovery, demand did not approach levels attained in 2007 and 2008. This factor, together with good economic prospects for the main crops that use potassium, creates an optimistic scenario for 2011, when demand is expected to reach 55 million tons.



The potassium market has high barriers to entry, causing supply to be stable over the long-term and leading to relatively constant prices. In addition, the fundamentals behind demand—such as world population growth and changes in eating habits—will sustain long-term growth of potassium fertilizers.

In 2010, SQM reported sales volumes of approximately 1.3 million metric tons, equivalent to 84% growth over 2009. This growth is thanks to investments made to expand capacity that have been implemented over the past three years. SQM sells potassium chloride through its distribution

network in different global markets without interfering with each market's balance. This growth, although small relative to the market, has had a major impact on the Company's results.

Currently, the Company is developing plans to expand production capacity for potassium chloride and potassium sulfate. In addition, by 2011, SQM will significantly increase its capacity to produce compacted fertilizers, which will give it more flexibility and the opportunity to access new niche markets.



Other Commodity Fertilizers

SQM markets and sells commodity fertilizers in Chile through its subsidiary Soquimich Comercial S.A.

In Chile, more than 85% of agricultural fertilizers are imported. Most of these are commodities that are traded globally in high volumes and follow international price trends.

Fertilizers contribute to food production, and their demand is primarily linked to grain production. Through the nutritional contributions provided by this resource, farmers around the world seek to improve production efficiency to meet demand.

Following important hikes in international prices during the first semester of 2008 and then a downward correction in 2009, prices of not only fertilizers but also of commodities in general recovered in 2010, a trend that continued for the full year.

Soquimich Comercial S.A. has developed adequate commercial, supply and inventory management policies to successfully respond to changes in the market in which it operates, enabling it to become a strong, responsible company for distributors and customers, as well as shareholders.





RUS
Bovespa

2,504
874
64,05

Financial Analysis



Financial Analysis



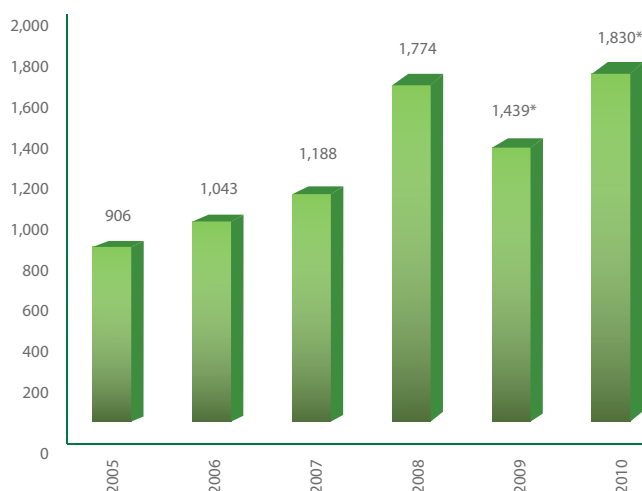
Ricardo Ramos
Chief Financial Officer and Business Development Senior Vice President

SQM's solid financial position at year end 2010 is consistent with the Company's long-term development strategy. During the year, SQM strengthened its financial indicators, enabling us to pursue the ambitious investment plan in place for the next few years.

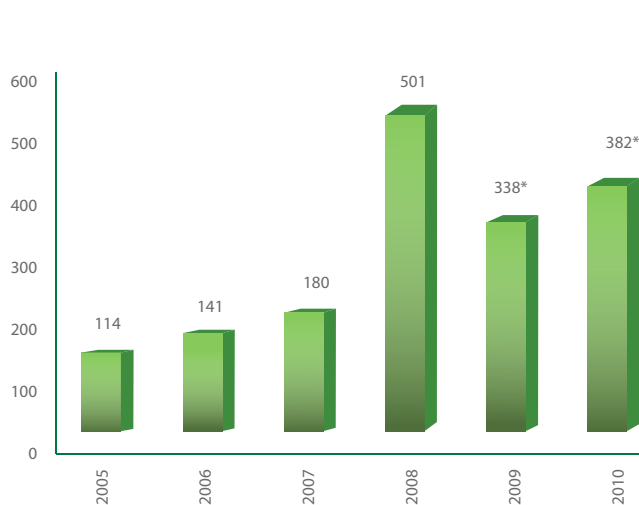
SQM reported earnings for the year 2010 of US\$382.1 million (US\$1.45 per ADR), an increase of 13.0% with respect to 2009, when earnings totaled US\$338.3 million (US\$1.29 per ADR). Gross Margin reached US\$626.0 million (34.2% of revenues), 18.1% higher than the US\$530.2 million (36.9% of revenues) recorded during 2009. Revenues totaled US\$1,830.4 million for 2010, representing an increase of 27.2% over the US\$1,438.7 million reported in the same period of 2009.

After consistent performance in each quarter of the year, we finished 2010 with solid results. We observed strong volumes across all of our product lines as market conditions in all of our business segments surpassed our initial expectations for 2010, moving past 2009 lows. We observed healthy volume recovery that in some cases exceeded pre-crisis levels. In fact, we posted record sales volumes in our iodine and lithium businesses, which reflects the strong fundamentals of our markets.

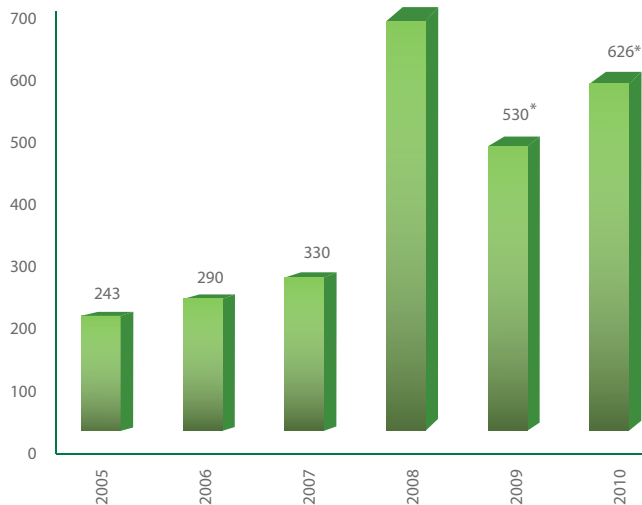
Revenues ThUS\$



Net Income ThUS\$



Operating Income ThUS\$



* Figures are based on IFRS numbers



Specialty Plant Nutrition

Revenues from our SPN business line for 2010 totaled US\$603.7 million, 14.6% higher than the US\$527.0 million recorded in 2009.

Specialty Plant Nutrition Volumes and Revenues:

		2010	2009	2010/2009	
Sodium Nitrate	Th. MT	16.8	16.5	0.2	1%
Potassium Nitrate and Sodium Potassium Nitrate	Th. MT	546.2	392.1	154.0	39%
Specialty Blends	Th. MT	164.8	174.6	-9.8	-6%
Other specialty plant nutrients (*)	Th. MT	87.6	82.3	5.2	6%
Specialty Plant Nutrition Revenues	MUS\$	603.7	527.0	76.7	15%

*Mainly includes trading of other specialty fertilizers

In general, volumes of fertilizer markets in 2010 showed noticeable improvement over 2009 levels, and our SPN segment was no exception. During 2010, potassium nitrate demand returned to pre-crisis levels, as uncertainty was replaced by consumer confidence during the first months of 2010. Demand was further driven by a return to more normalized consumption rates as growers aimed to meet the fundamental need to improve crop yields.

Improved economic conditions have supported higher demand for premium fruits and vegetables which has bolstered demand for specialty fertilizers. Key SPN markets also performed steadily, and sales volumes in 2010 were substantially higher than those recorded in 2009.

As expected, average prices for 2010 were lower than average prices recorded in 2009, but prices in the fourth quarter, however, were higher than the previous quarter of the year. There have been positive developments in the first months of 2011 in the potash market reflecting an increase in prices which could have positive implications for SPN markets in the following months.

Iodine and Derivatives

Revenues from sales of iodine and derivatives during 2010 totaled US\$316.3 million, an increase of 65.7% with respect to the US\$190.0 million reported for 2009.

Iodine and Derivatives Volumes and Revenues:

		2010	2009	2010/2009	
Iodine and Derivatives	Th. MT	11.9	7.2	4.8	67%
Iodine and Derivatives Revenues	MUS\$	316.3	190.9	125.3	66%

Improved economic conditions helped support demand recovery in the iodine market, particularly for industrial applications such as LCD screens and biocides. Total market demand for iodine in 2010 improved over 2009 levels and surpassed demand in 2008, the peak year. Solid demand in this market was complimented by tightened supply conditions, and as the world market leader, SQM

was uniquely positioned to meet the shortfall in supply. A return to normalized inventory levels throughout the supply chain also positively impacted demand for iodine, and in turn sales volumes were not only significantly higher than those recorded in 2009 but were also the highest recorded in company history. During this year, iodine prices have remained stable.



Lithium and Derivatives

Revenues for lithium and derivatives totaled US\$150.8 million during 2010, an increase of 28.0% with respect to the US\$117.8 million recorded for 2009.

Lithium and Derivatives Volumes and Revenues:

		2010	2009	2010/2009	
Lithium and Derivatives	Th. MT	32.4	21.3	11.1	52%
Lithium and Derivatives Revenues	MUS\$	150.8	117.8	33.0	28%

Performance of our lithium business beat our original expectations for 2010, and this segment posted record sales volumes. The lithium market improved strikingly over 2009 lows, and we estimate that total demand for lithium in 2010 was greater than in 2008, the previous record year for demand. Demand recovery in 2010 was driven by secondary rechargeable batteries for portable devices, the traditional demand driver and was also boosted by a return to operational inventories throughout the lithium supply chain.

Prices in this business line have remained relatively stable throughout the year and have continued to be approximately 20% below 2009 prices.



Potassium

Potassium Chloride and Potassium Sulfate revenues for 2010 totaled US\$528.2 million, a 32.3% increase with respect to 2009, when revenues amounted to US\$399.1 million.

Potassium Chloride & Potassium Sulfate Volumes and Revenues:

		2010	2009	2010/2009	
Potassium Chloride & Potassium Sulfate	Th. MT	1,273.0	690.0	583.0	84%
Potassium Chloride & Potassium Sulfate Revenues	MUS\$	528.2	399.1	129.0	32%

The potash market continued to show robust demand recovery in the fourth quarter of 2010, and the strength in demand was prevalent in major markets. In this scenario, SQM achieved higher sales volumes compared to the same period of 2009.

attractive levels creating additional economic motivation for farmers to apply fertilizer at higher rates, resulting in accelerated fertilizer demand and upward pressure on fertilizer prices.

Although average prices in 2010 were lower than those recorded in 2009, crop prices have recently increased to



Industrial Chemicals

Industrial Chemicals revenues for 2010 reached US\$149.7 million, 29.7% higher than the US\$115.4 million recorded for the same period of the previous year.

Industrial Chemicals Volumes and Revenues:

		2010	2009	2010/2009	
Industrial Nitrates	Th. MT	198.9	149.2	49.7	33%
Boric Acid	Th. MT	2.6	3.4	-0.8	-22%
Industrial Chemicals Revenues	MUS\$	149.7	115.4	34.3	30%

Sustained by improved economic conditions, sales volumes for industrial chemicals improved substantially over 2009 levels, while prices remained relatively stable during the year. Greater demand for traditional applications in Asian markets has helped to offset slightly slower demand recovery in markets such as the U.S. and Europe.

In general, traditional applications for industrial chemicals, in particular those for civil works, showed notable improvement over 2009 levels. We anticipate that the demand for industrial

chemicals will continue to progress favorably in the coming years driven by the development of new applications. Furthermore, new programs for alternative energy projects that utilize industrial-grade sodium and potassium nitrate in solar thermal energy storage continue to develop and present interesting opportunities for SQM.



Other Commodity Fertilizers

Revenues from sales of other commodity fertilizers and other income reached US\$81.8 million in 2010, down from US\$88.5 million for the same period of the previous year.

Company adopts IFRS

Following SVS guidelines, SQM has migrated from Chilean GAAP and has adopted International Financial Reporting Standards as the basis for its accounting principles. This change is effective as of January 1, 2010. Figures for 2010 have been prepared under IFRS; figures for 2009 have been prepared under IFRS for comparative purposes.

Administrative Expenses

Administrative expenses totaled US\$78.8 million (4.3% of revenues) for 2010, compared to the US\$75.5 million (5.2% of revenues) recorded during 2009.

Net Financial Expenses

Net financial expenses for 2010 were US\$22.1 million, compared to the US\$17.5 million recorded during 2009.

Financial Debt

In April 2010, the Company placed a 144-A bond for US\$250 million on the U.S. market in order to refinance liabilities. This bond matures in 10 years with one principal payment due upon maturity and a placement rate of 5.50%. This transaction obtained, at that time, the lowest placement rate that a Chilean company had secured in that market. The Company's net financial debt as of December 31, 2010 amounted to US\$584.4 million. Its net financial debt/EBITDA ratio as of year-end 2010 was 0.85 in comparison to 1.16 in 2009.

(1) Net financial debt corresponds to financial debt less cash and cash equivalents and other financial assets, including the effects of cross currency swaps.

Capex

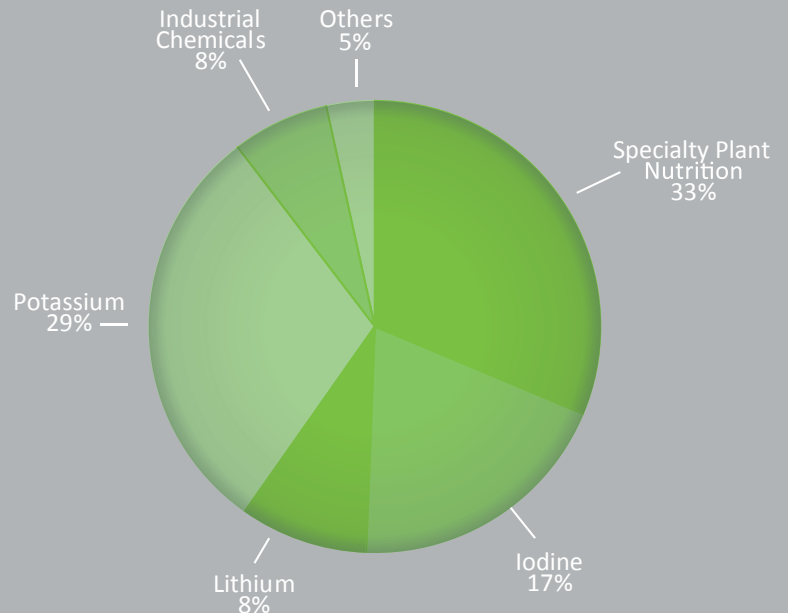
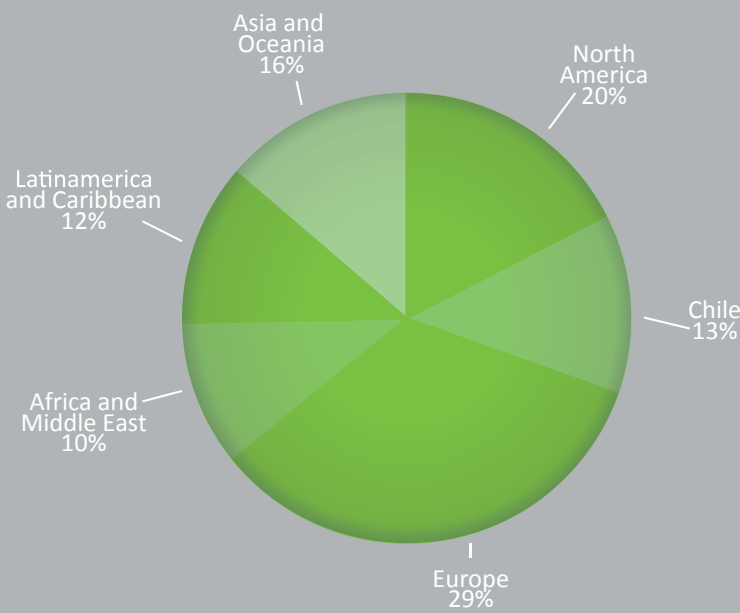
In 2010, SQM invested approximately US\$336 million as part of its Investment Plan. The investments made during this year were mainly focused on the ongoing production capacity increase in the Salar de Atacama and the completion of a new 300,000 metric ton potassium nitrate facility in Coya Sur, which increased total production capacity from 650,000 to 950,000 metric tons. This new facility will improve efficiency and lower costs for potassium nitrate production.

For 2011 and 2012, we have budgeted total capital expenditures of approximately US\$750 million, primarily related to investments: to increase production capacity of potassium-based products at the Salar de Atacama; to

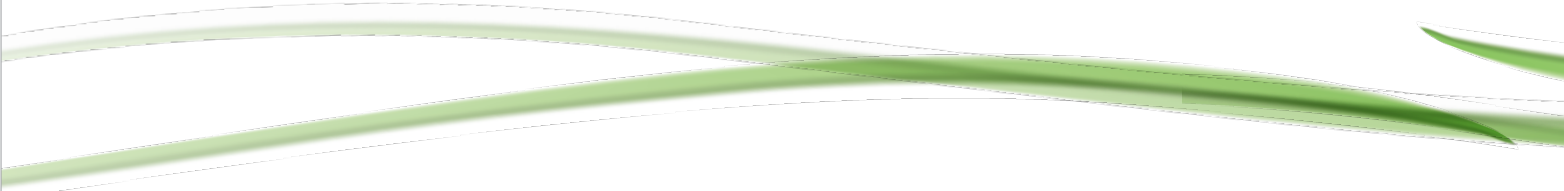
optimize our railroad system; to increase efficiencies and production capacity at our nitrate and iodine facilities; and various projects designed to maintain production capacity, increase yields and reduce costs.

The plans referred to above may be modified to reflect changes in market conditions affecting the Company's products. Furthermore, increases in costs of raw materials and spare parts could affect the investment amounts needed to carry out scheduled projects. The amounts announced in SQM's Investment Plan do not include any acquisitions or joint ventures that the Company could potentially undertake in the future.

Sales by Geographical Region



Sales by Business Segment



Consolidated Financial Statements



Report of Independent Auditors



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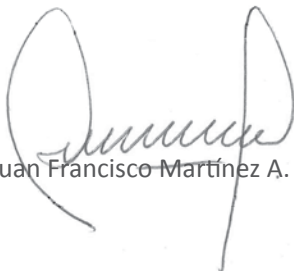
Independent Auditors' Report
(Translation of a report originally issued in Spanish – See Note 2.2)

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

We have audited the accompanying consolidated statements of financial position of Sociedad Química y Minera de Chile S.A. and subsidiaries (the "Company") as of December 31, 2010 and 2009, the consolidated opening statement of financial position as of January 1, 2009, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2010 and 2009. The preparation of these consolidated financial statements (which include their related notes) is the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sociedad Química y Minera de Chile S.A. and subsidiaries as of December 31, 2010 and 2009 and as of January 1, 2009, and the results of their operations and their cash flows for the years ended December 31, 2010 and 2009, in conformity with International Financial Reporting Standards (IFRS).



Juan Francisco Martínez A.

ERNST & YOUNG LTDA.

Santiago, March 1, 2011

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Consolidated Classified Statements of Financial Position

Assets	Note	12.31.2010	12.31.2009	01.01.2009
Current assets	N°	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalents	6.1	524,652	375,639	283,576
Other current financial assets	9.1	76,178	180,569	41,943
Other non-financial current assets	26	44,442	34,375	41,971
Trade and other accounts receivable, current	9.2	375,945	325,823	334,791
Trade and other accounts receivable due from related parties, current	8.6	36,172	68,656	51,027
Inventory	7.0	605,101	630,763	540,877
Current tax assets	29.1	32,773	41,825	1,695
Total current assets		1,695,263	1,657,650	1,295,880
Non-current assets				
Other non-current financial assets	9.1	92,674	49,836	101
Other non-financial assets, non-current	26	24,157	30,880	26,444
Non-current rights receivable	9.2	1,102	4,208	766
Trade and other accounts receivable due from related parties, non-current	8.7	-	-	2,000
Investments accounted for using the equity method	11.1	62,271	55,185	36,934
Intangible assets other than goodwill	13.1	3,270	2,836	3,525
Goodwill	13.1	38,388	38,388	38,388
Property, plant and equipment	14.1	1,453,973	1,300,546	1,076,531
Investment property	14.4	1,373	1,405	1,436
Deferred tax assets	29.4	365	870	1,969
Total non-current assets		1,677,573	1,484,154	1,188,094
Total assets		3,372,836	3,141,804	2,483,974

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

Liabilities and Equity	Note	12.31.2010	12.31.2009	01.01.2009
Liabilities	N°	ThUS\$	ThUS\$	ThUS\$
Current Liabilities				
Other current financial liabilities	9.4	187,555	268,855	150,322
Trade and other accounts payable	9.5	152,147	185,975	110,802
Trade accounts payable due to related parties. current	8.8	3,538	3,892	178
Other current provisions	19.1	15,014	16,442	9,551
Current tax liabilities	29.2	7,113	1,298	89,142
Current accrual for employee benefits	16.1	44,011	16,375	22,112
Other non-financial liabilities. current	19.3	67,459	52,205	115,682
Total current liabilities		476,837	545,042	497,789
Non-current liabilities				
Other non-current financial liabilities		1,090,188	1,024,350	520,140
Other non-current accounts payable	9.4	-	187	398
Other long-term accrued expenses	9.5	5,500	3,500	3,181
Deferred tax liabilities	19.1	100,781	53,802	27,188
Non-current accruals for employee benefits	29.4	28,710	50,473	35,059
Total non-current liabilities	16.1	1,225,179	1,132,312	585,966
Total Liabilities		1,702,016	1,677,354	1,083,755
Equity				
Issued capital		477,386	477,386	477,386
Retained earnings	18	1,155,131	951,173	888,369
Other reserves		(9,713)	(9,806)	(12,077)
Equity attributable to the owners of the controlling entity		1,622,804	1,418,753	1,353,678
Non-controlling interest		48,016	45,697	46,541
Total Equity		1,670,820	1,464,450	1,400,219
Total liabilities and equity		3,372,836	3,141,804	2,483,974

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

Consolidated Statements of Income by Function

	Note N°	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Sales	21	1,830,413	1,438,659
Cost of sales		(1,204,410)	(908,474)
Gross profit		626,003	530,185
Other income by function	28	6,545	17,009
Administrative expenses		(78,819)	(75,470)
Other expenses by function	28	(36,212)	(21,847)
Other gains (losses)	28	(6,979)	(13,705)
Interest income		12,930	13,525
Finance expenses	23	(35,042)	(30,979)
Equity in gains (losses) of associates and joint ventures accounted for using the equity method		10,681	4,462
Foreign currency transactions	24	(5,807)	(7,577)
Profit (loss) before income tax		493,300	415,603
Income tax expense	29.4	(106,029)	(75,840)
Profit (loss) from continuing operations		387,271	339,763
Profit (loss)		387,271	339,763
Gain (loss) attributable to:			
Equity holders of the parent		382,122	338,297
Non-controlling interests		5,149	1,466
Net income for the year		387,271	339,763

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

	Note N°	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Earnings per share			
Common shares			
Basic earnings per share (US\$ per share)	22	1.4519	1.2853
Basic earnings per share (US\$ per share) from continuing operations		1.4519	1.2853
Diluted common shares			
Diluted earnings per share (US\$ per share)	22	1.4519	1.2853
Diluted earnings per share (US\$ per share) from continuing operations		1.4519	1.2853

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

Consolidated Statements of Comprehensive Income

Statement of comprehensive income	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Net income for the year	387,271	339,763
Other comprehensive income components before foreign currency translation difference		
Gains (losses) from foreign currency translation differences, before tax	663	1,735
Other comprehensive income before tax and foreign currency translation differences	663	1,735
Cash flow hedges		
Gains (losses) from cash flow hedges before tax	(1,474)	(112)
Other comprehensive income before tax and cash flow hedges	(1,474)	(112)
	1,020	1,130
Other comprehensive income components, net of tax	209	2,753
Income tax related to components of other comprehensive income		
Income tax related to other comprehensive income cash flow hedges	251	19
Addition of income tax related to other comprehensive income components	251	19
Other comprehensive income	460	2,772
Total comprehensive income	387,731	342,535
Comprehensive income attributable to:		
Comprehensive income attributable to the equity holders of the parent	382,215	340,568
Comprehensive income attributable to non-controlling interest	5,516	1,967
Total comprehensive income	387,731	342,535

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

Consolidated Statements of Cash Flows

Statement of cash flows	Note	12.31.2010	12.31.2009
Cash flows provided by operating activ	N°	ThUS\$	ThUS\$
Net income for the year		387,271	339,763
Adjustment due to reconciliation of profit to cash flows		-	-
Adjustment for increases in inventory		26,545	(119,865)
Adjustment for increases in trade accounts receivable		(18,266)	9,586
Adjustment for decreases (increases) in other accounts receivable from operating activities		(21,614)	(33,947)
Adjustment for increases in trade accounts payable		(84,731)	(16,786)
Adjustment for increases in other accounts payable related to operating activities		(12,083)	(62,229)
Adjustment for depreciation and amortization		143,940	137,062
Adjustment for accrued expenses		9,927	42,036
Adjustments for unrealized gains (losses) in foreign currency		5,807	7,577
Adjustment for non distributed gains from associates		(10,681)	(4,462)
Other adjustments for entries other than cash		197,736	83,443
Other adjustments for which the effects on cash are cash flows from investing or financing activities		(448)	(229)
Total gains (losses) reconciling adjustments		236,132	42,186
Interest received		1,774	838
Interest paid		(6,655)	(11,434)
Net cash flows provided by operating activities		618,522	371,353
Cash flows used in investing activities		-	-
Other payments to acquire interest in joint ventures		(3,500)	(3,580)
Proceeds from the sale of property, plant and equipment		1,433	26,373
Purchases of property, plant and equipment		(335,997)	(376,238)
Cash advances and loans granted to third parties		1,275	(4,472)
Proceeds from future, forward, option and swap financial contracts		99,980	(149,574)
Net cash flows used in investing activities		(236,809)	(507,491)

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

Cash flows provided by (used in) financing activities		12.31.2010	12.31.2009
		ThUS\$	ThUS\$
Amounts received from long-term loans		564,000	783,874
Amounts received from short-term loans		-	-
Total amounts received from loans		564,000	783,874
Payments of loans		(632,540)	(225,735)
Dividends paid		(175,539)	(345,646)
Other cash outflows		(10,156)	(10,001)
Net cash flows provided by (used in) financing activities		(254,235)	202,492
Net increase in cash and cash equivalents before the effect of changes in foreign exchange rates		127,478	66,354
Effects of variation in exchange rate on cash and cash equivalents		21,535	25,709
Net increase in cash and cash equivalents		149,013	92,063
Cash and cash equivalents at beginning of period		375,639	283,576
Cash and cash equivalents at end of year	6	524,652	375,639

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

Statements of Changes in Net Shareholder's Equity

	Issued capital ThUS\$	Foreign currency translation difference reserve ThUS\$	Cash flow hedge reserve ThUS\$	Defined benefit plan reserves ThUS\$	Subtotal Other reserves ThUS\$	Retained earnings ThUS\$	Equity attributable to equity holders of the parent ThUS\$	Non-controlling interests ThUS\$	Total shareholder's equity ThUS\$
Beginning balance, current period:									
January 1, 2010	477,386	1,234	(7,984)	(3,056)	(9,806)	951,173	1,418,753	45,697	1,464,450
Net income for the year	-	-	-	-	-	382,122	382,122	5,149	387,271
Other comprehensive income (expenses)	-	296	(1,223)	1,020	93	-	93	367	460
Comprehensive income	-	296	(1,223)	1,020	93	382,122	382,215	5,516	387,731
Dividends	-	-	-	-	-	(178,164)	(178,164)	-	(178,164)
Increase (decrease) from transfers and other changes	-	-	-	-	-	-	-	(3,197)	(3,197)
Changes in shareholders' equity	-	296	(1,223)	1,020	93	203,958	204,051	2,319	206,370
Ending balance, current period:									
December 31, 2010	477,386	1,530	(9,207)	(2,036)	(9,713)	1,155,131	1,622,804	48,016	1,670,820

For the year ended at December 31, 2010 and 2009:

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

	Issued capital ThUS\$	Foreign currency translation difference reserve ThUS\$	Cash flow hedge reserve ThUS\$	Defined benefit plan reserves ThUS\$	Subtotal Other reserves ThUS\$	Retained earnings ThUS\$	Equity attributable to equity holders of the parent ThUS\$	Non- controlling interests ThUS\$	Total shareholder's equity ThUS\$
Beginning balance, current period: January 1, 2009	477,386	-	(7,891)	(4,186)	(12,077)	888,369	1,353,678	46,541	1,400,219
Net income for the year	-	-	-	-	-	338,297	338,297	1,466	339,763
Other comprehensive income	-	1,234	(93)	1,130	2,271	-	2,271	501	2,772
Comprehensive income	-	1,234	(93)	1,130	2,271	338,297	340,568	1,967	342,535
Dividends	-	-	-	-	-	(275,493)	(275,493)	-	(275,493)
Increase (decrease) from transfers and other changes	-	-	-	-	-	-	-	(2,811)	(2,811)
Changes in shareholders' equity	-	1,234	(93)	1,130	2,271	62,804	65,075	(844)	64,231
Ending balance, current period: December 31, 2009	477,386	1,234	(7,984)	(3,056)	(9,806)	951,173	1,418,753	45,697	1,464,450

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

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

Historical Background

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

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

Our products are divided into five main categories, as follows:

Specialty plant nutrients:

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

Iodine:

SQM is an important producer of iodine worldwide. Iodine is a product that is widely used in the pharmaceutical industry, in technology and in nutrition. Before the economic crisis, the demand for iodine was growing mainly due to its use in x-ray contrast media and polarizing film for LCD displays.

Lithium:

SQM’s Lithium is widely used in rechargeable batteries for cell phones, cameras and laptops. Lithium sales have grown in the last years, not considering the recent economic crisis, in which overall consumption diminished significantly. Through the preparation of products based on lithium, SQM provides significant raw materials to face great challenges such as the efficient use of energy and raw material. Lithium is not only used for rechargeable batteries and in new technologies for electric vehicles, but is also used in industrial applications to lower melting temperatures and to help save costs and energy.

Industrial Chemicals:

Industrial chemicals are products used as supplies for a number of production processes. SQM participates in this line of business, producing sodium nitrate, potassium nitrate, boric acid and potassium chloride, Industrial nitrates have increased in importance over the last few years due to their use as a means for the storage of thermal energy at solar energy plants, which are widely used in countries such as Spain and the United States in their search for decreasing CO2 emissions.

Potassium:

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

Employees

As of December 31, 2010 and 2009 we had employees as detailed below:

	12.31.2010	12.31.2009
Permanent personnel	4,327	4,387

The table below establishes certain information about the shareholders of Series A and Series B shares of SQM as of December 31, 2010 and 2009, with respect to each shareholder with an interest of more than 5% of outstanding Series A or B shares. The information below is taken from our records and reports registered by the entities indicated below with the Superintendencia de Securities and Insurance (SVS) and the Chilean Stock Exchange.

Shareholder as of 12/31/2010	Number of Series A shares with ownership	% of Series A shares	Number of Series B shares with ownership	% of Series B shares	Total % of shares
Sociedad de Inversiones Pampa Calichera S.A. (*)	55,437,977	38.82%	8,903,774	7.40%	24.45%
Inversiones El Boldo Limitada	44,746,513	31.33%	17,576,359	14.60%	23.68%
The Bank of New York (**)	-	0.00%	45,345,530	37.67%	17.23%
Inversiones RAC Chile Limitada	19,200,242	13.44%	2,699,773	2.24%	8.32%
Inversiones Global Mining (Chile) Limitada (*)	13,798,539	9.66%	-	0.00%	5.24%
Banchile Corredores de Bolsa S.A.	131,914	0.09%	5,178,641	4.30%	2.02%
Larrain Vial S.A. Corredora de Bolsa	2,549,382	1.79%	2,369,576	1.97%	1.87%
Inversiones La Esperanza Limitada	3,693,977	2.59%	-	0.00%	1.40%
AFP Provida S.A.	-	0.00%	3,109,256	2.58%	1.18%
Banco Itau por Cuenta de Inversionistas	-	0.00%	2,874,819	2.39%	1.09%

(*) Total Pampa Group 29,69%

Shareholder as of 12/31/2009	Number of Series A shares with ownership	% of Series A shares	Number of Series B shares with ownership	% of Series B shares	Total % of shares
Sociedad de Inversiones Pampa Calichera S.A. (*)	57,934,256	40.56%	7,544,215	6.27%	24.88%
Inversiones El Boldo Limitada	44,679,453	31.28%	17,643,419	14.66%	23.68%
The Bank of New York (**)	-	-	55,734,253	46.30%	21.18%
Inversiones RAC Chile Limitada	19,200,242	13.44%	2,699,773	2.24%	8.32%
Inversiones Global Mining (Chile) Limitada (*)	9,993,168	7.00%	-	-	3.80%
Banchile Corredores de Bolsa S.A.	123,318	0.09%	5,326,662	4.42%	2.07%
Bolsa de Comercio de Santiago	3,805,371	2.66%	729,421	0.61%	1.72%
Inversiones La Esperanza Limitada	3,693,977	2.59%	-	-	1.40%
AFP Provida S.A.	-	-	2,900,035	2.41%	1.10%
Banco Itau por Cuenta de Inversionistas	-	-	2,242,292	1.86%	0.85%

(*) Total Pampa Group 28,68%

() The Bank of New York is not necessarily the underlying economic/legal shareholder of such shares**

2 | Bases of presentation for consolidated financial statements and Summary of significant accounting policies

2.1 Periods covered

These consolidated financial statements cover the following periods:

- Consolidated Statements of financial position for the year ended December 31, 2010, 2009 and January 1, 2009.
- Consolidated statements of changes in net shareholders' equity for the years ended December 31, 2010 and 2009.
- Consolidated statements of income for the years ended December 31, 2010 and 2009, respectively.
- Consolidated statements of comprehensive income for the years ended December 31, 2010 and 2009, respectively.
- Consolidated statements of cash flows, indirect method for the periods ended December 31, 2010 and 2009.

2.2 Basis of preparation

The annual consolidated 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 integral adoption, explicit, and without reserves of the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).

These annual consolidated financial statements reflect fairly the Company's shareholders' equity and financial position and the results of its operations, changes in the statement of comprehensive income and expenses and cash flows, for the years then ended.

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

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

For comparative purposes, the Company's statement of financial position as of December 31, 2009 and the Company's Income statement as of December 31, 2009 have been converted from Chilean Generally Accepted Accounting Principles to IFRS.

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

a) Accounting pronouncements

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

	New standards	Mandatory application beginning on
IFRS 9	Financial instruments	01.01.2013
IFRIC 19	Cancellation of financial liabilities with equity instruments	01.01.2011

IFRS 9 “Financial instruments”

This Standard introduces new requirements to classify and measure financial assets, allowing for its early adoption. It requires that all financial assets are classified under the business model of the entity to manage financial assets and the characteristics of contractual cash flows of the financial assets. Financial assets under this standard are measured at amortized cost or fair value. Only the financial assets classified as measured at amortized cost should be tested for impairment. It is effective for annual periods beginning on or after January 1, 2013 and early application for 2010 financial statements is permitted.

The Company evaluated the impact derived from or that might derive from the referred standard and concluded that it will not significantly affect the financial statements.

IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”

On November 26, 2009, IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments” is issued. This interpretation provides guidance to account for the extinguishment of a financial liability by issuing equity instruments. IFRIC concluded that issuing equity instruments to extinguish an obligation are “consideration paid”. This amount should be measured at the fair value of the equity instrument that is issued, unless fair value is not reliably determined, in which case the equity instruments issued are measured at the fair value of the liability extinguished. This IFRIC is effective for annual periods beginning after January 1, 2011 and early application is permitted.

The Company evaluated the impacts triggered or that might be triggered by this interpretation and concluded they will not have a significant effect on the financial statements.

	New standards	Mandatory application beginning on
IFRS 1	First time adoption	01.01.2011
IFRS 3	Business combinations	01.01.2011
IFRS 7	Financial instruments. Disclosures	01.01.2011
IAS 1	Presentation of Financial Statements	01.01.2011
IAS 12	Income taxes	01.01.2012
IAS 24	Related parties	01.01.2011
IAS27	Consolidated and separate Financial Statements	01.01.2011
IAS 32	Financial Instruments Presentation	01.01.2011
IAS 34	Interim Financial Reporting	01.01.2011
IFRIC 14	Minimum Funding Requirements	01.01.2011

IFRS 1 “First time adoption”

In May 2010, the IASB introduced amendments to IFRS 1. Such amendments address the changes in accounting policy during adoption year and the use of cost attributed to operations subject to rate regulations. This standard is effective from January 1, 2011.

IFRS 3 “Business Combinations”

The IASB amendments to IFRS 3 issued in May 2010 clarify the minority interest measurement principles and makes certain specifications about the incentives with payments based on shares (now called “Transactions” instead of “Incentives”). It

also provides from transition requirements for contingent payments in a business combination occurred before the effective date of IFRS revision. This standard is effective from January 1, 2011.

IFRS 7 “Financial Instruments: Disclosures”

The amendments to IFRS 7 issued by IASB in May 2010 include some clarifications to the financial statement disclosures, mostly with regard to the nature and the extent of risks arising from the financial statements as well as the interaction between quantitative and qualitative disclosures. This standard is effective from January 1, 2011.

IAS 1 “Presentation of Financial Statements”

Prior to the issue of amendments to IAS 1, the standard required the entity to present a reconciliation of the changes in each item of equity. The IASB makes it clear in the amendments issued in May 2010 that entities may present the required reconciliations for each component in other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This standard is effective from January 1, 2011.

IAS 12 – Income Taxes

On December 20, 2010 IASB issued a document called “Deferred Tax: Recovery of Underlying Assets (amendment to IAS 12)” that prescribes the determination of deferred taxes of entities using the fair value as a model to value Investment Properties under IAS 40 Investment Property. In addition, this new standard includes SIC 21 “Income Tax– Recovery of Revalued Non-Depreciable Assets”. These amendments are effective for the years beginning January 1, 2012.

IAS 24 “Related Party Disclosures”

In November 2009, the IASB issued amendments to IAS 24. The revised standard simplifies the disclosure requirements for entities that are controlled, jointly controlled or significantly influenced by agencies of a government (called related – government entities) and provides for a definition of related entities. This standard is effective from January 1, 2011. Retrospective application is required.

IAS 27 “Consolidated and Separate Financial Statements”

The amendments to IAS 27 issued in May 2010 by IASB specify some of the transition requirements for amendments resulting from this standard. These amendments relate to IAS 21 the “Effects of Changes in Foreign Exchange Rates” according to which amendments must be applied retrospectively; however, this matter was not addressed before by this standard. Something similar occurs with IAS 28 “Investments in Associates” and IAS 31 “Interests in Joint Ventures”. This standard is effective from January 1, 2011.

IAS 32 “Financial Instruments Presentation”

In October 2009, the IASB issued a document called “Classification of Rights Issues”. This changed some sections of IAS 32 related to rights issues. According to the amendments the rights, options and warrants that meet the definition in paragraph 11 of IAS 32 issued to acquire a fixed number of the entity’s own non derivative equity instruments for a fixed amount in any currency are classified as equity instruments provided they are offered pro rata to the current owners of the same class of the entity’s own non derivative equity instruments. This standard is effective for annual periods beginning on or after February 1, 2010, early adoption is permitted.

IAS 34 “Interim Financial Reporting”

The IASB addressed in the amendments to IFRS issued in May 2010, the requests to clarify disclosures required by IAS 34 when this standard was deemed to be against the changes in the disclosure requirements of other IFRS. IAS 34 prescribes the

disclosure principles to determine the kind of information that must be disclosed in interim statements. The IASB concluded that amendments to IAS 34 would improve interim financial reporting, putting an emphasis on the principles and inclusion of additional examples relating to more recent reporting requirements. This standard is effective from January 1, 2011.

IFRIC 14 “Minimum Funding Requirements”

In November 2009 the International Accounting Standards Board amended IFRIC 14 to eliminate an unintended consequence that arises from the treatment to pre payments for future contributions in some cases when there is an obligation to keep minimum funding. Amendments will apply in limited circumstances: when an entity is subject to minimum funding requirements and makes pre payments in order to cover these requirements. The amendments allow an entity to treat these pre payments as assets. This IFRIC is effective from January 1, 2011.

The Management of the Company believes that adoption of the standards, amendments and interpretations described above will not have a significant impact on the consolidated financial statements of the Company during the first adoption year.

2.3 Transactions in foreign currency

a) Functional and presentation currency

The Company’s consolidated financial statements are presented in United States dollars, 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 U.S. dollars with no decimals.

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

Assets and liabilities using the exchange rate prevailing on the closing date of the consolidated financial statements.

Profit or loss account items using the average exchange rate for the year.

Net equity is stated at the historical exchange rate prevailing at acquisition date (or at the average exchange rate for the period in which it was generated both for the case of retained earnings and for contributions made), as applicable.

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

b) Basis of conversion

Domestic subsidiaries:

Assets and liabilities denominated in Chilean pesos and other currencies other than the functional currency (U.S. dollar) as of December 31, 2010, January 1 and as of December 31, 2009, have been translated to U.S. dollars at the exchange rates prevailing at those dates (the corresponding Chilean pesos were converted to Ch\$468.01 per US\$1.00 as of December 31, 2010, Ch\$507.10 per US\$1.00 as of December 31, 2009 and Ch\$636.45 per US\$1.00 as of January 1, 2009).

2.3 Transactions in foreign currency

The values of UF (a Chilean peso-denominated, inflation-indexed monetary unit) used to convert to Chilean pesos (United States dollars) the assets and liabilities expressed in this adjustable unit as of December 31, 2010 amounted to Ch\$21,455.55

(US\$45.84) as of December 31, 2009 amounted to Ch\$20,942.88 (US\$41.30) and as of January 1, 2009 amounted to Ch\$21,452.57 (US\$33.71).

Foreign subsidiaries:

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

	12.31.2010 US\$	12.31.2009 US\$	01.01.2009 US\$
Brazilian Real	1.66	1.74	2.34
New Peruvian Sol	2.81	2.88	3.14
Argentinean Peso	3.98	3.83	3.47
Japanese Yen	81.49	92.10	91.03
Euro	0.75	0.69	0.72
Mexican Peso	12.38	13.04	13.77
Australian Dollar	1.01	1.12	1.45
Pound Sterling	0.64	0.62	0.67
South African Rand	6.63	7.40	9.28
Ecuadorian Dollar	1.00	1.00	1.00
Chilean Peso	468.01	507.10	636.45
UF	45.84	41.30	33.71

c) Transactions and balances

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

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

d) Group entities

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

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

Foreign currency translation differences which arise from the conversion of a net foreign investment are recorded in account “Foreign currency translation differences” within the other comprehensive income. At the moment of the disposal of a foreign investment, those foreign currency transactions differences are recognized in the income statement as part of the gain or loss of the sale.

2.4 Basis of Consolidation

a) Subsidiaries

Subsidiaries are all those entities on which Sociedad Química y Minera de Chile S.A. has the control to lead the financial and operating policies, which, in general, is accompanied by participation greater than half the voting rights. Subsidiaries are consolidated from the date on which control is transferred to the Company and are excluded from consolidation on the date that this control ceases to exist.

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

Companies included in consolidation:

TAX ID No.	Foreign subsidiaries	Country of origin	Functional currency	Ownership interest			
				Direct	Indirect	Total	Total
						12.31.2010	12.31.2009 (**)
Foreign	Nitratos Naturais Do Chile Ltda.	Brazil	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Nitrate Corporation Of Chile Ltd.	United Kingdom	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM North America Corp.	USA	US\$	40.0000	60.0000	100.0000	100.0000
Foreign	SQM Europe N.V.	Belgium	US\$	0.8600	99.1400	100.0000	100.0000
Foreign	Soquimich S.R.L. Argentina	Argentina	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Soquimich European Holding B.V.	The Netherlands	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Corporation N.V.	Dutch Antilles	US\$	0.0002	99.9998	100.0000	100.0000
Foreign	SQI Corporation N.V.	Dutch Antilles	US\$	0.0159	99.9841	100.0000	100.0000
Foreign	SQM Comercial De Mexico S.A. De C.V.	Mexico	US\$	1.0000	99.0000	100.0000	100.0000
Foreign	North American Trading Company Administración Y Servicios Santiago	USA	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	S.A. De C.V.	Mexico	US\$	0.0200	99.9800	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\$	3.0100	96.9900	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 A.V.V.	Aruba	US\$	98.3300	1.6700	100.0000	100.0000
Foreign	SQM Indonesia	Indonesia	US\$	0.0000	80.0000	80.0000	80.0000
Foreign	SQM Virginia L.L.C.	USA	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Venezuela S.A.	Venezuela	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Italia SRL	Italy	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Comercial Caiman Internacional S.A.	Cayman Islands	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Africa Pty.	South Africa	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Lithium Specialties LLC	USA	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Fertilizantes Naturales S.A.	Spain	US\$	0.0000	66.6700	66.6700	66.6700
Foreign	Iodine Minera B.V.	The Netherlands	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Agro India Pvt. Ltd.	India	US\$	0.0000	100.0000	100.0000	0.00000
Foreign	SQM Beijin Comercial Ltd.	China	US\$	0.0000	100.0000	100.0000	0.00000

				Ownership interest			
				12.31.2010			12.31.2009
							(**)
TAX ID No.	Domestic subsidiaries	Country of origin	Functional currency	Direct	Indirect	Total	Total
96.801.610-5	Comercial Hydro S.A.	Chile	Chilean peso	0.0000	60.6382	60.6382	60.6382
96.651.060-9	SQM Potasio S.A.	Chile	US\$	99.9974	0.0000	99.9974	99.9974
96.592.190-7	SQM Nitratos S.A.	Chile	US\$	99.9999	0.0001	100.0000	100.0000
96.592180-K	Ajay SQM Chile S.A.	Chile	US\$	51.0000	0.0000	51.0000	51.0000
86.630.200-6	SQMC Internacional Ltda.	Chile	Chilean peso	0.0000	60.6382	60.6382	60.6382
79.947.100-0	SQM Industrial S.A.	Chile	US\$	99.9954	0.0046	100.0000	100.0000
79.906.120-1	Isapre Norte Grande Ltda.	Chile	Chilean peso	1.0000	99.0000	100.0000	100.0000
79.876.080-7	Almacenes y Depósitos Ltda.	Chile	Chilean peso	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
78.602.530-3	Minera Nueva Victoria S.A.	Chile	US\$	99.0000	1.0000	100.0000	100.0000
78.053.910-0	Proinsa Ltda.	Chile	Chilean peso	0.0000	60.5800	60.5800	60.5800
76.534.490-5	Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	Chile	Chilean peso	0.0000	100.0000	100.0000	100.0000
76.425.380-9	Exploraciones Mineras S.A.	Chile	US\$	0.0100	99.9900	100.0000	100.0000
76.064.419-6	Agrorama Callegari Ltda. (*)	Chile	Chilean peso	0.0000	42.4468	42.4468	42.4468

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

(**) Percentages of ownership interest as of January 1, 2009 are the same as those showed at December 31, 2009.

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

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

Non controlling interest represents the part which can be assigned to them of own funds and of income as of December 31, 2010 and 2009 of those companies which are consolidated and are presented as "Net equity from minority shareholders" in total net shareholder's equity of the attached consolidated statement of financial position and in the line "Profit or loss from non-controlling interest" in the attached consolidated income statement.

2.5 Significant accounting judgements, estimates and assumptions

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

In the Company's consolidated financial statements, judgments and estimates have been made by management to quantify certain assets, liabilities, income, expenses and commitments recorded therein. Basically these estimates refer to the following:

- The useful lives of material and intangible assets and their residual values.
- Impairment losses on certain assets, including trade accounts receivable.
- Assumptions used for the actuarial calculation of commitments related to pensions and staff severance indemnities.
- Provisions for commitments acquired with third parties and contingent liabilities.
- Accrued expenses based on technical studies which cover the different variables which affect products in stock (density, humidity, among others) and allowances on slow-moving spare parts in inventory.
- Future costs for the closure of mining facilities.
- The determination of the fair value of certain financial and non-financial assets and derivative instruments.
- The determination and allocation of fair values in business combinations.

Although these estimates have been made considering the best possible information available on the date of preparation of these financial statements, it is possible that events that may occur in the future could make their modification necessary (increases or decreases) in the next few years, which would be performed prospectively, recognizing the effects of the change in estimates on the respective future consolidated financial statements.

2.6 Financial information by operating segment

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

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

The Company has not been able to allocate assets and liabilities to each operating segments because same productive plants and process are related to more than one operating segment..

Accordingly, the following business segments have been identified by the Company:

- Specialty plant nutrients
- Industrial chemicals

- Iodine and derivatives
- Lithium and derivatives
- Potassium
- Other products and services

2.7 Property, plant and equipment

Tangible property, plant and equipment assets are stated at acquisition cost, net of the related accumulated amortization and impairment losses they 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. The amount capitalized for this concept was ThUS\$25,947 as of December 31, 2010 and ThUS\$19,231 as of December 31, 2009.
- 2) The present value of future costs to which the Company will have to experience related to the closure of its facilities, are included in the asset's value at restated cost.

Works-in-progress are transferred to property, plant and equipment in operation once they are available for use, and the related 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 income as a cost of the year in which they are 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 judged that the carrying value of assets does not exceed the net recoverable value of these assets.

Property, plant and equipment, net in the case of their residual value, are amortized through the straight-line distribution of cost among the estimated technical useful lives that constitute the period in which the Company expects to use them. When portions of a property, plant and equipment item have different useful lives, these are recorded as separate items. The useful life is reviewed annually.

Property, plant and equipment daily maintenance costs are recognized in the result when they are incurred.

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

Types of property, plant and equipment	Life or minimum rate	Life or maximum rate
Life or rate for buildings	3	60
Life or rate for plant and equipment	3	35
Life or rate for information technology equipment	3	10
Life or rate for fixed installations and accessories	3	35
Life or rate for motor vehicles	5	10
Life or rate for other property, plant and equipment	2	30

The gains or losses which are generated in the sale or disposal of property, plant and equipment are recognized as income for the period and calculated as the difference between the asset's sales value and its net carrying value.

The Company obtains property rights and mining concessions from the Chilean State. Property rights are usually obtained without any initial cost (other than the payment of mining licenses and minor registration expenses) and when rights are obtained on these concessions, the Company retains them while it pays the related annual licenses. Such license fees, 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, which are not from the Chilean State, are recorded at their acquisition cost in property, plant and equipment.

Expenses derivatives from daily maintenance related to fixed assets that do not increase the useful life of the assets, are recorded in the income statement when the expense is incurred.

2.8 Investment properties

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

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

2.9 Inventory

The Company states inventory for the lower of cost and net realizable value. The cost price 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 inventory to their current location and conditions. The method used to determine the cost of inventory is weighted average cost.

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

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

The Company conducts an evaluation of the net realizable value of inventory at the end of each year, recording an estimate with a charge to income when these are overstated. When the circumstances that previously gave rise to the rebate cease to exist, or when there is clear evidence of an increase in the net realizable value due to a change in the economic circumstances or prices of main raw materials, the estimate made previously is modified.

The valuation of obsolete, impaired or slow-moving products relates to their estimated net realizable value.

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

Raw materials, supplies and materials are recorded at the lower of acquisition cost or market value. Acquisition cost is calculated according to the annual average price method.

2.10 Trade and other accounts receivable

Trade and other accounts receivable relate to non-derivative financial assets with fixed payments that can be determined and are not quoted in any active market. These arise from sales operations involving the products and/or services that the Company commercializes directly to its customers with no intention of negotiating the account receivable and that are not within the following categories:

- Those which the Company has the intention of selling immediately in the near future and which are held-for-sale.
- Those designated at their initial recognition as available-for-sale.
- Those through which the holder does not intend to partially recover substantially its entire investment for reasons other than credit impairment and therefore must be classified as available-for-sale.

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

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

2.11 Revenue recognition

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

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

a) Sale of goods

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

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

b) Sales of services

Revenue associated with the provision of services is recognized considering the degree of completion of the service at the date of presentation of the Statement of financial position provided that the result from the transaction can be estimated reliably.

c) Interest income

Income is recognized as and when interest is accrued in consideration of the principal pending payment using the effective interest rate method.

d) Income from royalties

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

e) Income from dividends

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

2.12 Investments recognized using the equity method

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

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

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

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

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

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

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

If the resulting amount according to the equity method is negative, interest is reflected as zero in the Consolidated Financial Statements unless the Company commits to resolve its equity position. In this case, the respective provision for risks and expenses is recorded.

Dividends received in these companies are recorded by reducing the shareholders' equity value and proportional profit or loss recognized in conformity with their interest, and are included in the consolidated profit or loss under the caption "Shareholders' equity gain (loss) in companies calculated using the equity method".

2.13 Income Tax

Corporate income tax for the year is determined as the addition of current tax from the different companies which is the result of the application of the type of tax on taxable income for the year.

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

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

Tax on companies and variations in deferred tax assets or liabilities that are not the result of business combinations are recorded in income statement accounts or net shareholders' equity accounts in the Consolidated Statement of Financial Position, considering the origin of the gains or losses which have generated them.

At the date of these statements of financial position, the carrying value of deferred tax assets has been reviewed and reduced for as long as it is possible for there to be no sufficient taxable income to allow the recovery of all or a portion of the deferred tax asset. Likewise, at the date of the statement of financial position, deferred tax assets not recognized are revalued and recognized as long as it has become possible that future taxable income will allow 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 there is a possibility 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 shareholders' equity is recognized with an effect on shareholders' equity and not with an effect on profit or loss.

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

2.14 Earnings per share

The basic earning per share amounts are calculated by dividing net income for the year attributable to ordinary equity holders 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 diluted effect which assumes a diluted earning per share other than the basic earning per share.

2.15 Non-financial asset value impairment

Assets subject to 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.

For assets other than acquired goodwill, an annual evaluation is conducted of whether there are 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.

2.16 Financial assets

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

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

a) Financial assets at fair value through profit or loss

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

b) Loans and accounts receivable

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

c) Financial assets held-to-maturity

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

d) Financial assets available for sale

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

2.17 Financial liabilities

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

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

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

In accordance with IAS 32 and 39, debt related expenses are accounted for in the accompanying Consolidated Statement of Financial Position, deducting the associated debt and are imputed to the results of the year within the life of the debt using the effective interest rate method.

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

a) Financial liabilities at fair value through profit or loss

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

b) Trade accounts payable

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

c) Interest-bearing loans

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

2.18 The Environment

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

2.19 Minimum Dividend

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

2.20 Consolidated statement of cash flows

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

For the purposes of the preparation of the consolidated statement of cash flows, cash and cash equivalents have been defined as cash and cash equivalents.

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

In these statements of cash flows, the following expressions are used in the sense specified as follows:

- Cash flows: cash and financial asset equivalent inflows and outflows, understanding as such those short-term, highly-liquid investments with low risk of change in value.
- Operating activities: common activities related to the operation of the Group's business as well as other activities that cannot be classified as investing or financing activities.
- Investing activities: investing activities relate to the acquisition, disposition or disposal related to other long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities which generate changes in the size and composition of net equity and of liabilities that are not part of operating activities.

2.21 Obligations related to staff severance indemnities and pension commitments

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

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

Actuarial losses and gains that may be generated by variations in previously defined obligations are directly recorded in profit or loss.

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

The discount rate used by the Company for calculating the obligation was 6% for the periods ended as of December 31, 2010 and as of December 31, 2009.

Our affiliate 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 2010 and 2009. The net balance of this obligation is presented in the category called Non current Employee Benefit Provisions.

2.22 Financial derivatives and hedging transactions

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

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

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

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

The fair value of derivative instruments used for hedging purposes is shown in Note 9.3. Movements in the cash flow hedge reserve (other comprehensive income) are classified as a non-current asset or liability if the remaining expiration period of the hedged item is higher than 12 months and as a current asset or liability if the remaining expiration period of the entry is lower than 12 months.

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

a) Fair value hedge

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

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

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

b) Cash flow hedge

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

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

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

2.23 Lease

a) Leases - Finance lease

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

Each lease payment is distributed between the liability and the interest expenses to obtain ongoing interest type on the debt pending balance. 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 statement of income during the lease period so that a regular ongoing interest rate is obtained on the remaining balance of the liability for each year. The asset acquired through a finance lease is subject to depreciation over the lesser value of its useful life or the life of the agreement.

b) Lease – Operating lease

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

2.24 Prospecting expenses

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

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

2.25 Other provisions

Provisions are recognized when:

- The Company has a present obligation as the result of a past event.
- It is possible that certain resources must be used, including benefits, 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 income statement, the expense for any provision is presented net of any reimbursement.

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

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

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

As a result of this policy, the Company has recorded accruals for:

- Employee vacation: The Company determines and recognizes the cost related to employee vacation on an accrual basis.
- Employee benefit s agreed upon with employees other than staff severance indemnities and option plan, which the Company and its subsidiaries will have to pay to its employees by virtue of the agreements entered into, have been recognized on an accrual basis.
- Legal expenses related to the estimate of future payments for lawsuits maintained with third parties.

2.26 Compensation Plans

Compensation plans implemented through benefits in share-based payments settled in cash, which have been provided, are recognized in the financial statements at their fair value, in accordance with International Financial Reporting Standard No. 2 “Share-based payments”. Variations in the fair value of options granted are recognized with a charge to wages on a straight-line basis during the period between the date in which these options are granted and the payment date. (See Note N°17).

2.27 Goods and service insurance expenses

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

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

2.28 Intangible Assets

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

a) Goodwill acquired

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

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

b) Water rights

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

c) Right of way for electric lines

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

d) Computer software

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

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

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

2.29 Research and development expenses

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

2.30 Classification of balances as current and non-current

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

The exception to the foregoing relates to deferred taxes as they are classified as non current, regardless of the maturity thereof.

3 | First-time adoption of International Financial Reporting Standards (IFRS)

Application IFRS 1

The annual consolidated financial statements for the Group as of December 31, 2010 will be the first consolidated financial statements prepared according to IFRS. The Company has applied IFRS 1 when preparing these consolidated financial statements.

The transition date is January 1, 2009, and management has prepared its opening balance under IFRS to that date. The IFRS effective date is January 1, 2010, as indicated by the Chilean Superintendencia de Valores y Seguros (SVS).

According to IFRS 1, in order to prepare the aforementioned consolidated financial statements, all mandatory exemptions have been applied by the Company, as well as some of the non-mandatory exemptions to the retroactive application of IFRS.

The exceptions established in IFRS 1 that the Company has decided to apply on its IFRS first-time adoption process are detailed as follows:

i) Business combinations

The Company has applied the exemption included in IFRS 1 for business combinations conducted from 2004 and thereafter. For these purposes, the Company reversed the amortization of goodwill recognized in accordance with the previous accounting standards.

ii) Fair value or revaluation of property, plant and equipment as deemed cost

The Company has chosen to measure certain property, plant and equipment items at their fair value at the transition date of January 1, 2009. The fair value of property, plant and equipment was measured through a business appraisal conducted by independent external experts, who determined the new historical initial values, useful lives and residual values of these assets.

iii) Employee benefits

The Company has opted to recognize all the actuarial gains and losses accumulated as of January 1, 2009.

iv) Financial Instruments

The Company has defined the application of hedge accounting for financial derivative instruments associated with obligations with the public (bonds payable) denominated in UF and Chilean pesos issued by the Company.

v) Cumulative translation differences and technical revaluation

If the adopter uses this exemption: i) cumulative translation differences of all businesses abroad will be considered to be voided on the date of transition to IFRS; and ii) the gain or loss for the subsequent sale or disposal using another method of a business abroad will exclude translation differences that have arisen prior to the date of transition to IFRS and will include translation differences that have arisen subsequent to it.

The Company has opted to transfer cumulative translation differences and technical revaluation from other reserves to retained earnings. This exemption has been applied to all dependent companies in accordance with IFRS 1.

IFRS first-time adoption effects are recognized in retained earnings or other reserve accounts in the Company's equity, depending on whether these adjustments represent realized or unrealized gains or losses at the transition date.

The following is a detailed description of the main differences between Generally Accepted Accounting Principles in Chile (Chilean GAAP) and International Financial Reporting Standards (IFRS) applied by the Company and the impact on shareholders' equity as of December 31, 2009, and January 1, 2009 and on net income as of December 31, 2009.

a) Reconciliation of net shareholders' equity from Generally Accepted Accounting Principles (Chilean GAAP) to International Financial Reporting Standards (IFRS) as of January 1, 2009.

As of January 1, 2009	Equity holders of the Parent	Non controlling Interest	Total Shareholder's equity
Reconciliation	ThUS\$	ThUS\$	ThUS\$
Net equity under Chilean GAAP	1,463,108	-	1,463,108
Incorporation of minority shareholders	-	47,069	47,069
Reversal of amortization of goodwill	6,487	-	6,487
Negative goodwill	1,279	-	1,279
Reversal of deferred tax complementary accounts	(13,515)	-	(13,515)
Recognition of obligation for the minimum compulsory distribution of dividends of 30% of profit for the period	(50,422)	-	(50,422)
Fair value of property, plant and equipment	(53,732)	(634)	(54,366)
Recognition of actuarial calculation of accrual for staff severance indemnities	(928)	(2)	(930)
Hedge accounting (derivative instruments designated as cash flowhedge)	(9,507)	-	(9,507)
Deferred taxes on IFRS adjustments	10,908	108	11,016
Effect of transition to IFRS	(109,430)	(528)	(109,958)
Net equity under IFRS	1,353,678	46,541	1,400,219

b) Reconciliation of net shareholders' equity from Generally Accepted Accounting Principles (Chilean GAAP) to International Financial Reporting Standards (IFRS) as of December 31, 2009.

As of December 31, 2009	Equity holders of the Parent	Non controlling Interest	Total Shareholder's equity
Reconciliation	ThUS\$	ThUS\$	ThUS\$
Net equity under Chilean GAAP	1,466,613	-	1,466,613
Incorporation of minority shareholders	-	46,093	46,093
Reversal of amortization of goodwill	8,663	-	8,663
Negative goodwill	1,072	-	1,072
Reversal of deferred tax complementary accounts	(11,365)	-	(11,365)
Recognition of obligation for the minimum compulsory distribution of dividends of 30% of profit for the period	-	-	-
Fair value of property, plant and equipment	(45,132)	(503)	(45,635)
Recognition of actuarial calculation of provision for staff severance indemnities	(947)	26	(921)
Hedge accounting (derivative instruments designated as cash flowhedge)	(9,619)	-	(9,619)
Deferred taxes on IFRS adjustments	9,468	81	9,549
Effect of transition to IFRS	(47,860)	(396)	(48,256)
Net shareholders' equity under IFRS	1,418,753	45,697	1,464,450

c) Reconciliation of net income for the period from Chilean GAAP to IFRS as of December 31, 2009

As of December 31, 2009	Profit (loss) of the parent	Profit (loss) of non-controlling interest	Total profit or loss
Reconciliation	ThUS\$	ThUS\$	ThUS\$
Profit for the period under Chilean GAAP	327,056	1,334	328,390
Amortization of goodwill	2,176	-	2,176
Amortization of negative goodwill	(206)	-	(206)
Amortization of deferred tax complementary accounts	2,151	-	2,151
Depreciation	8,598	131	8,729
Recognition of actuarial calculation of accrual for staff severance indemnities	(19)	28	9
Deferred taxes under NIIF	(1,459)	(27)	(1,486)
Effect of transition to IFRS at the date of the most recent annual financial statements	11,241	132	11,373
Profit for the period under IFRS	338,297	1,466	339,763
Other income and expenses with a debit or credit in net equity:			
Conversion exchange difference gain (loss), before tax	1,234	501	1,735
Cash flow hedge gain (loss), before tax	(112)	-	(112)
Other integral result before tax, defined plan actuarial gain (loss)	1,130	-	1,130
Gains tax relating to cash flow hedge of other integral result	19	-	19
Other integral result	2,271	501	2,772
Comprehensive income for the period under IFRS	340,568	1,967	342,535

d) Statement of cash flows under the Generally Accepted Accounting Principles in Chile to Statement of cash flows under the International Financial Reporting Standards Reconciliation as of December 31, 2009:

As of December 31, 2009	Cash and Cash equivalents
Reconciliation	ThUS\$
Cash and cash equivalents under Chilean GAAP	530,394
Investments with maturity over 90 days from acquisition	(154,755)
Effect of transition to IFRS	(154,755)
Cash and cash equivalents under IFRS	375,639

Explanation of adjustments for the effects of transition to IFRS

Explanations of the different concepts enumerated in the reconciliation included in the preceding point are detailed as follows:

a) Deferred income taxes

As described in Note 2.13, under IFRS the Company has to recognize the effects of deferred income taxes for all temporary differences existing between the tax and book balances based on the liability method.

Although the method established in IAS 12 is similar to Chilean GAAP, the Company made the following adjustments in accordance with IFRS requirements:

i) The elimination of “deferred tax complementary accounts” in which the Company deferred the effects on shareholders’ equity of the first-time application of Technical Bulletin No. 60 issued by the Chilean Association of Accountants amortized with a debit/credit to income for the period in the foreseen term for the reversal of the difference (or consumption of the related tax loss, if this is the case).

ii) The determination of deferred taxes on items not subject to calculation under Chilean GAAP but which qualify as temporary differences under IFRS, and the calculation of the tax effect of transition adjustments to IFRS.

b) Revaluation of property, plant and equipment at fair value as deemed cost

Chilean GAAP establish the valuation of property, plant and equipment at acquisition cost restated for inflation less accumulated depreciation and accumulated impairment losses and do not allow property, plant and equipment revaluation (revaluations were only and extraordinarily authorized by the Chilean SVS in accordance with Circular Letters Nos. 550 and 566 of 1985, issued by the Chilean Superintendencia de Valores y Seguros.) Except for that indicated in the next paragraph, the Company has considered the values of assets determined in accordance with the aforementioned accounting standards, as its property, plant and equipment at deemed cost, with the exception of the application of monetary correction, due to the Company uses the U.S. dollar as its functional currency.

For the adoption of IFRS, the Company valued certain property, plant and equipment items (mainly machinery and equipment) at their fair value in conformity with the exemption contained in IFRS 1. The revaluation was performed only once in accordance with IFRS 1. The new value determined relates to the initial cost of the asset beginning on the transition date. This fair value of assets amounted to ThUS\$60,458 as of January 1, 2009 and represented a decrease in shareholders' equity (decrease) of ThUS\$54,366 at that date.

c) Minimum Dividend

In accordance with Chilean GAAP, dividends for distribution are recorded in the Company's financial statements at the time of the agreement at the Shareholders' or Board of Directors' Meeting. Law No. 18,046 on Shareholders' Companies establishes in its article No. 79 that public shareholders' companies will have to distribute at least 30% of profit for the period as dividends to its shareholders, unless the shareholders of shares issued with voting rights at the Shareholders' Meeting unanimously agree otherwise. Under IFRS, the Company has recorded the obligation on an accrual basis, net of provisional dividends which would have been agreed at the closing date for 30% of profit for the period, which is the legal minimum percentage. As of December 31, 2009, the provisional dividend distributed during November covers this minimum dividend and therefore, no provision was required.

d) Non controlling Interest

Chilean GAAP, applied for the preparation of the consolidated financial statements, recognized the interest of minority shareholders in the equity of subsidiaries as a separate account between liabilities and net equity of the Company's consolidated financial statements. Likewise, the consolidated financial statements for the year under Chilean GAAP excluded through a specific line minority interest in net profit or loss of subsidiaries. Under IFRS, minority shareholders are a part of the economic conglomerate or Group and; therefore, their interest is considered part of the statement of changes in net equity and the income statement.

e) Derivative hedging

The Company maintains as hedging instruments those financial derivatives associated with obligations with the public (bonds payable) issued in UF and in Chilean pesos. Under IFRS, changes generated in the fair value of derivatives which are designated and qualified as hedging, for their effective component, are recognized in other comprehensive income as part of the net shareholders' equity. The gain or loss relative to the non-effective part of the hedging is immediately recognized in the statement of income under "Other gains / losses." This represents a change with respect to Chilean GAAP where realized gains or losses for this concept were recognized in non-operating income, whereas unrealized gains or losses related to changes in fair values of derivative instruments in cash flow hedging were deferred in asset and liability accounts without affecting income up to the settlement of hedged and hedging entries.

f) Actuarial staff severance indemnities

IFRS require that the benefits of services defined delivered to employees at long-term are determined in consideration of the application of an actuarial calculation model generating differences with respect to the methodology applied previously, which considered present values.

g) Negative goodwill

IFRS do not contemplate the recognition in the statement of financial position of negative goodwill at the date of a business combination recognizing this difference directly in income (under Chilean GAAP this was presented as a deduction of assets.) Accordingly, the existing balance for this concept was transferred to the Reserve for Retained Earnings account within Shareholders' Equity.

h) Goodwill

Under IFRS, the Company has considered goodwill as an intangible asset of indefinite useful life. At least once a year, the cash generating unit that gave rise to goodwill is assessed for possible impairment. If there is any evidence of impairment, goodwill is initially adjusted with a charge to income. For first-time adoption purposes, the Company opted to reverse the amortization of goodwill generated by the acquisition of companies recorded using the business combination method, adopted beginning in 2004.

i) Reconciliation of cash flows for the year ended December 31, 2009

In accordance with IAS 7, investments with maturity over three months will not be part of cash and cash equivalents. Under the Chilean GAAP it was formed by short term investments that are regularly made by the company in managing the cash surplus and intended for conversion in a term not exceeding 90 days from the financial statements closing.

4 | Financial risk management

4.1 Risk management policy

The 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 financial uncertainty components.

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

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

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 of market variables that affect the assets and liabilities of the Company, such as:

a) Country risk

The economic position of the countries where the Company has a presence may affect its financial position. For example, the sales carried out in emerging markets expose 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 position and operational results.

c) Commodities price risk

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

At present, the Company has a direct annual expense close to US\$70 million on account of fuel and close to US\$50 million on account of electricity. Variations of 10% in the prices of energy the Company requires to operate, may involve in the short term movements in costs amounting to US\$12 million.

4.2.2 Bad debt risk

As occurred in the last financial crisis, the contraction of the global economy and the potentially negative effects in the financial position of our clients may extend the accounts receivable 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 might have a material adverse effect on the business, financial position or the results of the Company's operations.

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

4.2.3 Foreign exchange risk

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

A relevant portion of the Company's costs is related to the Chilean peso. Therefore, an increase or decrease in the foreign exchange rate between the Chilean peso and the US dollar would affect its costs. US\$300 to US\$350 million of SQM's costs, especially payroll, relate to the Chilean peso, which are hedged by derivatives instruments that cover the currency fluctuations.

As of December 31, 2009 the Company had derivative instruments classified as foreign exchange risk and interest rate hedge associated with the total bond obligations in both Chilean pesos and UF (units indexed by inflation), for a reasonable value of US\$51.3 million. As of December 31, 2010 this sum amounts to US\$ 97.5 million, both in favor of SQM.

The Chilean peso – US dollar exchange rate as of December 31, 2010 was Ch\$ 468.01 per US dollar and as of December 31, 2009, Ch\$ 507.10 per US dollar.

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. As SQM does not have derivative instruments to cover LIBOR fluctuations, the company is subject to the fluctuations of that rate.

As of December 31, 2010 approximately 20% of the Company's financial obligations included current portion valued at LIBOR, therefore significant increases in the rate may impact its financial position. A 100 point variation on this rate may trigger variations in the financial expenses close to US\$2.5 million per year; however, this effect is significantly counterbalanced by the returns of the Company's investments that also relate to LIBOR.

In addition, the Company has over the total financial debt as of December 31, 2010 a percentage close to 15% with short term maturity, thus reducing the exposure to interest rate fluctuations.

4.2.5 Liquidity risk

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

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

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

As a result of the foregoing, SQM constantly monitors that its obligations and investments match, taking care as part of its financial risk management strategy of the obligations and investments maturities from a conservative perspective. As of December 31, 2010 the Company had committed bank lines amounting to US\$657 million and not committed bank lines amounting to US\$40 million, in the event additional resources were needed.

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

4.3 Risk measurement

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

5 | Changes in Accounting Estimates and Policies (Uniformity)

5.1 Changes in accounting estimates

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

5.2 Changes in Accounting Policies

As of December 31, 2010, the Company's consolidated financial statements present no changes in accounting policies or estimates compared to the prior period or the transaction date, except for the application of International Financial Reporting Standards (IFRS) beginning on January 1, 2010.

Changes in policies and accounting estimates compared to local accounting principles and their effects were described in Note 3: Transition to International Financial Reporting Standards (IFRS).

The consolidated statements of financial position as of December 31, 2010 and as of December 31, 2009 and as of January 1, 2009 and the statements of comprehensive income, equity and cash flows for the period ended December 31, 2010 have been prepared in accordance with IFRS, and accounting principles and criteria have been applied consistently.

6 | Cash and Cash Equivalents

6.1 Types of Cash and Cash Equivalents

As of December 31, 2010 and 2009, and as of January 1, 2009, cash and cash equivalents are detailed as follows:

Cash and cash equivalents	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Cash on hand	83	96	2,845
Bank balances	24,267	19,121	18,773
Short-term time deposits	375,057	181,680	96,269
Other cash and cash equivalents	125,245	174,742	165,689
Cash and cash equivalents	524,652	375,639	283,576

6.2 Other cash and cash equivalents

As of December 31, 2010, 2009, and January 1, 2009, other cash and cash equivalents relate to mutual fund units for investments made in:

Institution	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Legg Mason Western Asset Management Co.	52,576	59,224	56,384
BlackRock Cash Management Plc	36,712	59,070	55,760
JP Morgan Asset Management	35,957	56,334	53,545
Citibank	-	114	-
Total	125,245	174,742	165,689

These are highly liquid fund managers that are basically engaged in investments in fixed rate notes in the U.S. market.

6.3 Information on cash and cash equivalents by currency

Original currency	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Chilean Peso (*)	331,011	104,925	99
US Dollar	176,703	263,207	270,954
Euro	6,784	3,813	7,676
Mexican Peso	102	218	809
South African Rand	8,776	2,586	2,574
Japanese Yen	1,192	823	1,096
Dirham	-	-	176
Peruvian Sol	13	26	175
Argentinean Peso	-	1	3
Brazilian Real	21	33	4
Chinese Yuan	40	-	-
Indonesian rupee	5	5	4
Pound sterling	5	2	6
Total	524,652	375,639	283,576

(*) The Company maintains policies of financial derivatives that allow to translated the deposits from Chilean peso to US dollars.

6.4 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, 2010, December 31, 2009 and January 1, 2009, the Company has no significant cash balances with any type of restriction.

6.5 Detail of time deposits

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

Receiver of the deposit	Type of Deposit	Original Currency	Interest rate	Placement date	Expiration date	Principal ThUS\$	Interest accrued		12.31.2009 ThUS\$	01.01.2009 ThUS\$
							to-date ThUS\$	12.31.2010 ThUS\$		
Banco Crédito e Inversiones	Fixed term	Chilean pesos	0.35	11-03-2010	02-01-2011	26,224	177	26,401	34,865	11,015
Banco Crédito e Inversiones	Fixed term	Chilean pesos	0.34	11-04-2010	02-02-2011	4,142	26	4,168	-	-
Banco Crédito e Inversiones	Fixed term	Chilean pesos	0.34	12-06-2010	03-04-2011	6,719	19	6,738	-	-
Banco Crédito e Inversiones	Fixed term	Chilean pesos	0.36	12-14-2010	03-14-2011	10,552	22	10,574	-	-
Banco Crédito e Inversiones	Fixed term	Chilean pesos	0.35	12-16-2010	02-17-2011	10,132	18	10,150	-	-
Banco Crédito e Inversiones	Fixed term	Chilean pesos	0.35	12-16-2010	03-16-2011	10,336	19	10,355	-	-
Banco de Chile	Fixed term	Chilean pesos	0.32	10-07-2010	01-05-2011	20,594	187	20,781	69,201	10,022
Banco de Chile	Fixed term	Chilean pesos	0.33	10-28-2010	01-26-2011	15,943	113	16,056	-	-
Banco de Chile	Fixed term	Chilean pesos	0.33	10-29-2010	01-27-2011	15,723	109	15,832	-	-
Banco de Chile	Fixed term	Chilean pesos	0.29	11-26-2010	01-07-2011	20,891	71	20,962	-	-
Banco de Chile	Fixed term	Chilean pesos	0.30	12-03-2010	01-03-2011	7,251	20	7,271	-	-
Banco de Chile	Fixed term	Chilean pesos	0.33	12-27-2010	01-26-2011	20,297	9	20,306	-	-
Banco de Chile	Fixed term	Chilean pesos	0.24	12-30-2010	01-14-2011	1,667	-	1,667	-	-
Banco Estado	Fixed term	US Dollar	0.70	12-29-2010	01-13-2011	17,000	1	17,001	-	-
Banco Santander-Santiago	Fixed term	Chilean pesos	0.31	10-22-2010	01-20-2011	10,423	76	10,499	50,006	24,229
Banco Santander-Santiago	Fixed term	Chilean pesos	0.31	10-25-2010	01-19-2011	15,421	107	15,528	-	-
Banco Santander-Santiago	Fixed term	Chilean pesos	0.32	10-26-2010	01-24-2011	20,751	146	20,897	-	-
Banco Santander-Santiago	Fixed term	Chilean pesos	0.32	10-26-2010	01-24-2011	31,530	222	31,752	-	-
Banco Santander-Santiago	Fixed term	Chilean pesos	0.33	11-04-2010	02-02-2011	6,212	39	6,251	-	-
Banco Santander-Santiago	Fixed term	Chilean pesos	0.33	12-06-2010	03-04-2011	3,192	8	3,200	-	-
Banco Santander-Santiago	Fixed term	US Dollar	0.42	11-23-2010	01-12-2011	20,000	9	20,009	-	-
Banco Security	Fixed term	Chilean pesos	0.32	10-20-2010	01-18-2011	15,892	122	16,014	-	-
Banco Security	Fixed term	US Dollar	1.30	10-25-2010	01-19-2011	7,000	17	7,017	-	-
Citibank New - York Inversiones	Overnight	US Dollar	0.03	12-31-2010	01-03-2011	557	-	557	2,122	824
Corpbanca	Fixed Term	Chilean pesos	0.34	12-06-2010	03-03-2010	15,513	43	15,556	10,486	20,045
Corpbanca	Fixed Term	Chilean pesos	0.34	12-06-2010	03-04-2011	5,770	16	5,786	-	-
Corpbanca	Fixed Term	Chilean pesos	0.36	12-16-2010	03-16-2011	4,053	7	4,060	-	-
Corpbanca	Fixed Term	Chilean pesos	0.36	12-17-2010	03-17-2011	8,772	14	8,786	-	-
IDBI Bank	Fixed Term	Rupee	-	12-31-2010	01-31-2011	3	-	3	-	-
Scotiabank Sud Americano	Fixed Term	Chilean pesos	0.30	11-24-2010	01-25-2011	20,803	77	20,880	-	-
HSBC Bank Chile	-	-	-	-	-	-	-	-	-	5,013
Banco BBVA Chile	-	-	-	-	-	-	-	-	-	16,103
Banco Itau Chile	-	-	-	-	-	-	-	-	-	9,018
Deutsche Bank Chile	-	-	-	-	-	-	-	-	15,000	-
Total								375,057	181,680	96,269

7 | Inventories

The composition of inventories is as follows:

Class of inventory	12.31.2010	12.31.2009	01.01.2009
	ThUS\$	ThUS\$	ThUS\$
Raw materials	7,120	6,491	11,144
Supplies for production	21,398	15,617	19,275
Products-in-progress	291,536	287,712	189,555
Finished products	285,047	320,943	320,903
Total	605,101	630,763	540,877

Inventory provisions recognized as of December 31, 2010 amount to ThUS\$63,597, as of December 31, 2009 amounted to ThUS\$65,298, and as of January 1, 2009 amounted to ThUS\$43,686. Provisions have been made based on a technical study that covers the different variables affecting products in stock (density, humidity, among others.) Additionally, provisions have been recognized for lower prices on the sale of products and inventory difference.

As of December 31, 2010 the sum recognized as expense in the Income Statement amounts to ThUS\$902,961 and as of December 31, 2009 to ThUS\$615,755.

The breakdown of inventory is detailed as follows:

Class of inventory	12.31.2010	12.31.2009	01.01.2009
	ThUS\$	ThUS\$	ThUS\$
Raw materials	1,093	93	93
Supplies for production	-	1,580	1,900
Products-in-progress	43,115	46,228	27,599
Finished products	19,389	18,027	14,094
Total	63,597	65,928	43,686

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

8 | Related Party Disclosures

8.1 Related party disclosures

Balances pending at year-end are not guaranteed, accrue no interest and are settled in cash. No guarantees have been delivered or received for trade and other accounts receivable from related parties or trade and other accounts payable to related parties. For the period ended December 31, 2010, the Group 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.

8.2 Relationships between the parent company and the entity

According to the by-laws of SQM S.A., no shareholder can concentrate more than 32% of the Company's voting right capital.

Sociedad de Inversiones Pampa Calichera S.A. and Global Mining Investments (Chile) S.A. collectively, the Pampa Group, are the owners of a number of shares that are equivalent to 29.69% of the current total amount of shares issued, subscribed and paid of SQM S.A. In addition, Kowa Company Ltd., Inversiones La Esperanza (Chile) Limitada, Kochi S.A. and La Esperanza Delaware Corporation, collectively the Kowa Group, are the owners of a number of shares equivalent to 2.08% of the total amount of shares issued, subscribed and paid of SQM S.A.

The Pampa Group and the Kowa Group have informed SQM S.A., the Chilean SVS and the pertinent 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 subscribed a joint venture agreement with respect to those shares. Consequently, the Pampa Group, by itself, does not concentrate more than 32% of the voting rights capital of SQM S.A., and the Kowa Group does not concentrate by itself more than 32% of the voting rights capital of SQM S.A.

Likewise, the joint venture agreement has not transformed the Pampa Group and the Kowa Group into related companies. The joint venture 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.

Taxpayer ID	Company name	Ownership percentage %
96.511.530-7	Sociedad de Inversiones Pampa Calichera S.A.	24.45
96.863.960-9	Global Mining Investments (Chile) S.A.	5.24
Total Pampa Group		29.69
79.798.650-k	Inversiones la Esperanza (Chile) Ltda.	1.40
59.046.730-8	Kowa Co Ltd.	0.30
96.518.570-4	Kochi S.A.	0.29
59.023.690-k	La Esperanza Delaware Corporation.	0.09
Total Kowa Group		2.08

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

The following intermediate parent companies prepare public financial statements:

Soquimich Comercial S.A.

8.4 Detailed identification of the link between the parent company and the subsidiary as of December 31, 2010 and 2009

Subsidiary	Participation percentage in subsidiary 12.31.2010 and 12.31.2009		
	Direct %	Indirect %	Total %
Comercial Hydro S.A.	0.0000	60.3820	60.3820
SQM Potasio S.A.	99.9974	0.0000	99.9974
SQM Nitratos S.A.	99.9999	0.0001	100.0000
Ajay SQM Chile S.A.	51.0000	0.0000	51.0000
SQMC Internacional Ltda.	0.0000	60.6382	60.6382
SQM Industrial S.A.	99.9954	0.0046	100.0000
Isapre Norte Grande Ltda.	1.0000	99.0000	100.0000
Almacenes y Depósitos Ltda.	1.0000	99.0000	100.0000
Serv. Integrales de Tránsitos y Transferencias S.A.	0.0003	99.9997	100.0000
Soquimich Comercial S.A.	0.0000	60.6383	60.6383
SQM Salar S.A.	18.1800	81.8200	100.0000
Minera Nueva Victoria S.A.	99.0000	1.0000	100.0000
Proinsa Ltda.	0.0000	60.5800	60.5800
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	0.0000	100.0000	100.0000
Exploraciones Mineras S.A.	0.2691	99.7309	100.0000
Nitratos Naturais Do Chile Ltda.	0.0000	100.0000	100.0000
Nitrate Corporation of Chile Ltd.	0.0000	100.0000	100.0000
SQM North America Corporation.	40.0000	60.0000	100.0000
SQM Europe N.V.	0.8600	99.1400	100.0000
Soquimich SRL Argentina	0.0000	100.0000	100.0000
Soquimich European Holding B.V.	0.0000	100.0000	100.0000
SQM Corporation N.V.	0.0001	99.9999	100.0000
SQI Corporation N.V.	0.0159	99.9841	100.0000
SQM Comercial de México S.A. de C.V.	1.0000	99.0000	100.0000
North American Trading Co.	0.0000	100.0000	100.0000
Administración y Servicios Santiago S.A. de C.V.	0.0200	99.9800	100.0000
SQM Perú S.A.	0.9800	99.0200	100.0000
SQM Ecuador S.A.	0.0040	99.9960	100.0000
SQM Nitratos México S.A.	0.0000	51.0000	51.0000
SQMC Holding Corporation L.L.P.	0.1000	99.9000	100.0000
SQM Investment Corporation N.V.	1.0000	99.0000	100.0000
SQM Brasil Limitada.	2.7900	97.2100	100.0000
SQM France S.A.	0.0000	100.0000	100.0000
SQM Japan Co Ltd.	1.0000	99.0000	100.0000
Royal Seed Trading A.V.V.	1.6700	98.3300	100.0000
SQM Oceania Pty Limited.	0.0000	100.0000	100.0000
Rs Agro Chemical Trading A.V.V.	98.3300	1.6700	100.0000
SQM Indonesia S.A.	0.0000	80.0000	80.0000
SQM Virginia L.L.C.	0.0000	100.0000	100.0000
SQM Venezuela S.A.	0.0000	100.0000	100.0000
SQM Italia SRL	0.0000	100.0000	100.0000
Comercial Caiman Internacional S.A.	0.0000	100.0000	100.0000
SQM Africa Pty.Ltd.	0.0000	100.0000	100.0000
SQM Lithium Specialties LLP.	0.0000	100.0000	100.0000
Fertilizantes Naturales S.A.	0.0000	66.6700	66.6700
Iodine Minera B.V.	0.0000	100.0000	100.0000
SQM Agro India Pvt. Ltd.	0.0000	100.0000	100.0000
SQM Beijin Comercial Co. Ltd.	0.0000	100.0000	100.0000
Agrorama Callegari Ltda.	0.0000	42.4468	42.4468

8.5 Detail of related parties and transactions with related parties

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

Expiration conditions for each case vary by virtue of the transaction that generated them.

Taxpayer ID	Company	Relationship	Original country	Transaction	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Foreign	Doktor Tarsa Tarim Sanayi As	Associate	Turkey	Product Sales	12,460	11,030
Foreign	Ajay Europe S.A.R.L.	Associate	France	Product Sales	22,150	11,899
Foreign	Ajay Europe S.A.R.L.	Associate	France	Dividends	628	-
Foreign	Ajay North America LLC.	Associate	United States	Product Sales	35,502	13,839
Foreign	Ajay North America LLC.	Associate	United States	Dividends	-	453
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	Product Sales	12,384	7,385
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	Interest Income	-	54
Foreign	Kowa Company Ltd.	Other related party	Japan	Product Sales	94,611	59,233
Foreign	Kowa Company Ltd.	Other related party	Japan	Services Sales	-	185
Foreign	NU3 B.V.	Associate	The Netherlands	Product Sales	12,921	-
Foreign	NU3 B.V.	Associate	The Netherlands	Services Sales	102	-
Foreign	NU3 N.V.	Associate	Belgium	Product Sales	12,590	-
Foreign	SQM Thailand Co.Ltd.	Associate	Thailand	Product Sales	1,613	1,716
Foreign	Misr Speciality Fertilizers	Associate	Egypt	Product Sales	502	170
Foreign	Nutrisi Holding N.V.	Associate	Belgium	Interest Income	-	10,825
Foreign	Nutrisi Holding N.V.	Associate	Belgium	Product Sales	-	10,223
Foreign	Nutrisi Holding N.V.	Associate	Belgium	Services Sales	-	106
77.557.430-5	Sales de Magnesio Ltda	Associate	Chile	Product Sales	834	908
77.557.430-5	Sales de Magnesio Ltda	Associate	Chile	Dividends	-	385
77.557.430-5	Sales de Magnesio Ltda	Associate	Chile	Services Sales	353	270
78.062.420-5	Minera Saskatchewan Ltda (PCS)	Other related party	Chile	Product Sales	-	34,949
78.062.420-5	Minera Saskatchewan Ltda (PCS)	Other related party	Chile	Services Sales	423	540

8.6 Trade and other accounts receivable due from related parties, current:

Taxpayer ID	Company	Relationship	Original country	Currency	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
77.557.430-5	Sales de Magnesio Ltda. Soc.de Inversiones	Associate	Chile	US Dollar	106	292	143
96.511.530-7	Pampa Calichera Minera Saskatchewan	Other related party	Chile	US Dollar	8	8	8
78.062.420-5	Ltda.	Other related party	Chile	US Dollar	-	32,588	-
79.049.778-9	Callegari Agrícola S.A.	Other related party	Chile	Chilean peso	6	-	-
Foreign	Doktor Tarsa Tarim Sanayi AS	Associate	Turkey	US Dollar	-	7,304	13,641
Foreign	Nutrisi Holding N.V.	Associate	Belgium	Euro	1,618	1,741	1,702
Foreign	Ajay Europe S.A.R. L.	Associate	France	US Dollar	2,043	1,492	4,061
Foreign	Ajay North America LLC. Abu Dhabi Fertilizer	Associate	United states United Arab	US Dollar	2,666	2,914	2,520
Foreign	Industries WWL	Associate	Emirates	US Dollar	4,517	3,546	6,579
Foreign	NU3 B.V. Misr Speciality	Associate	The Netherlands	Euro	1,083	1,883	772
Foreign	Fertilizers	Associate	Egypt	US Dollar	335	289	632
Foreign	Kowa Company Ltd.	Other related party	Japan	US Dollar	23,134	15,764	18,170
Foreign	SQM Thailand Co. Ltd.	Associate	Thailand	US Dollar	656	835	-
Foreign	SQM Agro India	Associate	India	US Dollar	-	-	595
Foreign	SQM East Med Turkey	Associate	Turkey	US Dollar	-	-	1,075
Foreign	NU3 N.V.	Associate	Belgium	Euro	-	-	1,129
Total to present date					36,172	68,656	51,027

8.7 Trade and other accounts receivable due from related parties, non-current:

Taxpayer ID	Company	Relationship	Original country	Currency	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	US Dollar	-	-	2,000
Total to the present date					-	-	2,000

8.8 Trade and other accounts payable due to related parties, current:

Taxpayer ID	Company	Relationship	Original country	Currency	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
79.049.778-9	Callegari Agrícola S.A. Doktor Tarsa Tarim	Other related party	Chile	Chilean peso	-	234	-
Foreign	Sanayi AS	Associate	Turkey	US Dollar	73	-	-
Foreign	NU3 N.V.	Associate	Belgium	US Dollar	270	94	-
Foreign	SQM Vitas Coromandel	Joint venture	U.A.E	Dirham	2,614	2,883	-
Foreign	Fertilizers Limited	Joint Venture	India	Rupee	581	681	-
Foreign	SQM Thailand Co. Ltd.	Associate	Thailand	Euro	-	-	178
Total to the present date					3,538	3,892	178

As of December 31, 2010, December 31, 2009 and January 1, 2009 there are not any bad debt provisions relating to outstanding balances from transactions with related parties as they are not impaired.

8.9 Board of Directors and Senior Management

1) Board of Directors

SQM S.A. is managed by a Board of Directors which is composed of eight regular directors who are elected for a four-year period. The present Board of Directors was elected by the shareholders at the Ordinary Shareholders' Meeting of April 30, 2008.

As of December 31, 2010, the Company has an Audit Committee made up of three members of the Board of Directors. This Committee performs those duties provided in Article 50 bis of Law No. 18,046.

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

2) Directors' Compensation

2.1 2010

2.1.1 Board of Directors

Director's compensation is detailed as follows:

A payment of a monthly fixed gross amount of UF 300 in favor of the SQM Chairman and UF 50 in favor of the seven remaining board members regardless of their attendance at Board meetings or the number of meetings attended.

A payment in domestic currency in favor of the Chairman of the Board of Directors consisting of a variable and gross amount equivalent to 0.35% of total net for the period effectively earned by SQM. S.A. during fiscal year 2010.

A payment in domestic currency in favor of each Company's directors excluding the Chairman of the Board, consisting of a variable and gross amount equivalent to 0.04% of total net income for the period effectively earned by SQM. S.A. during fiscal year 2010.

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 SQM approve the statement of financial position (balance sheet), the financial statements, the annual report, the report by the account inspectors and the report of external auditors for the fiscal year ending December 31, 2010.

Therefore, the remunerations and profit sharing paid to members of the Board of Directors and Audit Committee during 2010 amount to ThUS\$ 2,869.

2.1.2 Audit Committee

The remuneration of the Audit Committee is detailed as follows:

A payment of a monthly, fixed and gross amount of UF 17 in favor of each of the 3 Directors who are a part of the Company's Audit Committee regardless of the number of meetings conducted during the respective month.

A payment in domestic currency and in favor of each of the 3 Directors of a variable and gross amount equivalent to 0.013% of the Company's total net income for the period effectively earned by SQM. S.A. during fiscal year 2010.

2.2 2009

2.2.1 Director's Compensation and Committee

During 2009, the Company has paid its directors an annual amount of UF 300 to the Chairman and UF 50 to each of the seven remaining board members regardless of attendance to Board meetings or the number of meetings attended.

In addition, the directors have received variable remuneration consisting of 0.5% of 2008 net income for the Chairman and 0.5% of 2008 net income divided in equal parts for each of the seven remaining board members.

Therefore, remuneration and profit share paid to the members of the Audit Committee and the Directors during 2009 amounted to ThUS\$6,507.

In April 2009, at the General Ordinary Shareholders' Meeting of SQM S.A. the shareholders agreed to change the percentages of variable benefit for 2009, to 0.35% of net income for 2009 for the Chairman and 0.04% of net income for 2009 to each of the remaining seven directors.

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

4) Senior Management remuneration.

As of December 31, 2010, the overall remuneration paid to the 108 main executives amounts to ThUS\$21,809. (ThUS\$20,025 as of December 31, 2009) This includes monthly fixed salary and variable performance bonuses.

SQM S.A. has defined annual bonus plans for its executives related to goal achievement and level of individual contribution to the Company's income. These incentives are structured in a minimum and maximum of gross remuneration which are paid once a year or every two years.

5) Additionally, the Company has retention bonuses for the Company's executives. The amount of these bonuses is linked to the price of the Company's share and is payable in cash between 2011 and 2016 (See Note N°17).

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

7) The Company's Managers and Directors do not receive or have not received any benefit during the period ended as of December 31, 2010 or compensation for the concept of pensions, life insurance, paid time off, profit sharing, incentives, benefits due to disability other than those mentioned in the preceding points.

8) In accordance with IAS No. 24 paragraph 9, letter f) we must inform that our Director Wolf Von Appen B. is a part of the Ultramar Group. As of December 31, 2010, the amount of operations with this Group is approximately ThUS\$11,532 (ThUS\$ 1,272 as of December 31, 2009).

9) SQM currently maintains financial operations with the BCI Bank (Banco de Crédito e Inversiones). These operations are held at market price, in which Daniel Yarur (Member of the SQM Board of Directors) also belongs to the Board of this institution.

9 | Financial Instruments

In accordance with IAS 39, financial assets are detailed as follows:

9.1 Classes of other financial assets

Classes of other financial assets	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Other current financial assets (1)	69,818	169,798	40,344
Derivative instruments (2)	1,363	9,155	1,599
Hedging assets, current	4,997	1,616	-
Total other current financial assets	76,178	180,569	41,943
Other non-current financial assets (3)	118	113	101
Hedging assets, non-current	92,556	49,723	-
Total other non-current financial assets	92,674	49,836	101

1) Relates to time deposits that expire in more than 90 days since the date of the investment.

2) Relate to forwards and options that were not classified as hedging instruments. (See note 9.3).

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

Other financial assets, current

Financial Institution	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Banco Santander Santiago	-	39,131	20,223
Banco de Crédito e Inversiones	36,251	36,980	20,121
Banco de Chile	10,333	53,705	-
Corpanca	18,031	39,982	-
Banco Itau Chile	5,203	-	-
Total	69,818	169,798	40,344

9.2 Trade and other accounts receivable

a) Trade and other accounts receivable, net:

Description of the type of trade and other accounts receivable, net:	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Trade and other accounts receivable current, net	375,945	325,823	334,791
Trade accounts receivable	350,720	309,765	328,044
Other accounts receivable	25,225	16,058	6,747
Trade and other accounts receivable non-current, net	1,102	4,208	766
Other accounts receivable	1,102	4,208	766
Total	377,047	330,031	335,557

b) Trade and other accounts receivable, gross:

Classes of trade and other accounts receivable, gross	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Trade and other accounts receivable current, gross	394,827	342,906	348,066
Trade accounts receivable	367,545	326,192	339,932
Other accounts receivable	27,282	16,714	8,134
Trade and other accounts receivable non-current, gross	1,102	4,208	766
Other accounts receivable	1,102	4,208	766
Total	395,929	347,114	348,832

c) Detail of financial assets past due and not paid but not impaired

Financial assets past due, not paid but not impaired, are composed of the following: Trade and other accounts receivable as of December 31, 2010 and December 31, 2009.

	Balances as of 12.31.2010				
	Expiring in less than three months ThUS\$	Expiring between three and six months ThUS\$	Expiring between six and twelve months ThUS\$	Expiring in more than twelve months ThUS\$	Total ThUS\$
Financial assets					
Trade and other accounts receivable	54,203	1,911	28,689	4,108	88,911
Total	54,203	1,911	28,689	4,108	88,911

	Balances as of 12.31.2009				
	Expiring in less than three months ThUS\$	Expiring between three and six months ThUS\$	Expiring between six and twelve months ThUS\$	Expiring in more than twelve months ThUS\$	Total ThUS\$
Financial assets					
Trade and other accounts receivable	36,956	7,107	713	6,370	51,146
Total	36,956	7,107	713	6,370	51,146

	Balances as of 01.01.2009				
	Expiring in less than three months ThUS\$	Expiring between three and six months ThUS\$	Expiring between six and twelve months ThUS\$	Expiring in more than twelve months ThUS\$	Total ThUS\$
Financial assets					
Trade and other accounts receivable	41,049	5,773	15,671	1,396	63,889
Total	41,049	5,773	15,671	1,396	63,889

d) Detail of impaired financial assets

At the end of each period, the financial assets included in trade and other accounts receivable have been subject to value impairment tests, and there are indications of impairment in the value of these.

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

Financial assets	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Trade and other accounts receivable	(18,882)	(17,083)	(13,275)
Balance	(18,882)	(17,083)	(13,275)

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

	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Opening balance	17,083	13,275	10,649
Bad debt expense	2,028	3,716	4,700
Write-offs	(118)	(199)	(1,042)
Exchange difference	(111)	1,214	(855)
Other	-	(923)	(177)
Total	18,882	17,083	13,275

e) Credit Risk Concentration

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

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

Trade receivables	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Gross debt receivable	395,929	347,114	348,832
Over due debts	(88,911)	(51,146)	(63,889)
Impaired debts	(18,882)	(17,083)	(13,275)
Debts close to maturity and not impaired	288,136	278,885	271,668

9.3 Current hedge assets

The balance represents derivative instruments measured at fair value which have been classified as hedging from exchange and interest rates risk related to the total obligations relating to bonds of the Company in Chilean pesos and UF. As of December 31, 2010 the nominal value of flows in Cross Currency Swap contracts agreed in US dollars amounted to ThUS\$ 410,618; as of December 31, 2009 they amounted to ThUS\$ 415,749; and as of

Hedging assets	Derivative instruments (CCS) ThUS\$	Effect on profit or loss for the period, derivative Instruments ThUS\$	Hedging reserve in other comprehensive income (equity) ThUS\$	Deferred income tax hedging reserve in equity ThUS\$	Hedging reserve in other comprehensive income (equity) ThUS\$
December 31, 2010	97,553	46,936	(11,093)	1,886	(9,207)
December 31, 2009	51,339	68,533	(9,619)	1,635	(7,984)

January 1, 2009 to ThUS\$ 92,367.

Balances in the column Effects on profit or loss, consider the annual effects of contracts that were in force as of December 31, 2010 and December 31, 2009.

The detail of the expiration of bonds is as follows:

Series	Contract Amount ThUS\$	Currency	Expiration Date
C	82,104	UF	12.01.2026
G	33,673	Chilean peso	01.05.2014
H	146,360	UF	01.05.2013
I	56,041	UF	04.01.2014
J	92,440	Chilean peso	04.01.2014

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

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

Hedge Accounting

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

a) Fair value 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 covered item that is attributable to the risk that is covered.

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

The hedge instruments are classified as effective or not effective on the basis of the effectiveness test results. To date, the effectiveness tests have defined them as effective. This note includes details of fair values of derivative instruments classified as hedge instruments.

b) Cash flow hedging

They 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.

c) Hedging of net investment in a business abroad:

To date, the Company has not classified hedge for the amount corresponding to the interest of the entity that presents its financial statements in the net assets of the business.

9.4 Financial liabilities

As of December 31, 2010, December 31, 2009 and January 1, 2009, financial liabilities are detailed as follows:

Classes of interest-bearing loans	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Current interest-bearing loans			
Bank loans (a)	150,958	220,756	133,587
Derivative instruments (9.6)	18,353	4,232	7,158
Current hedging liabilities	-	-	2,233
Unsecured obligations (b)	18,244	43,867	7,344
Total	187,555	268,855	150,322
Non-current interest-bearing loans			
Bank loans (c)	140,000	363,808	229,680
Non-current hedging liabilities	-	-	8,798
Unsecured obligations (d)	950,188	660,542	281,662
Total	1,090,188	1,024,350	520,140

a) Current bank loans:

As of December 31, 2010, December 31, 2009 and January 1, 2009, the bank loans are detailed as follows:

Debtor		Creditor		12.31.2010 Current maturities								
Taxpayer ID	Subsidiary	Country	Taxpayer ID	Financial institution	Country	Type of currency or adjustment index	Type of repayment Taxpayer ID	Effective rate Subsidiary	Nominal rate Country	Up to 90 days ThUS\$	More than 90 days less than 1 year ThUS\$	Total ThUS\$
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch	United States	USD	Expiration date	3.93%	3.77%	20,214	-	20,214
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch	United States	USD	Expiration date	3.93%	3.77%	10,104	-	10,104
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch	United States	USD	Expiration date	2.55%	2.55%	-	625	625
93.007.000-9	SQM S.A.	Chile	97.032.000-8	BBVA Banco Bilbao Vizcaya Argentaria	Chile	USD	Expiration date	0.64%	0.64%	20,030	-	20,030
93.007.000-9	SQM S.A. Royal Seed Trading Corporation	Chile	97.032.000-8	Banco Bilbao Vizcaya Argentaria	Chile	USD	Expiration date	0.26%	0.26%	20,000	-	20,000
Foreign	A.V.V.	Aruba	Foreign	ING Capital LLC	United States	USD	Expiration date	1.00%	0.80%	-	80,055	80,055
Total										70,348	80,680	151,028
Borrowing costs										-	(70)	(70)
Total										70,348	80,610	150,958



Debtor		Creditor		12.31.2009 Current maturities								
Taxpayer ID	Subsidiary	Country	Taxpayer ID	Financial institution	Country	Type of currency or adjustment index	Type of repayment Taxpayer ID	Effective rate Subsidiary	Nominal rate Country	Up to 90 days ThUS\$	More than 90 days less than 1 year ThUS\$	Total ThUS\$
79.947.100-0	SQM Industrial S.A.	Chile	97.951.000-4	HSBC Bank Chile	Chile	USD	Expiration date	4.74%	4.74%	15,090	-	15,090
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch	United States	USD	Expiration date	2.68%	2.68%	-	656	656
93.007.000-9	SQM S.A.	Chile	97.030.000-7	Banco Estado	Chile	USD	Expiration date	4.66%	4.66%	20,813	-	20,813
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch	United States	USD	Expiration date	3.98%	3.98%	223	-	223
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch	United States	USD	Expiration date	3.98%	3.98%	109	-	109
93.007.000-9	SQM S.A.	Chile	97.032.000-8	BBVA Chile	Chile	USD	Expiration date	4.51%	4.51%	20,762	-	20,762
93.007.000-9	SQM S.A.	Chile	97.032.000-8	BBVA Chile	Chile	USD	Expiration date	4.46%	4.46%	10,376	-	10,376
93.007.000-9	SQM S.A.	Chile	Foreign	Caja de Ahorro y Monte de Piedad	United States	USD	Expiration date	3.08%	2.56%	43	-	43
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	BBVA Banco Bilbao Vizcaya Argentaria	United States	USD	Expiration date	1.22%	0.69%	100,053	-	100,053
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	ING Capital LLC	United States	USD	Expiration date	0.95%	0.80%	-	55	55
Foreign	SQM Investment Corporation N.V.	Dutch Antilles	Foreign	Export Development Canada	United States	USD	Expiration date	2.47%	1.93%	-	50,019	50,019
Foreign	Fertilizantes Naturales S.A.	Spain	Foreign	Other Banks	Spain	Euro	Expiration date	-	-	-	3,327	3,327
Total										167,469	54,057	221,526
Borrowing costs										(653)	(117)	(770)
Total										166,816	53,940	220,756

Debtor		Creditor					01.01.2009 Current maturities					
Taxpayer ID	Subsidiary	Country	Taxpayer ID	Financial institution	Country	Type of currency or adjustment index	Type of repayment Taxpayer ID	Effective rate Subsidiary	Nominal rate Country	Up to 90 days ThUS\$	More than 90 days less than 1 year ThUS\$	Total ThUS\$
79.947.100-0	SQM Industrial S.A.	Chile	97.006.000-6	Banco Crédito e Inversiones Banco Crédito e Inversiones JP Morgan Chase Bank	Chile	USD	Expiration date	10.12%	10.12%	15,346	-	15,346
93.007.000-9	SQM S.A.	Chile	97.006.000-6	Banco Crédito e Inversiones	Chile	USD	Expiration date	6.00%	6.00%	-	10,085	10,085
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Crédito e Inversiones	United States	USD	Expiration date	6.63%	6.63%	-	20,317	20,317
93.007.000-9	SQM S.A.	Chile	97.006.000-6	Banco Crédito e Inversiones	Chile	USD	Expiration date	6.12%	6.12%	-	10,087	10,087
93.007.000-9	SQM S.A.	Chile	97.032000-8	BBVA Chile	Chile	USD	Expiration date	4.62%	4.62%	10,021	-	10,021
93.007.000-9	SQM S.A.	Chile	97.032000-8	BBVA Chile	Chile	USD	Expiration date	7.87%	7.87%	10,166	-	10,166
93.007.000-9	SQM S.A.	Chile	97.032000-8	BBVA Chile Banco Santander	Chile	USD	Expiration date	8.00%	8.00%	20,338	-	20,338
79.626.800-K	SQM Salar S.A.	Chile	97.036.000-K	Banco Santander Santiago	Chile	USD	Expiration date	6.25%	6.25%	-	10,038	10,038
79.626.800-K	SQM Salar S.A.	Chile	97.036.000-K	Banco Santander Santiago	Chile	USD	Expiration date	6.02%	6.02%	10,037	-	10,037
79.626.800-K	SQM Salar S.A.	Chile	97.951.000-4	HSBC Bank Chile	Chile	USD	Expiration date	7.80%	7.80%	-	15,267	15,267
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Banco Bilbao Vizcaya Argentaria	United States	USD	Expiration date	3.01%	2.63%	204	-	204
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	ING Capital LLC	United States	USD	Expiration date	3.19%	2.93%	-	215	215
Foreign	SQM Investment Corporation N.V.	Dutch Antilles	Foreign	Export Development Canada HSBC Bank Middle East	United States	USD	Expiration date	3.73%	3.33%	-	32	32
Foreign	SQM Dubai - Fzco Fertilizantes Naturales	UAE	Foreign	Ltd.	U.A.E.	Dirham	Expiration date	-	-	21	-	21
Foreign	S.A.	Spain	Foreign	Other Banks	Spain	Euro	Expiration date	-	-	-	1,632	1,632
Total										66,133	67,673	133,806
Borrowing costs										(102)	(117)	(219)
Total										66,031	67,556	133,587

b) Unsecured obligations, current:

As of December 31, 2010, December 31, 2009 and January 1, 2009, unsecured current interest-bearing obligations are detailed as follows:

Promissory Note						Carrying value ThUS\$		
ID or registration No. of the instrument	Series	Adjustment unit	Face value	Expiration date of the credit note	Interest rate	12.31.2010	12.31.2009	01.01.2009
47	1-B	\$	15,000,000,000	03-17-2010	3.6%	-	29,363	-
Total						-	29,363	-

On March 17, 2010, was paid the promissory note No. 47 series 1-B Capital amounting to ThUS\$29,040.

Bonds

Debtor										Periodicity		12.31.2010 Current due dates		
Tax ID	Affiliate	Country	Placement in Chile or abroad	Number of registration or ID of the instrument	Series	Placed nominal current value	Bond adjustment unit	Effective rate	Nominal rate	Tax ID	Affiliate	Up to 90 days ThUS\$	More than 90 days less than 1 year ThUS\$	Total ThUS\$
93.007.000-9	SQM S.A	Chile	Foreign	-	Single	-	US\$	6.79%	6.13%	Semester	At maturity	-	2,591	2,591
93.007.000-9	SQM S.A	Chile	Foreign	-	Single	-	US\$	5.92%	5.50%	Semester	At maturity	-	2,682	2,682
93.007.000-9	SQM S.A	Chile	National	446	C	150,000	UF	6.63%	4.00%	Semester	Semester	-	7,237	7,237
93.007.000-9	SQM S.A	Chile	National	564	H	-	UF	6.43%	4.90%	Semester	Semester	4,319	-	4,319
93.007.000-9	SQM S.A	Chile	National	563	G	-	\$	6.19%	7.00%	Semester	At maturity	1,502	-	1,502
93.007.000-9	SQM S.A	Chile	National	563	I	-	UF	5.88%	3.00%	Semester	At maturity	-	512	512
93.007.000-9	SQM S.A	Chile	National	563	J	-	\$	5.37%	5.50%	Semester	At maturity	-	1,508	1,508
Total												5,821	14,530	20,351
Bond issue cost												(270)	(1,837)	(2,107)
Total												5,551	12,693	18,244

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

Debtor											Periodicity		12.31.2009 Current maturities		
Tax ID	Affiliate	Country	Placement in Chile or abroad	Number of registration or ID of the instrument	Series	Placed nominal current value	Bond adjustment unit	Effective rate	Nominal rate	Tax ID	Affiliate	Up to 90 days ThUS\$	More than 90 days less than 1 year ThUS\$	Total ThUS\$	
93.007.000-9	SQM S.A	Chile	Foreign	-	Single	-	US\$	6.79%	6.13%	Semester	At maturity	-	2,577	2,577	
93.007.000-9	SQM S.A	Chile	National	446	C	150,000	UF	6.63%	4.00%	Semester	Semester	-	6,537	6,537	
93.007.000-9	SQM S.A	Chile	National	564	H	-	UF	6.43%	4.90%	Semester	Semester	3,891	-	3,891	
93.007.000-9	SQM S.A	Chile	National	563	G	-	\$	6.19%	7.00%	Semester	At maturity	1,386	-	1,386	
93.007.000-9	SQM S.A	Chile	National	563	I	-	UF	5.88%	3.00%	Semester	At maturity	-	461	461	
93.007.000-9	SQM S.A	Chile	National	563	J	-	\$	5.37%	5.50%	Semester	At maturity	-	1,391	1,391	
Total												5,277	10,966	16,243	
Bond issue cost												(269)	(1,470)	(1,739)	
Total												5,008	9,496	14,504	

Debtor											Periodicity		01.01.2009 Current maturities		
Tax ID	Affiliate	Country	Placement in Chile or abroad	Number of registration or ID of the instrument	Series	Placed nominal current value	Bond adjustment unit	Effective rate	Nominal rate	Tax ID	Affiliate	Up to 90 days ThUS\$	More than 90 days less than 1 year ThUS\$	Total ThUS\$	
93.007.000-9	SQM S.A	Chile	Foreign	-	Single	-	US\$	6.79%	6.13%	Semester	At maturity	-	2,577	2,577	
93.007.000-9	SQM S.A	Chile	National	446	C	150,000	UF	6.63%	4.00%	Semester	Semester	-	5,353	5,353	
Total												-	7,930	7,930	
Bond issue cost												-	(586)	(586)	
Total												-	7,344	7,344	

c) Classes of non-current interest-bearing loans

Non-current interest-bearing loans as of December 31, 2010, December 31, 2009 and January 1, 2009 are detailed as follows:
Non-current interest-bearing bank loans.

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

Debtor		Creditor				12.31.2009			Years to maturity			Total ThUS\$	
Taxpayer ID	Subsidiary	Country	Taxpayer ID	Financial institution	Country	Currency or adjustment unit	Amortization period	Effective rate	Nominal rate	1 to 3 years ThUS\$	3 to 5 years ThUS\$		More than 5 years ThUS\$
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch Caja de Ahorro y Monte de Piedad Banco	United States	USD	At maturity	2.68%	2.68%	-	140,000	-	140,000
93.007.000-9	SQM S.A.	Chile	Foreign	Estado NY Branch Banco	United States	USD	At maturity	3.08%	2.56%	40,000	-	-	40,000
93.007.000-9	SQM S.A.	Chile	Foreign	Estado NY Branch Banco	United States	USD	At maturity	3.98%	3.98%	10,000	-	-	10,000
93.007.000-9	SQM S.A. Royal Seed Trading Corporation	Chile	Foreign	Estado NY Branch	United States	USD	At maturity	3.98%	3.98%	20,000	-	-	20,000
Foreign	A.V.V. Royal Seed Trading Corporation	Aruba	Foreign	BBVA Bancomer	United States	USD	At maturity	4.07%	3.25%	75,000	-	-	75,000
Foreign	A.V.V.	Aruba	Foreign	ING Capital LLC	United States	USD	At maturity	0.95%	0.80%	80,000	-	-	80,000
Total										225,000	140,000	-	365,000
Bond issue cost										(1,192)	-	-	(1,192)
Total										223,808	140,000	-	363,808

Debtor		Creditor			01.01.2009 Years to maturity								
Taxpayer ID	Subsidiary	Country	Taxpayer ID	Financial institution	Country	Currency or adjustment unit	Amortization period	Effective rate	Nominal rate	1 to 3 years ThUS\$	3 to 5 years ThUS\$	More than 5 years ThUS\$	Total ThUS\$
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	BBVA Banco Bilbao Vizcaya Argentaria	United States	USD	At maturity	3.01%	2.63%	100,000	-	-	100,000
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	ING Capital LLC	United States	USD	At maturity	3.19%	2.93%	80,000	-	-	80,000
Foreign	SQM Investment Corporation N.V.	Dutch Antilles	Foreign	Export Development Canada	United States	USD	At maturity	3.73%	3.33%	50,000	-	-	50,000
Total										230,000	-	-	230,000
Borrowing costs										(320)	-	-	(320)
Total										229,680	-	-	229,680

d) Non-current unsecured interest-bearing bonds

The breakdown of non-current unsecured interest-bearing bonds as of December 31, 2010, December 31, 2009 and January 1, 2009 is as follows:

Debtor		Periodicity										12.31.2010 Non current due dates			
Tax ID	Affiliate	Country	Placement in Chile or abroad	Number of registration or ID of the instrument	Series	Placed nominal current amount	Bond adjustment unit	Effective rate	Nominal rate	Interest payment	Amortization payment	Over 1 to 3 ThUS\$	Over 3 to 5 ThUS\$	Over 5 ThUS\$	Total ThUS\$
93.007.000-9	SQM S.A.	Chile	Foreign	-	Single	200.000.000	US\$	6.79%	6.13%	Semester	At maturity	-	-	200,000	200,000
93.007.000-9	SQM S.A.	Chile	Foreign	-	Single	250.000.000	US\$	5.92%	5.50%	Semester	At maturity	-	-	250,000	250,000
93.007.000-9	SQM S.A.	Chile	National	446	C	2.325.000	UF	6.63%	4.00%	Semester	Semester	13,755	13,755	75,654	103,164
93.007.000-9	SQM S.A.	Chile	National	564	H	4.000.000	UF	6.43%	4.90%	Semester	Semester	-	-	183,402	183,402
93.007.000-9	SQM S.A.	Chile	National	563	G	21.000.000.000	\$	6.19%	7.00%	Semester	At maturity	-	44,877	-	44,877
93.007.000-9	SQM S.A.	Chile	National	563	I	1.500.000	UF	5.88%	3.00%	Semester	At maturity	-	68,776	-	68,776
93.007.000-9	SQM S.A.	Chile	National	563	J	52.000.000.000	\$	5.37%	5.50%	Semester	At maturity	-	111,124	-	111,124
Total												13,755	238,532	709,056	961,343
Bond issue costs												(682)	(2,670)	(7,803)	(11,155)
Total												13,073	235,862	701,253	950,188

12.31.2009

Debtor		Periodicity										Non current due dates			
Tax ID	Affiliate	Country	Placement in Chile or abroad	Number of registration or ID of the instrument	Series	Placed nominal current amount	Bond adjustment unit	Effective rate	Nominal rate	Interest payment	Amortization payment	Over 1 to 3 ThUS\$	Over 3 to 5 ThUS\$	Over 5 ThUS\$	Total ThUS\$
93.007.000-9	SQM S.A	Chile	Foreign	-	Single	200.000.000	US\$	6.79%	6.13%	Semester	At maturity	-	-	200,000	200,000
93.007.000-9	SQM S.A	Chile	National	446	C	2.400.000	UF	6.63%	4.00%	Semester	Semester	12,390	12,390	74,339	99,119
93.007.000-9	SQM S.A	Chile	National	564	H	4.000.000	UF	6.43%	4.9%	Semester	Semester	-	-	165,197	165,197
93.007.000-9	SQM S.A	Chile	National	563	G	21.000.000.000	\$	6.19%	7.00%	Semester	At maturity	-	41,412	-	41,412
93.007.000-9	SQM S.A	Chile	National	563	I	1.500.000	UF	5.88%	3.00%	Semester	At maturity	-	61,949	-	61,949
93.007.000-9	SQM S.A	Chile	National	563	J	52.000.000.000	\$	5.37%	5.50%	Semester	At maturity	-	102,544	-	102,544
Total												12,390	218,295	439,536	670,221
Bond issue costs												(731)	(3,739)	(5,209)	(9,679)
Total												11,659	214,556	434,327	660,542

01.01.2009

Debtor		Periodicity										Non current due dates			
Tax ID	Affiliate	Country	Placement in Chile or abroad	Number of registration or ID of the instrument	Series	Placed nominal current amount	Bond adjustment unit	Effective rate	Nominal rate	Interest payment	Amortization payment	Over 1 to 3 ThUS\$	Over 3 to 5 ThUS\$	Over 5 ThUS\$	Total ThUS\$
93.007.000-9	SQM S.A	Chile	Foreign	-	Single	200.000.000	US\$	6.79%	6.13%	Semester	At maturity	-	-	200,000	200,000
93.007.000-9	SQM S.A	Chile	National	446	C	2.550.000	UF	6.63%	4.00%	Semester	Semester	10,111	10,111	65,718	85,940
Total												10,111	10,111	265,718	285,940
Bond issue costs												(781)	(438)	(3,059)	(4,278)
Total												9,330	9,673	262,659	281,662

e) Additional Information

Bonds

As of December 31, 2010, December 31, 2009 and January 1, 2009, ThUS\$18,244, ThUS\$14,504 and ThUS\$7,344, respectively are presented at short-term related to principal, short-term portion plus interest accrued at that date, not including borrowing costs and bonds issuance costs. In the long-term, non-current, the Company presented ThUS\$950,288 as of December 31, 2010, ThUS\$660,542 as of December 31, 2009 and ThUS\$281,662 as of January 1, 2009 related to principal installments of Series C bonds, unique Series bonds, Series G bonds, Series H bonds, Series J bonds, Series I bonds and single series second issuance bonds.

As of December 31, 2010, December 31, 2009 and January 1, 2009 the detail of each issuance is as follows:

Series "C" bonds

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

As of December 31, 2010, and as of December 31, 2009, the following cash payments have been made with a debit to Series C bonds:

Payments made	12.31.2010		12.31.2009	
	UF	ThUS\$	UF	ThUS\$
Principal	150,000.00	6,298	150,000.00	5,967
Interest	99,515.01	4,175	105,456.30	4,191

Single Series bonds

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

As of December 31, 2010 and December 31, 2009, the following cash payments have been made with a debit to Single Series bonds:

	12.31.2010	12.31.2009
	ThUS\$	ThUS\$
Interest payments	12,250	12,250

Series “G” and “H” bonds

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

As of December 31, 2010 and December 31, 2009, the following cash payments have been made with a charge to the Series G and H bonds line:

	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Interest G series	2,750	1,330
Interest H series	7,763	3,727

Series “J” and “I” Bonds

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

As of December 31, 2010 and December 31, 2009 the following cash payments have been made with a debit to Series J and I bonds:

	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Interest J series	5,588	2,583
Interest I series	1,873	852

Single Series bonds (second issuance)

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

As of December 31, 2010 and 2009, the company has made the following payments of interest or principal associated with this bond:

	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Interest payments	6,875	-

Commercial papers (promissory notes)

On March 24, 2009, the Company placed promissory notes totaling ThCh\$15,000,000 (ThUS\$25,875) in the Chilean market. These notes are denominated series 2-A, line 46 and mature in 10 years. The maximum amount that can be issued is UF 1,500,000.

On December 15, 2009, the Company repaid Series 2-A.

On April 2, 2009, the Company placed promissory notes totaling ThCh\$15,000,000 (ThUS\$25,770) in the Chilean market. These notes are denominated series 1-B, line 47 and mature in 10 years. The maximum amount that can be issued is UF 1,500,000.

Payments made	12.31.2010		12.31.2009	
	ThCh\$	ThUS\$	ThCh\$	ThUS\$
Principal, Series 2-A	-	-	15,000,000	30,270
Principal, Series 1-B	15,000,000	29,040	-	-

9.5 Trade and other accounts payable

	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Class of trade and other accounts payable			
Current trade and other accounts payable			
Trade accounts payable	151,516	184,499	109,465
Rentals	207	300	226
Other accounts payable	424	1,176	1,111
Total	152,147	185,975	110,802

	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Classes of creditors and other accounts payable, non current			
Lease liabilities	-	187	398
Total	-	187	398

9.6 Financial liabilities at fair value through profit or loss

This balance relates to derivative instruments, measured at their fair value, which have generated balances against the Company. The detail by type of instrument is as follows:

Financial liabilities at fair value through profit or loss	12.31.2010 ThUS\$	Effect on profit or loss as of 12.31.2010 ThUS\$	12.31.2009 ThUS\$	Effect on profit or loss as of 12.31.2009 ThUS\$	01.01.2009 ThUS\$
Current					
Derivative instruments (forwards)	15,818	(15,818)	3,993	(3,993)	5,029
Derivative instruments (options)	2,535	(2,535)	239	(239)	2,129
	18,353	(18,353)	4,232	(4,232)	7,158

Balances in the column effect on profit or loss consider the annual effects of agreements which were in force as of December 31, 2010.

9.7 Financial asset and liability categories

Description of financial assets	12.31.2010	12.31.2009	01.01.2009
	Amount ThUS\$	Amount ThUS\$	Amount ThUS\$
Financial assets at fair value through profit or loss	98,916	60,494	1,599
Financial assets held for trading	69,818	169,798	40,344
Investments held to maturity	118	113	101
Loans and accounts receivable	377,047	330,031	335,557
Financial assets available for sale	-	-	-
Total financial assets	545,899	560,436	377,601

Description of financial liabilities	12.31.2010	12.31.2009	01.01.2009
	Amount ThUS\$	Amount ThUS\$	Amount ThUS\$
Financial liabilities at fair value through profit or loss	18,353	4,232	7,158
Total financial liabilities held for trading	-	-	-
Financial liabilities measured at amortized cost	1,411,537	1,475,135	774,504
Total financial liabilities	1,429,890	1,479,367	781,662

9.8 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.

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

As of December 31, 2010 and December 31, 2009, assets pledged as guarantees are detailed as follows:

Restricted cash	12.31.2010	12.31.2009
	ThUS\$	ThUS\$
Isapre Norte Grande Ltda.	514	446
SQM Brasil Limitada	-	21
Total	514	467

9.9 Estimated fair value of financial instruments and derivative financial instruments

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

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

Methodologies and assumptions used depend on the risk terms and characteristics of each instrument, 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 an original maturity of more than a year, fair values are calculated by discounting contractual cash flows at their original current market with similar terms.
- For forward and swap contracts, fair value is determined using quoted market prices of financial instruments with similar characteristics.

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

	12.31.2010		12.31.2009		01.01.2009	
	Carrying Value ThUS\$	Fair Value ThUS\$ (*)	Carrying Value ThUS\$	Fair Value ThUS\$ (*)	Carrying Value ThUS\$	Fair Value ThUS\$ (*)
Financial liabilities at fair value through profit or loss						
Cash and cash equivalents	524,652	524,652	375,639	375,639	283,576	283,576
Current trade and other accounts receivable	375,945	375,945	325,823	325,823	334,791	334,791
Other current financial assets:						
- Time deposits (L2)	69,818	69,818	169,798	169,798	40,344	40,344
- Derivative instruments (L2)	1,363	1,363	9,155	9,155	1,599	1,599
- Current hedging assets (L2)	4,997	4,997	1,616	1,616	-	-
Total other current financial assets	76,178	76,178	180,569	180,569	41,943	41,943
Other non-current financial assets:	118	118	113	113	101	101
Non-current hedging assets (L2)	92,556	92,556	49,723	49,723	-	-
Total other non-current financial assets	92,674	92,674	49,836	49,836	101	101
Other current financial liabilities:						
- Bank loans	150,958	150,958	220,756	220,756	133,587	133,587
- Derivative instruments (L2)	18,353	18,353	4,232	4,232	7,158	7,158
- Hedging liabilities (L2)	-	-	-	-	2,233	2,233
- Unsecured obligations	18,244	18,244	43,867	43,867	7,344	7,344
Total other current financial liabilities	187,555	187,555	268,855	268,855	150,322	150,322
Trade accounts payable	152,147	152,147	185,975	185,975	110,802	110,802
Other non-current financial liabilities:						
- Bank loans	140,000	143,174	363,808	365,489	229,680	229,585
- Non-current hedging liabilities (L2)	-	-	-	-	8,798	8,798
- Unsecured obligations	950,188	1,092,026	660,542	734,618	281,662	346,739
Total other non-current financial liabilities	1,090,188	1,235,200	1,024,350	1,100,107	520,140	585,122

Fair value hierarchy

In accordance with IFRS 7 paragraph 27 a and b requires disclosure of the hierarchy level used to determine the value measurement techniques. Fair value hierarchies correspond to:

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. (*) Reasonable values were calculated under this level.

Level 3: when in a phase in the valuation process, variables not based on 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.

9.10 Nature and scope of risks arising from financing instruments

As indicated in paragraphs 33 to 42 of IFRS 7, the disclosure of information associated with the nature and scope of risks arising from financial instruments is presented in Note 4 Financial Risk Management, Objectives and Policies.

10| Investments and disclosures on Investments in subsidiaries

10.1 Disclosures on investments in subsidiaries

a) Operations executed in 2010

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

b) Operations executed in 2009

On July 14, 2009, the subsidiary Comercial Agrorama Callegari Limitada was formed, to which Soquimich Comercial S.A. contributed capital of ThUS\$1,021 thereby obtaining an equity interest of 70% in that entity.

On December 17, 2009, Soquimich European Holdings B.V. acquired 51% of SQM Agro India Private Ltda. for ThUS\$50. Through this acquisition, it now holds an equity interest of 100% of this entity. The Company conducted the valuation considering the carrying value of the shareholders' equity of SQM Agro India Private Ltda., which does not significantly differ from its fair value determined at that date.

The Parent Company controls all the subsidiaries in which it has more than 50% direct or indirect voting rights.

Financial information as of December 31, 2010 of the companies where the group has a significant influence is detailed as follows:

12.31.2010											
Assets											
Liabilities											
Subsidiaries	Country	Functional currency	Participation %	Assets			Liabilities			Net profit (loss)	
				Current ThUS\$	Non current ThUS\$	Total ThUS\$	Current ThUS\$	Non current ThUS\$	Total ThUS\$	Revenue ThUS\$	(loss) ThUS\$
SQM Nitratos S.A.	Chile	US dollar	100	652,776	61,542	714,318	610,283	11,599	621,882	134,842	29,622
Proinsa Ltda.	Chile	Chilean peso	60.58	227	1	228	-	-	-	-	-
SQMC											
Internacional Ltda.	Chile	Chilean peso	60.6382	302	-	302	-	-	-	-	(2)
SQM Potasio S.A.	Chile	US dollar	99.9974	58,331	604,872	663,203	2	172,351	172,353	-	139,838
Serv. Integrales de Tránsito y Transf. S.A.	Chile	US dollar	100	149,255	60,290	209,545	182,671	4,437	187,108	45,446	10,113
Isapre Norte Grande Ltda.	Chile	Chilean peso	100	570	591	1,161	581	154	735	4,018	20
Ajay SQM Chile S.A.	Chile	US dollar	51	15,299	2,378	17,677	6,833	747	7,580	54,948	2,049
Almacenes y Depósitos Ltda.	Chile	Chilean peso	100	413	52	465	1	-	1	-	(13)
SQM Salar S.A.	Chile	US dollar	100	365,830	658,793	1,024,623	273,758	98,885	372,643	631,151	185,315
Comercial Hydro S.A.	Chile	Chilean peso	60.6382	6,890	329	7,219	40	73	113	185	217
SQM Industrial S.A.	Chile	US dollar	100	1,063,080	596,723	1,659,803	854,130	51,512	905,642	690,541	130,230
Minera Nueva Victoria S.A.	Chile	US dollar	100	73,217	53,754	126,971	445	2,495	2,940	1,578	4,369
Exploraciones Mineras S.A.	Chile	US dollar	100	438	31,380	31,818	3,814	-	3,814	-	(178)
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	Chile	Chilean peso	100	645	93	738	224	367	591	1,897	(3)
Soquimich Comercial S.A.	Chile	US dollar	60.6383	140,678	15,875	156,553	48,195	1,181	49,376	171,181	10,107
Agrorama Callegari Ltda.	Chile	Chilean peso	42.4468	5,024	1,492	6,516	4,998	117	5,115	6,910	(293)
SQM North América Corp.	United States	US dollar	100	109,944	15,448	125,392	90,533	2,644	93,177	226,249	8,143
RS Agro Chemical. Trading A.V.V.	Aruba	US dollar	100	5,227	-	5,227	-	-	-	-	(5)
Nitratos Naturais do Chile Ltda.	Brazil	US dollar	100	5	290	295	5,022	-	5,022	-	(124)
Nitrate Corporation of Chile Ltd.	England	US dollar	100	5,076	-	5,076	-	-	-	-	-
SQM Corporation N.V.	Dutch Antilles	US dollar	100	669	52,607	53,276	3,712	-	3,712	-	13,472
SQM Perú S.A.	Peru	US dollar	100	15,159	483	15,642	15,027	-	15,027	24,536	1,236
SQM Ecuador S.A.	Ecuador	US dollar	100	8,716	71	8,787	8,149	-	8,149	16,808	298
SQM Brasil Ltda.	Brazil	US dollar	100	295	75	370	1,180	-	1,180	771	17
SQL Corporation NV.	Dutch Antilles	US dollar	100	-	10	10	33	-	33	-	-

Continues

12.31.2010

Subsidiaries	Country	Functional currency	Participation %	Assets			Liabilities			Net profit	
				Current ThUS\$	Non current ThUS\$	Total ThUS\$	Current ThUS\$	Non current ThUS\$	Total ThUS\$	Revenue ThUS\$	(loss) ThUS\$
SQMC Holding Corporation L.L.P.	United States	US dollar	100	1,501	8,498	9,999	619	-	619	-	492
SQM Japan Co. Ltd.	Japan	US dollar	100	1,440	633	2,073	263	436	699	1,855	218
SQM Europe N.V.	Belgium	US dollar	100	358,214	454	358,668	341,425	-	341,425	861,596	7,107
SQM Italia SRL	Italy	US dollar	100	1,377	-	1,377	17	-	17	-	-
SQM Indonesia S.A.	Indonesia	US dollar	80	5	-	5	1	-	1	-	-
North American Trading Company	United States	US dollar	100	161	145	306	39	-	39	-	-
SQM Virginia LLC	United States	US dollar	100	14,834	14,379	29,213	14,834	-	14,834	-	(1)
SQM Comercial de México S.A. de C.V.	Mexico	US dollar	100	58,332	1,410	59,742	60,646	-	60,646	130,861	(1,523)
SQM Investment Corporation N.V.	Dutch Antilles	US dollar	100	71,100	551	71,651	49,515	742	50,257	14,255	587
Royal Seed Trading Corporation A.V.V.	Aruba	US dollar	100	88,567	-	88,567	96,627	-	96,627	-	(9,058)
SQM Lithium Specialties LLP	United States	US dollar	100	15,786	3	15,789	1,264	-	1,264	-	(1)
Soquimich SRL	Argentina	US dollar	100	472	-	472	109	-	109	-	(83)
Comercial Caimán Internacional S.A.	Panama	US dollar	100	339	-	339	1,080	-	1,080	-	(174)
SQM France S.A.	France	US dollar	100	345	6	351	114	-	114	-	-
Administración y Servicios Santiago S.A. de C.V.	Mexico	US dollar	100	47	-	47	854	195	1,049	2,597	(173)
SQM Nitratos México S.A. de C.V.	Mexico	US dollar	51	27	1	28	17	-	17	128	4
Soquimich European Holding B.V.	Netherlands	US dollar	100	68,722	71,384	140,106	94,565	-	94,565	-	12,481
Fertilizantes Naturales S.A.	Spain	US dollar	66.67	16,515	(10)	16,505	15,175	-	15,175	64,748	749
Iodine Minera B.V.	Netherlands	US dollar	100	10,122	-	10,122	1	-	1	1,467	1,175
SQM Africa Pty Ltd.	South Africa	US dollar	100	38,463	147	38,610	36,736	-	36,736	94,111	149
SQM Venezuela S.A.	Venezuela	US dollar	100	80	-	80	402	-	402	-	(161)
SQM Oceanía Pty Ltd.	Australia	US dollar	100	1,466	-	1,466	533	-	533	2,207	120
SQM Agro India Pvt. Ltd.	India	US dollar	100	231	4	235	149	-	149	-	(14)
SQM Beijin Commercial Co. Ltd.	China	US dollar	100	131	42	173	77	-	77	1,462	(4)
Total				3,426,343	2,254,796	5,681,139	2,824,693	347,935	3,172,628	3,186,348	546,318

Financial information as of December 31, 2009 of the companies where the group has a significant influence is detailed as follows:

12.31.2009												
Subsidiaries	Country	Functional currency	Participation %	Assets			Liabilities			Net profit		
				Current ThUS\$	Non current ThUS\$	Total ThUS\$	Current ThUS\$	Non current ThUS\$	Total ThUS\$	Revenue ThUS\$	(loss) ThUS\$	
SQM Nitratos S.A.	Chile	US dollar	100.00	455,452	66,564	522,016	447,246	11,956	459,202	167,562	45,972	
Proinsa Ltda.	Chile	Chilean peso	60.58	209	1	210	-	-	-	-	4	
SQMC												
Internacional Ltda.	Chile	Chilean peso	60.6382	281	-	281	-	-	-	-	5	
SQM Potasio S.A.	Chile	US dollar	99.9974	100,257	498,631	598,888	1	198,902	198,903	-	101,711	
Serv. Integrales de Tránsito y Transf. S.A.	Chile	US dollar	100.00	93,505	56,361	149,866	135,104	2,439	137,543	28,066	385	
Isapre Norte Grande Ltda.	Chile	Chilean peso	100.00	439	521	960	466	119	585	3,780	17	
Ajay SQM Chile S.A.	Chile	US dollar	51.00	12,816	3,829	16,645	6,221	1,662	7,883	35,752	722	
Almacenes y Depósitos Ltda.	Chile	Chilean peso	100.00	383	46	429	1	-	1	-	7	
SQM Salar S.A. Comercial Hydro S.A.	Chile	US dollar	100.00	388,082	526,431	914,513	301,143	86,784	387,927	477,878	161,346	
SQM Industrial S.A.	Chile	Chilean peso	60.6382	6,105	365	6,470	44	66	110	69	256	
Minera Nueva Victoria S.A.	Chile	US dollar	100.00	844,030	537,981	1,382,011	728,276	30,582	758,858	628,703	28,891	
Exploraciones Mineras S.A. Sociedad Prestadora de Servicios de Salud	Chile	US dollar	100.00	68,861	55,213	124,074	1,928	2,484	4,412	1,895	3,812	
Cruz del Norte S.A. Soquimich Comercial S.A.	Chile	Chilean peso	100.00	549	110	659	216	305	521	1,658	(33)	
Agrorama Callegari Ltda.	Chile	Chilean peso	42.4468	2,130	173	2,303	740	-	740	1,211	(7)	
SQM North America Corp.	United States	US dollar	100.00	137,329	15,540	152,869	126,097	3,644	129,741	191,520	(761)	
RS Agro Chemical. Trading A.V.V.	Aruba	US dollar	100.00	5,232	-	5,232	-	-	-	-	(4)	
Nitratos Naturais do Chile Ltda. Nitrate Corporation of Chile Ltd.	Brazil	US dollar	100.00	6	287	293	4,896	-	4,896	-	(572)	
SQM Corporation N.V.	England	US dollar	100.00	5,076	-	5,076	-	-	-	-	-	
SQM Perú S.A.	Peru	US dollar	100.00	669	39,365	40,034	3,688	-	3,688	-	1,523	
SQM Ecuador S.A.	Ecuador	US dollar	100.00	29,200	144	29,344	29,965	-	29,965	17,791	(2,583)	
SQM Brasil Ltda. SQI Corporation NV.	Brazil	US dollar	100.00	6,218	81	6,299	5,992	-	5,992	12,960	(183)	
SQM Japan Co. Ltd.	Dutch Antilles	US dollar	100.00	245	77	322	1,149	-	1,149	844	(131)	
	Japan	US dollar	100.00	-	7	7	31	-	31	-	(2)	
				1,075	509	1,584	103	326	429	1,395	10	

Continues

12.31.2009

Subsidiaries	Country	Functional currency	Participation %	Assets			Liabilities			Revenue ThUS\$	Net profit (loss) ThUS\$
				Current ThUS\$	Non current ThUS\$	Total ThUS\$	Current ThUS\$	Non current ThUS\$	Total ThUS\$		
SQMC Holding Corporation L.L.P.	United States	US dollar	100.00	1,443	7,678	9,121	358	-	358	-	1,632
SQM Europe N.V.	Belgium	US dollar	100.00	274,514	502	275,016	265,171	-	265,171	510,837	6,755
SQM Italia SRL	Italy	US dollar	100.00	1,485	-	1,485	19	-	19	-	-
SQM Indonesia S.A.	Indonesia	US dollar	80.00	5	-	5	1	-	1	-	181
North American Trading Company	United States	US dollar	100.00	162	145	307	39	-	39	-	(1)
SQM Virginia LLC	United States	US dollar	100.00	14,834	14,380	29,214	14,834	-	14,834	-	(99)
SQM Comercial de México S.A. de C.V.	Mexico	US dollar	100.00	60,370	2,128	62,498	61,880	-	61,880	129,083	(10,090)
SQM investment Corporation N.V.	Dutch Antilles	US dollar	100.00	136,349	847	137,196	115,793	572	116,365	14,746	(21,843)
Royal Seed Trading Corporation A.V.V.	Aruba	US dollar	100.00	255,328	793	256,121	100,123	155,000	255,123	-	1,777
SQM Lithium Specialties LLP	United States	US dollar	100.00	15,787	3	15,790	1,264	-	1,264	-	(100)
Soquimich SRL Argentina	Argentina	US dollar	100.00	564	-	564	118	-	118	-	(14)
Comercial Caimán Internacional S.A.	Panama	US dollar	100.00	1,345	-	1,345	1,912	-	1,912	1,092	220
SQM France S.A.	France	US dollar	100.00	345	6	351	114	-	114	-	-
Administración y Servicios Santiago S.A. de C.V.	Mexico	US dollar	100.00	20	-	20	664	185	849	2,830	(55)
SQM Nitratos México S.A. de C.V.	Mexico	US dollar	51.00	19	1	20	13	-	13	110	(14)
SQM Dubai Fzco. Soquimich	United Arab Emirates	US dollar	-	-	-	-	-	-	-	5,198	-
European Holding B.V.	Dutch Antilles	US dollar	100.00	97,854	60,645	158,499	125,168	38	125,206	-	1,137
Fertilizantes Naturales S.A.	Spain	US dollar	66.67	16,872	3	16,875	16,293	-	16,293	52,872	(689)
Iodine Minera B.V.	Dutch Antilles	US dollar	100.00	8,959	-	8,959	14	-	14	1,330	1,864
SQM Africa Pty Ltd.	Africa	US dollar	100.00	61,289	153	61,442	59,834	-	59,834	75,438	(1,181)
SQM Venezuela S.A.	Venezuela	US dollar	100.00	91	-	91	399	-	399	-	-
SQM Oceanía Pty Ltd.	Australia	US dollar	100.00	2,509	-	2,509	1,934	-	1,934	1,679	429
SQM Agro India Pvt. Ltd.	India	US dollar	100.00	242	3	245	284	-	284	-	(213)
Total				3,253,463	1,936,000	5,189,463	2,617,977	496,209	3,114,186	2,554,371	323,401

11 | Investments in associates accounted for using the Equity method

11.1 Investments in associates accounted for using the Equity method

As of December 31, 2010, December 31, 2009 and as of January 1, 2009, in accordance with criteria established in Note 2.12, investments in associates accounted for using the equity method and investments in joint ventures are detailed as follows:

	Note Nº	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Investments in associates	11.1 to 11.3	38,262	35,163	36,934
Joint ventures	12.0 to 12.4	24,009	20,022	-
Total		62,271	55,185	36,934

11.2 Assets, liabilities, revenues and expenses of associates

12.31.2010															
Assets												Liabilities		Net profit	
Tax ID	Associate	Country of incorporation	Functional currency	Current ThUS\$	Non current ThUS\$	Total ThUS\$	Current ThUS\$	Non current ThUS\$	Total ThUS\$	Revenue ThUS\$	(loss) ThUS\$				
77.557.430-5	Sales de Magnesio Ltda.	Chile	Chilean peso	3,844	3	3,847	1,143	-	1,143	6,494	1,408				
Foreign	Abu Dhabi Fertilizer Industries	Arabia	Dirham of the United Arab Emirates	19,909	2,092	22,001	7,869	-	7,869	35,506	1,960				
Foreign	Doktor Tarsa Tarim Sanayi AS	Turkey	Turkish Lira	49,013	7,840	56,853	33,229	27	33,256	64,540	8,003				
Foreign	Nutrisi Holding N.V.	Belgium	Euro	449	10,768	11,217	3,228	-	3,228	-	3,056				
Foreign	Ajay North America	United States	US dollar	15,585	6,926	22,511	5,168	-	5,168	52,237	4,143				
Foreign	Nutrichem Benelux	Belgium	Euro	-	-	-	-	-	-	-	-				
Foreign	Ajay Europe SARL	France	Euro	15,428	2,223	17,651	6,519	-	6,519	41,992	2,212				
Foreign	Generale De Nutrition	Belgium	Euro	-	-	-	-	-	-	-	-				
Foreign	Mirs Specialty Fertilizers	Egypt	Egyptian pound	3,013	3,214	6,227	2,980	226	3,206	4,231	(521)				
Foreign	SQM Eastmed Turkey	Turkey	Euro	34	592	626	247	-	247	646	-				
Foreign	SQM Thailand Co. Ltd.	Thailand	Thai Bath	5,307	587	5,894	2,035	-	2,035	11,149	594				
	Total			112,582	34,245	146,827	62,418	253	62,671	216,795	20,855				

12.31.2009

		Assets					Liabilities				Net profit
Tax ID	Associate	Country of incorporation	Functional currency	Current ThUS\$	Non current ThUS\$	Total ThUS\$	Current ThUS\$	Non current ThUS\$	Total ThUS\$	Revenue ThUS\$	(loss) ThUS\$
77.557.430-5	Sales de Magnesio Ltda.	Chile	Chilean peso	1,850	2	1,852	1,195	-	1,195	2,362	354
Foreign	Abu Dhabi Fertilizer Industries	Arabia	Dirham of the United Arab Emirates	14,559	2,746	17,305	5,163	-	5,163	26,173	1,547
Foreign	Doktor Tarsa Tarim Sanayi AS	Turkey	Turkish Lira	36,022	6,032	42,054	22,545	2,525	25,070	58,850	3,678
Foreign	Nutrisi Holding N.V.	Belgium	Euro	(552)	14,913	14,361	1,494	-	1,494	-	(2,120)
Foreign	Ajay North America	United States	US dollar	12,471	7,046	19,517	3,848	-	3,848	28,594	4,097
Foreign	Nutrichem Benelux	Belgium	Euro	-	-	-	-	-	-	-	-
Foreign	Ajay Europe SARL	France	Euro	12,830	2,325	15,155	4,181	-	4,181	20,788	1,449
Foreign	Generale De Nutrition	Belgium	Euro	-	-	-	-	-	-	-	-
Foreign	Mirs Specialty Fertilizers	Egypt	Egyptian pound	2,708	3,858	6,566	2,542	275	2,817	5,400	882
Foreign	SQM Eastmed Turkey	Turkey	Euro	764	636	1,400	998	-	998	793	(11)
Foreign	SQM Thailand Co. Ltd.	Thailand	Thai Bath	6,119	574	6,693	2,999	-	2,999	9,691	430
	Total			86,771	38,132	124,903	44,965	2,800	47,765	152,631	10,306

11.3 Details of Investments in Associates

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

Associate Name	Main Activities of Associate	% of participation	Investment 12.31.2010 ThUS\$	Investment 12.31.2009 ThUS\$	Investment 01.01.2009 ThUS\$
Sales de Magnesio Ltda.	Magnesium salt trader. Distribution and trade of	50%	1,352	328	473
Abu Dhabi Fertilizer Industries Co. W.W.L.	specialty vegetal nutrients in the Middle East. Production and trade of	50%	7,066	6,072	5,278
Ajay North America L.L.C	iodine by-products. Distribution and trade of	49%	7,251	6,653	4,892
Doktor Tarsa Tarim Sanayi AS	specialty vegetal nutrients in Turkey.	50%	11,799	8,492	11,212
Nutrisi Holding N.V.	Holding	50%	3,551	6,239	6,823
Ajay Europe SARL	Production and distribution of iodine and iodine products	50%	4,076	3,920	4,282
Mirs Specialty Fertilizers S.A.E.	Production and trade of liquid fertilizers for Egypt	47.4857%	1,435	1,780	2,247
SQM Agro India PVT Ltda.	Agent and distributor of specialty vegetal nutrients. Production and trade of	49 %	-	-	94
SQM Eastmed Turkey	specialty products Distribution and trade of	50%	189	201	219
SQM Thailand Co. Ltd.	specialty vegetal nutrients.	40%	1,543	1,478	1,414
Total			38,262	35,163	36,934

The Company does not have participation in unrecognized losses in investments in associates.

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

The equity method was applied over the balances as of December 31, 2010.

12 | Joint Ventures

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

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

12.2 Disclosures on interest in joint ventures

a) Operations conducted in 2010

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

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

b) Operations conducted in 2009

On October 9, 2009, the subsidiary Soquimich European Holdings formed a joint venture with Coromandel Fertilizers Limited, Coromandel SQM. Each party made capital contributions of ThUS\$2,200 for an interest of 50%.

On March 18, 2009, a shareholder agreement was entered to incorporate Sichuan SQM-Migao Chemical Fertilizer Co. Ltda. and the process for the registration of and obtaining licenses ended on September 1, 2009.

SQM Industrial S.A. made its first capital contribution of ThUS\$3,000 on November 6, 2009 from total contribution of ThUS\$10,000 by each party. Contributions will be paid in 2010.

On December 29, 2009, a joint venture agreement was entered with the Roullier Group for the SQM Dubai-FZCO, thereby decreasing our interest from 100% to 50%. On the same date, the company changed its name to SQM Vitas.

This transaction resulted in an effect on profit of ThUS\$3,019, which is presented under Other gains (losses).

12.3 Assets, liabilities and results of investments in Joint Ventures by company as of 12.31.2010 and 12.31.2009, respectively:

12.31.2010												
Tax ID	Associate	Country	Functional currency	Assets			Liabilities			Revenues ThUS\$	Expenses ThUS\$	Net income (loss) ThUS\$
				Current ThUS\$	Non current ThUS\$	Total ThUS\$	Current ThUS\$	Non current ThUS\$	Total ThUS\$			
Foreign	Sichuan SGM Migao Chemical Fertilizers Co Ltda.	China	US dollar	2,987	11,677	14,664	3,744	-	3,744	-	(46)	(46)
Foreign	Coromandel SGM	India	Indian Rupee	10	862	872	7	-	7	3	-	3
Foreign	SQM Vitas	United Arab Emirates	United Arab Emirates Dirham of the	27,534	9,499	37,033	2,828	-	2,828	19,954	(18,756)	1,198
Foreign	SQM Qindao-Star Co. Ltda.	China	US dollar	2,448	387	2,835	808	-	808	2,900	(2,873)	27
Total				32,979	22,425	55,404	7,387	-	7,387	22,857	(21,675)	1,182

12.31.2009												
Tax ID	Associate	Country	Functional currency	Assets			Liabilities			Revenues ThUS\$	Expenses ThUS\$	Net income (loss) ThUS\$
				Current ThUS\$	Non current ThUS\$	Total ThUS\$	Current ThUS\$	Non current ThUS\$	Total ThUS\$			
Foreign	Sichuan SGM Migao Chemical Fertilizers Co Ltda.	China	US dollar	6,414	2,146	8,560	92	-	92	-	(33)	(33)
Foreign	Coromandel SGM	India	Indian Rupee	-	1,060	1,060	-	-	-	-	-	-
Foreign	SQM Vitas	United Arab Emirates	United Arab Emirates Dirham of the	25,913	5,543	31,456	(1,551)	-	(1,551)	1,893	(1,821)	72
Total				32,327	8,749	41,076	(1,459)	-	(1,459)	1,893	(1,854)	39

12.4 Amount of net gain (loss) of investments in significant Joint ventures by company is detailed as follows:

Associate Name	Main Activities of Associate	% of participation	Investment 12.31.2010 ThUS\$	Investment 12.31.2009 ThUS\$	Investment 01.01.2009 ThUS\$
Coromandel SQM	Production and distribution of potassium nitrate.	50%	432	530	-
Sichuan SQM Migao Chemical Fertilizer Co. Ltda.	Production and distribution of soluble fertilizers.	50%	5,461	2,988	-
SQM Vitas	Production and trade of vegetal and animal specialty and industrial hygiene nutrition goods.	50%	17,102	16,504	-
SQM Quindao-Star Co. Ltda.	Production and distribution of Vegetal Nutrition Solutions NPK solubles.	50%	1,014	-	-
Total			24,009	20,022	-

13 | Intangible assets and goodwill

13.1 Balances

Balances	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Intangible assets other than goodwill	3,270	2,836	3,525
Goodwill	38,388	38,388	38,388
Total	41,658	41,224	41,913

13.2 Disclosures on intangible assets and goodwill

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

Balances and movements in the main types of intangible assets as of December 31, 2010, December 31, 2009 and January 1, 2009 are detailed as follows:

Description of classes of intangible assets	Useful life	12.31.2010		Net amount ThUS\$
		Gross amount ThUS\$	Accumulated amortization ThUS\$	
Goodwill	Indefinite	39,961	(1,573)	38,388
Water rights	Indefinite	3,536	(1,990)	1,547
Rights of way	Finite	548	(152)	395
Industrial patents	Finite	1,197	(696)	501
Trademarks	Finite	3,821	(3,817)	4
IT programs	Finite	1,664	(841)	823
Total		50,727	(9,069)	41,658

Description of classes of intangible assets	Useful life	12.31.2009		Net amount ThUS\$
		Gross amount ThUS\$	Accumulated amortization ThUS\$	
Goodwill	Indefinite	39,961	(1,573)	38,388
Water rights	Indefinite	3,539	(1,990)	1,549
Rights of way	Finite	547	(152)	395
Industrial patents	Finite	1,204	(634)	570
Trademarks	Finite	3,989	(3,989)	-
IT programs	Finite	825	(503)	322
Total		50,065	(8,841)	41,224

Description of classes of intangible assets	Useful life	Gross amount ThUS\$	01.01.2009	
			Accumulated amortization ThUS\$	Net amount ThUS\$
Goodwill	Indefinite	39,961	(1,573)	38,388
Water rights	Indefinite	3,488	(1,591)	1,897
Rights of way	Finite	547	(138)	409
Industrial patents	Finite	1,204	(554)	650
Trademarks	Finite	3,989	(3,830)	159
IT programs	Finite	701	(291)	410
Total		49,890	(7,977)	41,913

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

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

The estimated useful life for software is 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.

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

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

The method used to express amortization is useful life.

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

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

d) Disclosure on internally-generated assets

The Company has no internally-generated intangible assets.

Movements in identifiable intangible assets as of December 31, 2010

Movements in identifiable intangible assets	Net goodwill ThUS\$	Water rights, net ThUS\$	Rights of way, net ThUS\$	Industrial patents, net ThUS\$	Trademarks, net ThUS\$	Computer software, net ThUS\$	Identifiable intangible assets, net ThUS\$
Opening balance	38,388	1,549	395	570	-	322	41,224
Additions	-	92	-	-	-	839	931
Amortization	-	(94)	-	(69)	(368)	(338)	(869)
Other increases (decreases)	-	-	-	-	372	-	372
Ending balance	38,388	1,547	395	501	4	823	41,658

Movements in identifiable intangible assets as of December 31, 2009.

Movements in identifiable intangible assets	Net goodwill ThUS\$	Water rights, net ThUS\$	Rights of way, net ThUS\$	Industrial patents, net ThUS\$	Trademarks, net ThUS\$	Computer software, net ThUS\$	Identifiable intangible assets, net ThUS\$
Opening balance	38,388	1,897	409	650	159	410	41,913
Additions	-	51	-	-	-	124	175
Amortization	-	(399)	(14)	(80)	(159)	(212)	(864)
Ending balance	38,388	1,549	395	570	-	322	41,224

14 | Property, plant and equipment

As of December 31, 2010, December 31, 2009 and January 1, 2009, property, plant and equipment are detailed as follows:

14.1 Types of property, plant and equipment

Description of types of property, plant and equipment	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Property, plant and equipment, net			
Construction-in-progress	356,551	379,416	234,757
Land	107,869	108,356	106,800
Buildings	88,320	86,252	66,813
Plant and equipment	492,525	453,859	461,277
IT equipment	3,897	3,853	3,526
Fixed installations and accessories	327,511	193,893	152,176
Motor vehicles	48,936	55,341	41,309
Other property, plant and equipment	28,364	19,576	9,873
Total	1,453,973	1,300,546	1,076,531
Property, plant and equipment, gross			
Construction-in-progress	356,551	379,416	234,757
Land	107,869	108,356	106,800
Buildings	221,715	212,751	184,061
Plant and equipment	1,184,270	1,090,769	1,012,711
IT equipment	22,759	21,573	19,540
Fixed installations and accessories	531,423	368,419	304,360
Motor vehicles	151,544	154,887	130,154
Other property, plant and equipment	47,910	37,962	32,410
Total	2,624,041	2,374,133	2,024,793
Accumulated depreciation and value impairment of property, plant and equipment			
Accumulated depreciation and value impairment of buildings	133,395	126,499	117,248
Accumulated depreciation and value impairment of plant and equipment	691,745	636,910	551,434
Accumulated depreciation and value impairment of IT equipment	18,862	17,720	16,014
Accumulated depreciation and value impairment of fixed installations and accessories	203,912	174,526	152,184
Accumulated depreciation and value impairment of motor vehicles	102,608	99,546	88,845
Accumulated depreciation and value impairment of other PP&E	19,546	18,386	22,537
Total	1,170,068	1,073,587	948,262

14.2 Reconciliation of changes in property, plant and equipment by type as of December 31, 2010 and December 31, 2009:

Reconciliation entries of changes in property, plant and equipment by class as of December 31, 2010	Construction in-progress ThUS\$	Land ThUS\$	Buildings, net ThUS\$	Plant and equipment, net ThUS\$	IT equipment, net ThUS\$	Fixed installations and accessories, net ThUS\$	Motor vehicles, net ThUS\$	Improvement of leased property, plant and equipment, net ThUS\$	Other property, plant and equipment, net ThUS\$	Property, plant and equipment, net ThUS\$
Opening balance	379,416	108,356	86,252	453,859	3,853	193,893	55,341	-	19,576	1,300,546
Changes										
Additions	351,792	386	1,021	512	123	41	450	-	126	354,451
Divestitures	-	(26)	(114)	(3,391)	(26)	-	-	-	(116)	(3,673)
Depreciation expense	-	-	(9,226)	(88,640)	(1,537)	(29,342)	(11,837)	-	(3,326)	(143,908)
Increase (decrease) in foreign currency exchange	-	-	2	55	-	14	13	-	2	86
Other increases (decreases) (*)	(374,657)	(847)	10,385	130,130	1,484	162,905	4,969	-	12,102	(53,529)
Total changes	(22,865)	(487)	2,068	38,666	44	133,618	(6,405)	-	8,788	153,427
Ending balance	356,551	107,869	88,320	492,525	3,897	327,511	48,936	-	28,364	1,453,973

Reconciliation entries of changes in property, plant and equipment by class as of December 31, 2009	Construction in-progress ThUS\$	Land ThUS\$	Buildings, net ThUS\$	Plant and equipment, net ThUS\$	IT equipment, net ThUS\$	Fixed installations and accessories, net ThUS\$	Motor vehicles, net ThUS\$	Improvement of leased property, plant and equipment, net ThUS\$	Other property, plant and equipment, net ThUS\$	Property, plant and equipment, net ThUS\$
Opening balance	234,757	106,800	66,813	461,277	3,526	152,176	41,309	-	9,873	1,076,531
Changes										
Additions	394,180	1,560	-	306	148	9	233	-	128	396,564
Divestitures	(4,405)	-	(324)	(1,172)	(9)	(108)	(6)	-	(134)	(6,158)
Depreciation expense	-	-	(8,459)	(90,446)	(1,585)	(22,426)	(10,480)	-	(3,014)	(136,410)
Increase (decrease) in foreign currency exchange	-	-	3	54	-	-	1	-	3	61
Other increases (decreases) (*)	(245,116)	(4)	28,219	83,840	1,773	64,242	24,284	-	12,720	(30,042)
Total changes	144,659	1,556	19,439	(7,418)	327	41,717	14,032	-	9,703	224,015
Ending balance	379,416	108,356	86,252	453,859	3,853	193,893	55,341	-	19,576	1,300,546

(*) The balance in the other increases (decreases) account comprises: investment plan expenses that are charged to the results (thus becoming part of the exploitation costs of other expenses by function, as appropriate), the variation that represents the purchase and use of materials and spare parts, projects that involve prospection expenses and development of soil.

14.3 Detail of property, plant and equipment pledged as guarantee

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

14.4 Additional Information

1) Assets recognized at fair value

As part of the process for the first-time adoption of IFRS, the Company opted to measure certain assets at fair value as deemed cost at the transition date of January 1, 2009. These amounts were determined by an external specialist. The revaluation of assets implied an adjustment against retained earnings as of January 1, 2009 of ThUS\$54,366. The adjusted balance of property, plant and equipment assets is detailed as follows:

	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Land	1,332	1,332	1,332
Buildings, net	2,210	2,241	2,426
Plant and equipment, net	33,069	42,335	53,576
IT equipment, net	1	1	1
Fixed installations and accessories, net	1,799	1,840	2,031
Other property, plant and equipment, gross	882	918	1,091
Total	39,293	48,667	60,457

2) Leased property, plant and equipment

Investment properties include lease assets, detailed as follows:

Description of assets	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
2 floors of the Las Americas Building, net	1,373	1,405	1,436
Total (net)	1,373	1,405	1,436

3) Interest capitalized in construction-in-progress

The amount capitalized for this concept amounted to ThUS\$ 25,947 as of December 31, 2010 and ThUS\$ 19,231 as of December 31, 2009.

Financing costs are not capitalized for periods that 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 that inhibit the asset's maintenance in good conditions for its use.

15 | Leases

15.1 Disclosures on finance leases, lessee

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

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

The net carrying amount as of December 31, 2010 amounted to ThUS\$1,373 and as of December 31, 2009 and January 1, 2009 amounted to ThUS\$ 1,405 and ThUS\$ 1,436, respectively.

15.2 Investment property under finance lease:

Description of total investment property under finance lease, net:	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Financial lease, Las Americas Building	1,373	1,405	1,436
Total	1,373	1,405	1,436

15.3 Reconciliation of minimum finance lease payments , lessee:

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

Minimum payments to be made	12.31.2010 ThUS\$			12.31.2009 ThUS\$			01.01.2009 ThUS\$		
	Gross investment	Deferred interest	Present value	Gross investment	Deferred interest	Present value	Gross investment	Deferred interest	Present value
Not exceeding one year	213	(6)	207	329	(29)	300	268	(43)	225
Between 1 and 5 years	-	-	-	192	(5)	187	425	(28)	397
Total	213	(6)	207	521	(34)	487	693	(71)	622

16 | Employee benefits

16.1 Reserve for employee benefits

Types of benefits and expenses by employee	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Current			
Profit sharing and bonuses	44,011	16,375	22,112
Total	44,011	16,375	22,112
Non- current			
Profit sharing and bonuses	800	20,082	12,000
Severance indemnities	27,208	28,682	20,186
Pension Plan	702	1,709	2,873
Total	28,710	50,473	35,059

16.2 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 services, housing, subsidized or free goods or services. These will be paid over a term not exceeding twelve months.

SQM only has employee benefits for active employees, except for SQM North America as explained in 16.4 below.

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

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

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

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

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

Law No. 19,728 published on May 14, 2001 and effective since October 01, 2002 required "Compulsory Unemployment Insurance" in favor of all depending employees regulated by the Chilean Labor Code. Article 5 of this law provided the financing of this insurance through monthly contribution payments by both the employee and the employer.

16.3 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	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Staff severance indemnities, Chile	26,577	28,170	19,478
Other obligations in foreign companies	631	512	708
Total other non-current liabilities	27,208	28,682	20,186
SQM North America's pension plan	702	1,709	2,873
Total post-employment obligations	702	1,709	2,873

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

The methodology followed to determine the accrual for all employees adhered to agreements considering turnover and salary increase rates according to the valuation method referred to as Accumulated Benefit Valuation or Accrued Cost of the Benefit Method. This methodology is established in IAS 19.

About the characteristics of the indemnity fund

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 not funded. The discount interest rate of flows expected to be used was 6%.

Benefit payment conditions

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

Methodology

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

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

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

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

16.4 Employee post-retirement obligations

Our subsidiary SQM North America has established with its employees certain pension plans for retired employees, which are calculated by measuring the expected future forecasted staff severance indemnity obligation using a net salary gradual rate of restatements for inflation, mortality and turnover assumptions discounting the resulting amounts at present value using an interest rate of 6.5% for 2010 and 2009. The net balance of this liability is presented under Non-current provisions for employee benefits.

The table below establishes the status of the financing plan and the amounts recognized in the consolidated balance sheet:

	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Variation in the benefit liability:		
Benefit liability at the beginning of year	6,792	6,631
Cost of service	1	1
Interest cost	427	423
Actuarial loss	(374)	33
Benefits paid	(297)	(297)
Benefit liability at year-end	6,549	6,791
Change in the plan's assets:		
Fair value of the plan's assets at beginning of year	5,082	3,758
Contributions by the employer	192	448
Actual return (loss) on plan assets	869	1,173
Benefits paid	(296)	(297)
Fair value of the plan assets at year-end	5,847	5,082
Status of financing	(702)	(1,709)
Items not yet recognized as net regular pension-related cost elements:		
Net actuarial loss at the beginning of year	(3,130)	(4,186)
Amortization during the period	154	198
Net gain or loss during the period	865	857
Adjustment made to recognize the minimum pension-related liability	(2,111)	(3,131)
Accrued pension-related liability / prepaid pension-related cost	(702)	(1,709)

As of December 31, 2010 and December 31, 2009 the net regular pension-related expense was composed of the following elements:

	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Costs or benefits of services earned during the period	1	1
Cost of interest in benefit liability	427	423
Actual return in plan's assets	(869)	(1,173)
Amortization of loss from prior periods	154	198
Net gain for the period	492	889
Net regular pension-related expense	205	338

As of December 31, 2010 and December 31, 2009 distributions of the plan assets by category are detailed as follows:

	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Growth securities	59%	59%
International securities	25%	25%
Growth and income securities	-	-
Taxable bonds	14%	14%
Treasury amounts	0%	0%
Money market funds	2%	2%
	100%	100%

16.5 Severance pay

Severance pays calculated at actuarial value present the movements below:

	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Initial balance	(28,682)	(20,186)
Cost of current service	(3,583)	(10,072)
Interest cost	(1,889)	(1,440)
Actuarial gains/ losses	88	242
Contributions paid	6,858	2,774
Balance as of December 31	(27,208)	(28,682)

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

	12.31.2010	12.31.2009	
Mortality table	RV - 2009	RV - 2004	
Real annual interest rate	6%	6%	
Voluntary resignation turnover rate:			
Men	0.9%	0.93%	annual
Women	1.53%	1.47%	annual
Salary increase	3.0%	3.0%	annual
Retirement age:			
Men	65	65	years
Women	60	60	years

17 | Executive's compensation plan

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

Characteristics of the plan:

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

Participants of this plan:

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

Compensation:

The compensation for each executive is the differential between the average prices of the share during April of each year compared to the base price established by the Management of the Company. The base price is fixed by the Company, which for this compensations plan amounts to US\$ 50 per share, for those granted in the year 2010, and US\$ 9.30 for the shares granted since 2005.

Compensation plan appraisal method and patterns:

The Company used the following variables with the purpose of determining the average reasonable value of these options.

Variables and receptiveness to change of the pattern

	12.31.2010	12.31.2009	01.01.2009
Expected volatility (%)			
SQM Annualized (*)	21.51%	31.79%	45.49%
Ch. \$/USD Annualized (*)	10.00%	11.20%	10.95%
Interest rate free of risk (%)	2.40%	2.15%	6.08%
Expected life of the option (years)	3.3 years	2 years	2 years
Average price of the share (US\$)	57	38	24
Estimated payment percentage	1.61%	3.66%	2.76%
Period covered	60 months	24 months	36 months
Pattern used	Binomial	Binomial	Binomial

(*) calculated based on 252 trading days

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, 2010 are the following:

Movement of the period	12.31.2010	12.31.2009	01.01.2009
In effect as of January 1	1,210,000	1,455,000	1,455,000
Granted during the fiscal year	2,370,000	-	-
Paid during the fiscal year	-	-	-
Exercised during the fiscal year	150,000	245,000	-
Due during the period	-	-	-
In circulation as of December 31	3,430,000	1,210,000	-
May be exercised as of December 31	-	-	-
Average contractual life	60 months	24 months	36 months

The amounts accrued by the plan, as of December 31, 2010 and 2009, amount to:

Movement of the period	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Amount accrued	22,782	12,663

18 | Shareholder's Equity Disclosures

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

18.1 Capital Management

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

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

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

The Management of SQM group controls the capital management on the basis of the ratios below:

Capital Management	12.31.2010	12.31.2009	Description (1)	Calculation (1)
Net financial debt	584,357	687,274	Financial debt – Financial resources	Other current financial liabilities + Other non current financial liabilities – Cash and cash equivalent – Other current financial assets.
Liquidity	3.55	3.04	Current assets divided by current liabilities	Total current assets divided by total current liabilities
Net debt / capitalization	0.26	0.32	Net financial debt divided by Total Equity	Net financial debt / (net financial debt + Total equity)
ROE	23.2%	23.2%	Result / Equity	Result / Equity
ROA	20.9%	18.3%	EBITDA - depreciation divided by total assets net of financial resources less investments in related companies	(Gross profit – administrative expenses) / (Total assets – Cash and cash equivalents – Other current financial assets – investments recognized using the equity method.)
DFN/ EBITDA	0.85	1.16		EBITDA = Gross porfit + Depreciation – administrative expenses.

(1) Assumes absolute figures of each account.

The maximum consolidated indebtedness of SQM S.A. is based on the “one point five” Debt/ Equity ratio. This limit may only be exceeded to the extent the Management of SQM S.A. has been expressly and previously authorized by the General Extraordinary Shareholders Meeting.

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

18.2 Disclosures on preference share capital

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

The preferential voting rights for each series are as follows:

Series “A”:

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

Series “B”:

A general or extraordinary shareholders’ meeting may be called at the request of shareholders representing 5% of the Company’s Series B shares.

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, 2010, December 31, 2009 and January 1, 2009, the Group does not maintain any dominant company’s shares either directly or through investees.

Detail of types of capital in preference shares:

Type of capital in preferred shares	12.31.2010		12.31.2009		01.01.2009	
	Serie A	Serie B	Serie A	Serie B	Serie A	Serie B
Description of type of capital in preferred shares						
Number of authorized shares	142,819,552	120,376,972	142,819,552	120,376,972	142,819,552	120,376,972
Par value of shares in ThUS\$	-	-	-	-	-	-
Capital amount in shares ThUS\$	134,750	342,636	134,750	342,636	134,750	342,636
Amount of premium issuance ThUS\$	-	-	-	-	-	-
Amount of reserves ThUS\$	-	-	-	-	-	-
Number of fully subscribed and paid shares	142,819,552	120,376,972	142,819,552	120,376,972	142,819,552	120,376,972
Number of subscribed, partially paid shares	-	-	-	-	-	-
Total number of subscribed shares	142,819,552	120,376,972	142,819,552	120,376,972	142,819,552	120,376,972

As of December 31, 2010, December 31, 2009 and January 1, 2009, the Company has not placed any new issuances of shares on the market.

18.3 Dividend policy

As required by Article 79 of the Chilean Shareholders' Company Act, unless otherwise decided by unanimous vote of the holders of issued and subscribed shares, the Company must distribute a cash dividend in an amount equal to at least 30% of our consolidated Profit for the year ended December 31, 2009 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 2010 is detailed as follows:

- Distribution and payment in favor of each shareholder of a final dividend that will be equivalent to 50% of Profit for the period obtained in 2010.
- Distribution and payment, if possible during 2010, of a provisional dividend which will be recorded against the aforementioned final dividend. This provisional dividend will probably be paid during the last quarter of 2010, and its amount may not exceed 50% of the retained earnings for distribution obtained during 2010, which are reflected in the Company's financial statements as of September 30, 2010.
- The distribution and payment by the Company of the remaining balance of the final dividend related to Profit for the period for the 2010 fiscal year in up to two installments, which must be effectively paid and distributed prior to June 30, 2011.
- An amount equivalent to the remaining 50% of the Company's profit for the period for 2010 will be retained and destined to the financing of operations of one or more of the Company's investment projects with no prejudice to the possible future capitalization of the entirety or a portion of this.
- The Board of Directors does not consider the payment of any additional or interim dividends.

18.4 Provisional Dividends

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

At a Board of Directors meeting held on April 29, 2010, the Directors unanimously agreed to reduce the dividend distribution that implies payment of a final dividend of US\$ 0.62131 per share as a result of such profit for the period. Notwithstanding the above, a deduction amounting to US\$ 0.37994 per share should be applied to this final dividend, which was already paid as a provisional dividend. In line with this, the balance, amounting to US\$ 0.24137 per share, will be paid and distributed in favor of those Company's shareholders registered with the respective shareholders' registry as of the fifth business day prior to the day in which this dividend will be paid.

At a Board of Directors meeting held on November 17, 2009, the Directors agreed to pay and distribute an interim dividend of US\$0.37994 per share. This dividend totals approximately ThUS\$100,000 and is equivalent to 40% of distributable 2009 profit for the period, accumulated as of December 31, 2009. This dividend is payable with a charge to income for the period for that commercial year to SQM shareholders registered in the respective shareholders' registry as of the fifth business day prior to December 16, 2009, in its equivalent in Chilean pesos, based on the observed dollar exchange rate as published in the Official Gazette prevailing on December 10, 2009.



As of December 31, 2010, a provision of ThUS\$4.637 was recognized due to minimum dividend. Due to the expressed above, the dividends deducted from equity are as follows:

	2010 ThUS\$	2009 ThUS\$
Final dividend	63,527	225,914
Temporary dividend	110,000	100,000
Minimum dividend provision	4,637	-
Reversal of prior year minimum dividend	-	(50,421)
Total	178,164	275,493

19 | Provisions and other non-financial liabilities

19.1 Classes of provisions

Description of classes of provisions	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Other current provisions			
Provision for legal complaints	2,590	590	715
Other provisions	12,424	15,852	8,836
Total	15,014	16,442	9,551
Other non-current provisions			
Other provisions	2,000	-	-
Total	3,500	3,500	3,181
Other current provisions	5,500	3,500	3,181

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

19.2 Description of other provisions

Description of other provisions	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Current provisions, other provisions			
Provision for tax loss in fiscal litigation	1,634	1,564	1,284
Royalties, agreement with CORFO (the Chilean Economic Development Agency)	5,182	3,752	5,256
Current provisions, other provisions	3,264	6,500	-
Retirement plan	880	2,500	-
Miscellaneous provisions	1,464	1,536	2,296
Total	12,424	15,852	8,836
Other long-term provisions			
Mine closure	3,500	3,500	3,181
Total	3,500	3,500	3,181

19.3 Other non-financial liabilities, current

Description of other liabilities	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Tax withholdings	5,529	6,043	594
VAT payable	12,416	4,733	5,322
Guarantees received	1,028	1,016	2,511
Provision for minimum dividend	4,637	-	50,421
Monthly Tax Provisional Payments	8,171	5,071	10,345
Deferred income	14,350	16,537	31,722
Withholdings from employees and salaries payable	4,936	4,858	4,199
Vacation provision	14,854	13,897	10,518
Other current liabilities	1,538	50	50
Total	67,459	52,205	115,682

19.4 Movements in provisions as of December 31, 2010

Description of items which gave rise to variations	Guarantee	Restructuring	Legal complaints	Onerous contracts	Dismantling, rehabilitation and site restoration costs	Other provisions	Total
Total provisions, initial balance	-	-	590	-	-	19,352	19,942
Additional provisions	-	-	4,000	-	-	14,301	18,301
Provision used	-	-	-	-	-	(19,583)	(19,583)
Increase (decrease) in foreign currency translation	-	-	-	-	-	74	74
Total provisions, final balance	-	-	4,590	-	-	15,924	20,514

Movements in provisions as of December 31, 2009

Description of items which gave rise to variations	Guarantee	Restructuring	Legal complaints	Onerous contracts	Dismantling, rehabilitation and site restoration costs	Other provisions	Total
Total provisions, initial balance	-	-	715	-	-	12,017	12,732
Additional provisions	-	-	200	-	-	14,604	14,804
Provision used	-	-	(325)	-	-	(6,898)	(7,223)
Increase (decrease) in foreign currency translation	-	-	-	-	-	(371)	(371)
Total provisions, final balance	-	-	590	-	-	19,352	19,942

19.5 Detail of main classes of provisions

Legal expenses: this provision depends on the pending resolution of a lawsuit to conduct the disbursement for expenses associated with and incurred for this purpose.

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 for on a quarterly basis to the Economic Development Agency. The amount of the lease payable is calculated based on sales of products extracted from the Atacama Saltpeter deposit.

The settlement of these will be performed on a quarterly basis.

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

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

At the present date, SQM and its subsidiaries do not present any uncertainty on the timing and amount of any type of accrual.

20| Contingencies and restrictions

The Company maintains lawsuits and other relevant legal actions that are detailed as follows:

20.1 Trials and other relevant events.

- 1) Plaintiff :** Compañía de Salitre y Yodo Soledad S.A.
Defendant : Sociedad Química y Minera de Chile S.A.
Date : December 1994
Court : Civil Court in Pozo Almonte.
Reason : Partial nullity of mining site Cesard 1 to 29
Instance : Evidence provided.
Nominal value : ThUS\$ 211
- 2) Plaintiff :** Compañía Productora de Yodo y Sales S.A.
Defendant : Sociedad Química y Minera de Chile S.A.
Date : November 1999
Court : Civil Court in Pozo Almonte.
Reason : Partial nullity of mining site Paz II 1 to 25
Instance : Evidence provided.
Nominal value : ThUS\$ 162
- 3) Plaintiff :** Compañía Productora de Yodo y Sales S.A.
Defendant : Sociedad Química y Minera de Chile S.A.
Date : November 1999.
Court : Civil Court in Pozo Almonte.
Reason : Partial nullity of mining site Paz III 1 to 25
Instance : Evidence provided.
Nominal value : ThUS\$ 204
- 4) 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 in Santiago
Reason : Labor Accident.
Instance : At discussion stage.
Nominal value : ThUS\$ 550
- 5) Plaintiff :** Agraria Santa Aldina Limitada.
Defendants : SQM Perú S.A.
Date : June 2009
Court : Civil Court in Pisco - Peru
Reason : Claim for damages for alleged breach of terms of product distribution contracts.
Instance : Conciliation, at present being implemented.
Nominal value : ThUS\$ 400

- 6) Plaintiffs :** Eduardo Fajardo Nuñez, Ana Maria Canales Poblete, Raquel Beltran Parra, Eduardo Fajardo Beltran and Martina Fajardo Beltran.
- Defendants :** SQM Salar S.A. and insured parties
- Date :** November 2009
- Court :** 20th Civil Court in Santiago
- Reason :** Labor accident
- Instance :** Evidence
- Nominal value :** ThUS\$ 1,880
- 7) Plaintiffs :** JB Comércio de Fertilizantes e Defensivos Agrícolas Ltda. (JB)
- Defendants :** Nitratos Naturais do Chile Ltda. (NNC).
- Date :** December 1995
- Court :** MM 1ª. Vara Cível de Comarca de Barueri, Brasil.
- Reason :** Compensation claim filed by JB against NNC for having appointed a distributor in a territory of Brazil for which JB had an exclusive contract.
- Instance :** First instance against NNC.
- Nominal value :** ThUS\$1,800
- 8) Plaintiff :** Poli Instalaciones Limitada.
- Defendant :** SQM Industrial S.A.
- Date :** August 2010
- Court :** Arbitral Court
- Reason :** Claim for damages resulting from the exercise of contractual clause under which the contract may be terminated in advance .
- Instance :** Evidence
- Nominal value :** ThUS\$ 484
- 9) Plaintiff :** Newland S.A.
- Defendant :** SQM Industrial S.A.
- Date :** August 2010
- Court :** Arbitral Court
- Reason :** Claim for damages due to alleged breach of obligations.
- Instance :** Evidence
- Nominal value :** ThUS\$480
- 10) Plaintiffs :** María Loreto Lorca Morales, Nathan Guerrero Lorca, Maryori Guerrero Lorca, Abraham Guerrero Lorca, Esteban Guerrero Lorca and María Sol Osorio Tapia et all.
- Defendants :** Gonzalo Daved Valenzuela, Julio Zamorano Avendaño, Comercial Transportes y Servicios Generales Julio Zamorano Avendaño E.I.R.L., and in solidum SQM S.A. and insurers.
- Date :** August 2010
- Court :** 2nd Court of First Instance in Iquique
- Reason :** Claim for damages resulting from the crash of two trucks in July 2008 near Pozo Almonte, causing the death of Mr. Alberto Galleguillos Monardes and Mr. Fernando Guerrero Tapia.
- Instance :** Discussion stage ended. Conciliation stage.
- Nominal value :** ThUS\$3,500

- 11) Plaintiff** : City of Pomona, California U.S.A.
Defendant : SQM North America Corp (SQM NA)
Date : December 2010
Court : Superior Court in the County of Los Angeles, Pomona, California, USA
Reason : Claim for reimbursement of expenses incurred by the city of Pomona, as a result of the alleged responsibility in the contamination of underground water wells that feed the fresh water system in the city.
Instance : Answer to claim.
Nominal value : Undetermined.
- 12) Plaintiff** : City of Lindsay, California U.S.A.
Defendant : SQM North America Corp (SQM NA)
Date : December 2010
Court : Superior Court in the County of Tulare, Visalia, California, USA.
Reason : Claim for reimbursement of expenses incurred by the city of Lindsay, as a result of the alleged responsibility in the contamination of underground water wells that feed the fresh water system in the city.
Instance : Answer to claim.
Nominal value : Undetermined.
- 13) Plaintiff** : Sociedad Chilena del Litio Ltda.
Defendant : SQM Salar S.A.
Date : December 2010
Court : Arbitral.
Reason : Payment of sales prices.
Instance : At discussion stage.
Nominal value : ThUS\$2,000

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

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

SQM S.A. and Subsidiaries have made efforts and continue making efforts to obtain payment of certain amounts that are still owed to the same on occasion of their activities. Such amounts will continue to be required using judicially or non judicially means by the plaintiffs and the actions and exercise related to the same are currently in full force and effect.

SQM S.A. and Subsidiaries have not received legal notice of any claims other than those mentioned in paragraph I above and that intend to annul certain mining claims that were purchased by SQM S.A. and Subsidiaries whose proportional purchase value with respect to the portion affected by the superposition exceeds the nominal and approximate amount of ThUS\$ 150 and that intend to obtain payment of certain amounts allegedly owed by the same on occasion of their activities and that exceed the nominal, individual approximate amount of ThUS\$ 150.

20.2 Restrictions:

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

20.3 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 in profit or loss an amount of ThUS\$ 18,177 as of December 31, 2010 (ThUS\$ 17,747 as of December 31, 2009).

20.4 Restricted or pledged cash

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

This guarantee, according to the regulations issued by the Chilean Superintendence of Healthcare is equivalent to the total sum owed to its members and medical providers. Banco de Chile reports the present value of the guarantee to the Chilean Superintendence of Healthcare and Isapre Norte Grande Ltda. on a daily basis. As of December 31, 2010, the guarantee amounts to ThUS\$ 514.

20.5 Sureties recieved from third parties

The main collateral received from third parties (distributors) to guarantee Soquimich Comercial S.A.'s compliance with obligations in contracts of commercial mandates for the distribution and sale of fertilizers amounted to ThUS\$6,389 as of December 31, 2010; as of December 31, 2009 these amounted to ThUS\$6,523 and as of January 1, 2009 amounted to ThUS\$5,302 which are detailed as follows:

Entity name	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Llanos y Wammes Soc. Com. Ltda	2,037	2,037	1,727
Fertglobal Chile Ltda.	3,352	3,352	2,671
Tattersall Agroinsumos S.A.	1,000	1,134	904

20.6 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	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 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	-	-	-
Banque Nationale de Paris	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-	-
San Francisco Branch	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-	-
Sociedad Nacional de Minería A.G.	SQM Potasio S.A.	Subsidiary	Bond	-	-	-
Royal Bank of Canada	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-	-
Citibank N.Y.	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-	-
BBVA Banco Bilbao Vizcaya Argentaria	Royal Seed Trading A.V.V.	Subsidiary	Bond	-	100,053	100,204
ING Capital LLC	Royal Seed Trading A.V.V.	Subsidiary	Bond	80,055	80,055	80,215
JP Morgan Chase Bank	SQM Industrial S.A.	Subsidiary	Bond	-	-	-
Export Development Canada	SQM Investment Corp. N.V.	Subsidiary	Bond	-	50,019	50,032
BBVA Bancomer S.A.	Royal Seed Trading A.V.V.	Subsidiary	Bond	-	75,000	-

21 | Revenue

As of December 31, 2010 and 2009, revenue is detailed as follows:

Clases de ingresos ordinarios	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Sales of goods	1,823,843	1,431,221
Provision of services	6,570	7,438
Interest income	-	-
Income from royalties	-	-
Income from dividends	-	-
Total	1,830,413	1,438,659

22 | Earnings per Share

Basic earnings per share will be 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, basic earnings per share are detailed as follows:

	12.31.2010	12.31.2009
Basic earnings per share	ThUS\$	ThUS\$
Earnings attributable to equity holders of the parent	382,122	338,297
	12.31.2010	12.31.2009
	Units	Units
Number of common shares in circulation	263,196,524	263,196,524
	12.31.2010	12.31.2009
Basic earnings per share	1.4519	1.2853

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

23 | Loan costs

The cost of interest is recognized as expenses in the year in which it is incurred, except for interest that is directly related to the acquisition and construction of tangible property, plant and equipment assets and that complies with the requirements of IAS 23. As of December 31, 2010, total interest expenses incurred amount to ThUS\$35,042 (ThUS\$30,979 as of December 31, 2009).

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:

	12.31.2010	12.31.2009
Capitalization rate of costs for capitalized interest, property, plant and equipment	7%	7%
Amount of costs for interest capitalized in ThUS\$	25,947	19,231

24| Effect of variations in the foreign currency exchange rates

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

	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Conversion foreign exchange gains (losses) recognized in the result of the year.	(5,807)	(7,577)
Conversion foreign exchange reserves attributable to the owners of the controlling entity.	296	1,234
Conversion foreign exchange reserves attributable to the non controlling entity.	367	501

b) Reserves for foreign currency exchange differences:

As of December 31, 2010 and 2009, foreign currency exchange differences are detailed as follows:

Detail	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Changes in equity generated through the equity method		
Comercial Hydro S.A.	937	946
SQMC Internacional Ltda.	41	43
Proinsa Ltda.	31	32
Agrorama Callegari Ltda.	161	66
Isapre Cruz del Norte Ltda.	99	37
Almacenes y Depósitos Ltda.	90	42
Sales de Magnesio Ltda.	132	53
Sociedad de Servicios de Salud S.A.	39	15
Total	1,530	1,234

c) Functional and presentation currency

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

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

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

25 | The Environment

25.1 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. SQM 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. In the María Elena location, crushing units used to operate that affected the air quality. The Company has implemented a range of mitigating actions that have led to a notable improvement in air quality at Maria Elena, and beginning in March 2010, no ore crushing process is conducted in the Maria Elena sector.

Many of our products are shipped in bulk at the Port of Tocopilla. In 2007 the city of Tocopilla was declared a Saturated with MP 10 Particles Zone 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, SQM has committed to take several measures to mitigate the effects derived from bulk product movements in the port. These measures have been successfully implemented since 2007.

The Company carries out environmental follow-up and monitoring plans based on specialized scientific studies, and it also provides an annual training program in environmental matters to both its direct employees and its contractors' employees. Within this context, SQM 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 Universidad de Chile.

Furthermore, within the framework of the environmental studies which the Company is conducting, the Company is performing 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.

25.2 Detail of information on disbursements related to the environment

The accumulated disbursements in which SQM and its subsidiaries have incurred as of December 31, 2010 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 years disbursements related to these projects amounted to ThUS\$ 11,335 and are detailed as follows:

Accumulated expenses as of December 31, 2010

Identification of the Parent Company or subsidiary	Name of the project with which the disbursement is associated	Concept for which the disbursement was made or will be made	Asset / Expense	Description of the asset or expense Item	Amount of disbursement for the Period ThUS\$	Certain or estimated date in which disbursements were or will be made
SQM Industrial S.A	Environment Management (2010 Expense)	Not classified	Expense	Not classified	1,270	12.01.2010
SQM Industrial S.A	MCLX – Cleaning of the saving yards	Cost reduction	Expense	Development	604	10.01.2010
SQM Industrial S.A	ANMI - Infrastructure consulting for the storage of dangerous chemical substances	Support: Risk prevention and the environment	Asset	Development	46	12.01.2010
SQM Industrial S.A	MNH8 – Lightning upgrades	Support	Expense	Development	228	12.01.2010
SQM Industrial S.A	SCCY – Disposal of dangerous residue	Support	Asset - Expense	Development	165	12.01.2010
SQM Industrial S.A	JNTU - San Isidro water evaluation	Support: Risk prevention and the environment	Asset	Not classified	556	12.31.2010
SQM Industrial S.A	JNNX – Nitrate environment various	Support: Risk prevention and the environment	Asset	Not classified	51	12.01.2010
SQM Industrial S.A	MNTE – Industrial hygiene equipment	Support: Risk prevention and the environment	Asset	Development	19	12.01.2010
SQM Industrial S.A	INST – Adquisition of used lubricant rapid disposal bank.	Support: Risk prevention and the environment	Expense	Development	46	01.07.2010
SQM Industrial S.A	NV-ME-PB					
SQM Industrial S.A	MP17 – Normalization of consumable water ME/CS/PV	Support	Asset	Not classified	7	12.01.2010
SQM Industrial S.A	MP5W - Normalization TK's fuel	Support	Asset	Not classified	397	12.01.2010
SQM Industrial S.A	DIA Discard field Pampa Blanca Actions for the dissemination of cultural heritage, technology change Maria Elena	Support: Risk prevention and the environment	Expense	Development	30	12.01.2010
SQM Industrial S.A	Chamber to detect gas leaking	Support: Risk prevention and the environment	Asset	Not classified	21	12.31.2010
SQM Industrial S.A	Automation of water volume inlet pipe ME, CS and Vergara	Support	Asset	Development	1,106	12.31.2010
SQM Industrial S.A	Repair of sanitary and electric facilities	Support	Asset	Development	523	12.01.2010
SQM Industrial S.A	MPIS – Stabilization of streets and suppression of dust at sidewalks	Support	Asset	Development	184	10.01.2010
SQM Industrial S.A	Handling of PV ammonia in Detention of plant	Support: Risk prevention and the environment	Asset	Development	736	10.01.2010
SQM Industrial S.A	Improvement of sealing and pressurization room 031	Support	Asset	Not classified	22	12.01.2010
SQM Industrial S.A		Support	Asset - Expense	Not classified	48	12.01.2010

Continues

Identification of the Parent Company or subsidiary	Name of the project with which the disbursement is associated	Concept for which the disbursement was made or will be made	Asset / Expense	Description of the asset or expense Item	Amount of disbursement for the Period ThUS\$	Certain or estimated date in which disbursements were or will be made
SQM Industrial S.A	Indigenous camp Automated alarms and information of monitoring station Hospital	Support: Risk prevention	Asset	Not classified	88	06.11.2010
SQM Industrial S.A	Extension in sanitary capacity for Iris	Not classified	Asset	Not classified	10	12.01.2010
Minera Nueva Victoria S.A.	Extension in sanitary capacity for Iris	Support	Asset	Not classified	44	12.01.2010
Minera Nueva Victoria S.A.	Maintenance of Environmental projects ME-PV-NV-PB	Capacity upgrade	Asset	Development	85	12.01.2010
SQM Nitratos S.A		Support: Risk prevention and the environment	Asset - Expense	Development	48	06.29.2010
SQM Nitratos S.A	Environment projects PPOV – Maintenance of environmental projects ME-PV-NV-PB	Support: Risk prevention and the environment	Asset - Expense	Development	82	12.01.2010
SQM Nitratos S.A	PPAT – Risk prevention projects Sem II 2008	Support: Risk prevention and the environment	Asset	Not classified	95	12.01.2010
SQM Nitratos S.A	LP5J – Water study Water Recharge Atacama Saltpeter deposit	Support: Risk prevention and the environment	Expense	Development	157	12.01.2010
SQM Salar S.A	Nuevo – Study – Improvements in fuel facilities LP82 – Project to foster agricultural activities in Salar Locations	Support: Risk prevention and the environment	Asset	Not classified	4	12.01.2010
SQM Salar S.A	CPTP – Installation of drinking water emergency showers	Support: Risk prevention and the environment	Expense	Not classified	98	12.01.2010
SQM Salar S.A	LPTF – 2010 environmental study and prospecting LP82 - Project to foster agricultural activities in Salar Locations	Support: Risk prevention and the environment	Expense	Investigation	83	12.31.2010
SQM Salar S.A	CPZH – Handling of hydroxide press filter waste	Capacity uograde	Asset	Development	17	12.01.2010
SQM Salar S.A	LPTJ – Sanitary work improvements	Capacity uograde	Asset	Development	19	12.01.2010
SQM Salar S.A	LPPJ – Dual Plant Phase II (considers solely the environment expense)	Support	Expense	Development	331	12.31.2012
SQM Salar S.A	LPN3 – Compacting and prilling engineering (Consider environmental expense only)	Support: Risk prevention and the environment	Asset	Investigation	19	12.31.2011
SQM Salar S.A	Environment projects	Support	Asset	Not classified	14	04.01.2011
SQM Salar S.A	Sanitary upgrades	Support	Expense	Not classified	169	12.31.2010
SQM Salar S.A	LPPJ - DIA SOP upgrade	Support	Asset	Not classified	95	05.01.2011
SIT S.A.	TNLA – Road paving PNOT – Lightning uograde (train area)	Capacity upgrade	Asset	Not classified	14	12.31.2011
SIT S.A.	TPR8 – Elimination of waste water generation through vacuum	Support: Risk prevention and the environment	Asset -Expense	Development	82	12.01.2010
SIT S.A.		Support: Risk prevention and the environment	Asset -Expense	Development	369	12.01.2010
SIT S.A.	TPLR – Waste disposal system	Support: Risk prevention and the environment	Asset – Expense	Not classified	54	12.01.2010
SIT S.A.	TPM7 – Environment projects	Support: Risk prevention and the environment	Asset	Not classified	68	12.01.2010
SQM S.A.	SCI6 – Environment studies	Not classified	Asset – Expense	Not classified	524	06.30.2011
		Not classified	Expense	Not classified	2,376	10.01.2010

Continues

Identification of the Parent Company or subsidiary	Name of the project with which the disbursement is associated	Concept for which the disbursement was made or will be made	Asset / Expense	Description of the asset or expense Item	Amount of disbursement for the Period ThUS\$	Certain or estimated date in which disbursements were or will be made
SQM S.A.	IQ08 – PSA Llamara & Tamarugal Meadows	Support Natural resources	Asset	Development	5	03.30.2011
SQM S.A.	IPFT - I Region of Chile Cultural heritage	Support: Risk prevention and the environment	Expense	Not classified	111	12.31.2011
SQM S.A.	IPXF- Environmental follow-up plan at Tamarugal Meadows	Support: Risk prevention and the environment	Expense	Not classified	4	12.31.2012
					11,335	

Future expenses

Identification of the Parent Company or subsidiary	Name of the project with which the disbursement is associated	Concept for which the disbursement was made or will be made	Asset / Expense	Description of the asset or expense Item	Amount of disbursement for the Period ThUS\$	Certain or estimated date in which disbursements were or will be made
SQM Industrial S.A	Environment management (Ppto 2011)	Not classified	Expense	Not classified	1,771	12.01.2011
SQM Industrial S.A	ACI9 - DIA Coya Sur prilling upgrade	Support: Investigation and Development	Expense	Investigation	23	12.31.2011
SQM Industrial S.A	Consulting for infrastructure for the storage of hazardous chemicals	Support: Risk prevention and the environment	Asset	Development	4	06.30.2011
SQM Industrial S.A	Improvement in lighting	Support	Expense	Development	2	06.30.2011
SQM Industrial S.A	Normalization of TK fuels	Support	Asset	Not classified	703	12.31.2011
SQM Industrial S.A	Actions for the dissemination of cultural heritage, technology change Maria Elena	Support: Risk prevention and the environment	Asset	Not classified	85	12.31.2011
SQM Industrial S.A	Pampa Blanca sea water (DIA Mine Zone PB and DIA extension PB)	Support	Asset	Development	204	12.31.2011
SQM Industrial S.A	Automation of water volume inlet pipe ME, CS and Vergara	Support	Asset	Development	261	12.31.2011
SQM Industrial S.A	Replacement of starters and transformers with PCB	Support: equipment renewal	Asset - Expense	Not classified	171	12.31.2011
SQM Industrial S.A	MPIS – Stabilization of streets and suppression of dust at sidewalks	Support	Asset	Development	1	06.30.2011
SQM Industrial S.A	Handling of PV ammonia in Detention of plant	Support: Risk prevention and the environment	Asset	Not classified	177	12.31.2011
SQM Industrial S.A	PPZU – Normalize and certificate fuel tanks	Support: Risk prevention and the environment	Asset - Expense	Not classified	3,000	07.01.2011
SQM Industrial S.A	IQ5B – transfer pumps upgrade	Housing upgrade	Asset -Expense	Not classified	110	10.10.2011
SQM Industrial S.A	ME-PV-NV-PB environmental maintenance projects	Support	Expense	Not classified	10	06.30.2011
SQM Industrial S.A	FQ39 – Closing of pampa blanca	Support: Risk prevention and the environment	Asset	Development	500	12.01.2011
Minera Nueva Victoria S.A.	IQ4C – Camp development	Support	Asset - Expense	Not classified	3,000	12.31.2012
SQM Nitratos S.A	ME-PV-NV-PB environmental maintenance projects	Support: Risk prevention and the environment	Asset - Expense	Development	4	06.30.2011
SQM Nitratos S.A	Risk prevention projects Sem II 2008	Support: Risk prevention and the environment	Expense	Development	1	06.30.2011
SQM Salar S.A	LP5J – Salar de Atacama recharge project	Support: Risk prevention and the environment	0	Investigation	29	06.30.2011
SQM Salar S.A	LQ38 – Drying yard	Support: Risk prevention and the environment	Asset - Expense	Not classified	154	09.30.2011
SQM Salar S.A	Project to foster agricultural activity in saltpeter locations	Support	Expense	Development	528	12.31.2012
SQM Salar S.A	LPK2 – Money exchange	Not classified	Asset	Not classified	102	12.31.2011
SQM Salar S.A	CPTP – Instalation of emergency showers	Support	Asset	Not classified	12	04.01.2011
SQM Salar S.A	LPTF – Environment study	Support	Expense	Not classified	226	12.31.2011
SQM Salar S.A	LPTJ – Sanitary improvements	Support	Asset	Not classified	104	05.01.2011
SQM Salar S.A	LQ33 – Salar regularization	Not classified	Asset - Expense	Not classified	300	12.31.2011
SIT S.A.	PNOT – Lightning improvement (train area)	Support	Asset -Expense	Development	65	06.30.2011

Continues

Identification of the Parent Company or subsidiary	Name of the project with which the disbursement is associated	Concept for which the disbursement was made or will be made	Asset / Expense	Description of the asset or expense Item	Amount of disbursement for the Period ThUS\$	Certain or estimated date in which disbursements were or will be made
SIT S.A.	Implementation of a system to pump sewage to dump	Support: Risk prevention and the environment	Asset	Not classified	10	06.30.2011
SIT S.A.	Environment project	Not classified	Asset - Expense	Not classified	15	06.30.2011
SQM S.A.	Environment studies, 1 region	Not classified	Expense	Not classified	1	06.30.2011
SQM S.A.	AQ0A – Drilling 4 wells	Support: Natural Resources	Asset	Development	595	03.30.2011
SQM S.A.	IPFT – Cultural heritage, 1 region	Support: Risk prevention and the environment	Expense	Not classified	47	12.31.2011
SQM S.A.	IQ0C – Nueva Victoria Mining zone	Support: Risk prevention and the environment	Expense	Not classified	139	12.31.2011
SQM S.A.	IPXF- Environmental follow-up plan at Llamara Salar	Support: Risk prevention and the environment	Expense	Not classified	530	12.31.2012
SQM S.A.	IPXF- Environmental follow-up plan at Tamarugal Meadows	Support: Risk prevention and the environment	Expense	Not classified	543	12.31.2012
SQM S.A.	IQ08 - PSA Llamara & Pampa del Tamarugal	Support: Natural Resources	Expense	Development	424	02.28.2011
SQM S.A.	IQ1M - PSA Water re usal in Puquíos Llamara	Not classified	Asset	Not classified	1,649	07.31.2011
SQM S.A.	IQ1K – Constructoin of 3 observation wells	Support: Natural Resources	Asset	Development	200	03.31.2011
SQM S.A.	IQ3S – Handling of dangerous materials	Support: Risk prevention and the environment	Asset	Not classified	400	12.30.2012
SQM S.A.	IQ52 – Environment office	Support: Risk prevention and the environment	Asset	Not classified	30	06.30.2011
SQM S.A.	IQ54 - Pampa Hermosa cultural heritage	Support: Risk prevention and the environment	Asset	Not classified	340	12.31.2011
SQM S.A.	IQ53 - Pampa Hermosa cultural heritage	Support: Risk prevention and the environment	Asset	Not classified	20	12.31.2011
Total					16,586	



Accumulated expenses, as of December 31, 2009

Identification of the Parent Company or subsidiary	Name of the project with which the disbursement is associated	Concept for which the disbursement was made or will be made	Asset / Expense	Description of the asset or expense Item	Amount of disbursement for the Period ThUS\$	Certain or estimated date in which disbursements were or will be made
SQM Industrial S.A.	Yard cleaning	Cost reduction	Expense	Development	569	12.31.2009
SQM Industrial S.A.	Construction of sewer water plant	Support: Risk prevention and the environment	Expense	Development	32	03.31.2009
SQM Industrial S.A.	Environment studies ANMI – Consulting	Support: Risk prevention and the environment	Expense	Development	5	04.30.2009
SQM Industrial S.A.	Infrastructure to the storage of Hazardous chemicals products	Support: Risk prevention and the environment	Expense	Development	46	12.31.2009
SQM Industrial S.A.	Lightning improvements	Support	Asset	Development	221	12.31.2009
SQM Industrial S.A.	Sanitary instalation in Prilling plant	Support: Risk prevention and the environment	Expense	Not classified	44	09.30.2009
SQM Industrial S.A.	Dangerous waste dispossal	Support	Asset	Development	165	12.31.2009
SQM Industrial S.A.	San Isidro water evaluation	Support: Risk prevention and the environment	Asset-Expense	Not classified	505	12.31.2009
SQM Industrial S.A.	Improvement in NH3 level measurement	Support	Expense	Not classified	64	12.30.2009
SQM Industrial S.A.	Sanitary instalation regulation	Support: Risk prevention and the environment	Expense	Not classified	82	08.30.2009
SQM Industrial S.A.	Industrial Hygiene equipment	Support: Risk prevention and the environment	Asset	Development	31	12.31.2009
SQM Industrial S.A.	Replacement of starters and transformers with PCB	Support: Risk prevention and the environment	Expense	Not classified	4	12.31.2009
SQM Industrial S.A.	Acquisition for quick evacuation for used lubricants. NV-ME-PB	Support: Risk prevention and the environment	Asset	Development	45	12.31.2009
SQM Industrial S.A.	Handling of waste at Antofagasta	Support: Risk prevention and the environment	Asset	Not classified	17	12.31.2009
SQM Industrial S.A.	Normalization drinking water chloride ME/CS/PV	Support	Expense	Not classified	7	02.28.2009
SQM Industrial S.A.	Normalization of TK fuels	Support	Asset	Not classified	160	12.31.2009
SQM Industrial S.A.	DIA Discard field Pampa Blanca	Support: Risk prevention and the environment	Asset	Development	30	12.31.2009
SQM Industrial S.A.	Actions for the dissemination of cultural heritage, technology change Maria Elena	Support: Risk prevention and the environment	Expense	Not classified	20	12.31.2009
SQM Industrial S.A.	Chamber to detect gas leaking	Support: Risk prevention and the environment	Expense	Investigation	5	01.31.2009
SQM Industrial S.A.	Automation of water volume inlet pipe ME, CS and Vergara	Support	Asset	Development	261	12.31.2009
SQM Industrial S.A.	Repair of sanitary and electric facilities	Support	Asset-Expense	Development	165	12.31.2009

Continues

Identification of the Parent Company or subsidiary	Name of the project with which the disbursement is associated	Concept for which the disbursement was made or will be made	Asset / Expense	Description of the asset or expense Item	Amount of disbursement for the Period ThUS\$	Certain or estimated date in which disbursements were or will be made
SQM Industrial S.A.	MPIS – Stabilization of streets and suppression of dust at sidewalks	Support	Asset	Development	689	06.30.2009
SQM Industrial S.A.	Improvement of sealing and pressurization room 031	Support	Asset	Not classified	42	11.01.2009
SQM Industrial S.A.	Nitrate miscellaneous project Automated alarms and information of monitoring station Hospital	Support: Risk prevention and the environment	Asset	Not classified	51	12.31.2009
SQM Industrial S.A.	Handling of PV ammonia in Detention of plant	Not classified	Asset	Not classified	8	12.30.2009
SQM Industrial S.A.	Indigenous camp	Support: Risk prevention and the environment	Asset	Not classified	1	12.01.2009
SQM Industrial S.A.	Pampa Blanca sea water (DIA Mine Zone PB and DIA extension PB)	Support	Asset-Expense	Not classified	83	12.31.2009
SQM Industrial S.A.	Environmental Management Extension in sanitary capacity for Iris	Support Operations	Asset	Development	461	12.30.2009
SQM Industrial S.A.	Waste water treatment plant washing surfaces PV-NV-PB	Capacity extension	Expense	Not classified	1,235	12.31.2009
Minera Nueva Victoria	Maintenance of Environmental projects ME-PV-NV-PB	Support: Risk prevention and the environment	Asset	Development	85	12.31.2009
SQM Nitratos S.A.	Waste water treatment plant Risk prevention projects Sem II 2008	Support: Risk prevention and the environment	Asset-Expense	Development	42	12.31.2009
SQM Nitratos S.A.	Environmental evaluation extension of production capacity MOP	Support: Risk prevention and the environment	Asset-Expense	Development	82	12.31.2009
SQM Nitratos S.A.	Detailed engineering and implementation of a dust collector	Support: Risk prevention and the environment	Asset-Expense	Not classified	95	12.31.2009
SQM Nitratos S.A.	Renewal of meteorological station Chaxa saltpeter deposit	Support: Risk prevention and the environment	Asset	Development	117	12.31.2009
SQM Nitratos S.A.	Study for water recharge at Atacama saltpeter	Support: Risk prevention and the environment	Asset	Development	38	12.31.2009
SQM Salar S.A.	Construction of pit for used water infiltration, Toconao camp	Support: Risk prevention and the environment	Expense	Investigation	42	08.31.2009
SQM Salar S.A.	Project to foster agricultural activity in saltpeter locations	Capacity extension	Asset	Not classified	106	12.31.2009
SQM Salar S.A.	Implementation of currency Exchange facility	Support	Asset-Expense	Development	131	12.31.2009
SQM Salar S.A.	Dual MOP-SOP (DIA Plant Modification SOP)	Not classified	Asset	Not classified	105	02.28.2010
SQM Salar S.A.	Dryer MOP (DIA Potassium chloride dryer plant)	Capacity extension	Asset	Development	14	12.31.2009
SQM Salar S.A.	Pavement of Work location-port road	Capacity extension	Asset	Development	19	12.31.2009
SIT S.A.	Risk prevention plan Port Lighting improvement, railroad area	Support: Risk prevention and the environment	Asset	Development	82	12.31.2009
SIT S.A.	Implementation of a system to pump sewage to dump	Support: Risk prevention and the environment	Asset-Expense	Development	101	12.31.2009
SIT S.A.	Environmental meshes for fields 3 and 4	Support: Risk prevention and the environment	Asset	Development	365	12.31.2009
SIT S.A.	Environmental study - Region I project	Not classified	Asset-Expense	Not classified	68	12.31.2009
SQM S.A.	Environmental commitments Nueva Victoria mine Zone	Support: Risk prevention and the environment	Asset	Not classified	164	12.30.2009
SQM S.A.	Cultural heritage Region I	Support: Risk prevention and the environment	Asset-Expense	Not classified	2,091	06.30.2010
SQM S.A.					275	03.30.2009
SQM S.A.					75	12.30.2009
Total					9,324	

Future expenses, as of December 31, 2009

Identification of the Parent Company or subsidiary	Name of the project with which the disbursement is associated	Concept for which the disbursement was made or will be made	Asset / Expense	Description of the asset or expense item	Amount of disbursement for the Period ThUS\$	Certain or estimated date in which disbursements were or will be made
SQM Industrial S.A.	Consulting in infrastructure to store hazardous chemicals	Support: Risk prevention and the environment	Expense	Development	4	12.31.2010
SQM Industrial S.A.	Improvement in lighting	Support	Asset	Development	27	12.31.2010
SQM Industrial S.A.	San Isidro water assessment	Support: Risk prevention and the environment	Asset/Expense	Not classified	352	12.31.2010
SQM Industrial S.A.	Normalization of drinking water chlorination, ME/CS/PV	Support	Expense	Not classified	88	12.31.2010
SQM Industrial S.A.	Normalization of TK's fuel	Support	Asset	Not classified	748	12.31.2010
SQM Industrial S.A.	Cultural heritage dissemination actions, Technological change at Maria Elena	Support: Risk prevention and the environment	Expense	Not classified	13	12.31.2010
SQM Industrial S.A.	Elimination of OCB switches at 3 and 1/12 Pedro de Valdivia sub stations	Support: Replacement of equipment	Asset	Not classified	171	12.31.2010
SQM Industrial S.A.	Improvement of sealing and pressurization of 031 room	Support	Asset	Not classified	28	12.31.2010
SQM Industrial S.A.	Improvement of the NV supervisors' hall	Support	Asset/Expense	Not classified	10	12.31.2010
SQM Industrial S.A.	Automation of alarms and information on Hospital Monitoring station	Not classified	Asset	Not classified	2	12.31.2010
SQM Industrial S.A.	Handling of PV ammonia at plant stoppage	Support: Risk prevention and the environment	Asset	Not classified	134	12.31.2010
SQM Industrial S.A.	Pampa Blanca sea water (DIA PB mine zone and DIA PB extension)	Support	Asset	Development	30	12.31.2010
SQM Industrial S.A.	Environmental management	Support	Expense	Not classified	1,239	12.31.2010
Minera Nueva Victoria	Improvements in Iris C/D/B halls	Support	Asset	Not classified	44	12.31.2010
SQM Nitratos S.A.	ME-PV-NV-PB environmental maintenance projects	Support: Risk prevention and the environment	Asset-Expense	Development	4	12.31.2010
SQM Nitratos S.A.	Risk prevention projects Sem II 2008	Support: Risk prevention and the environment	Asset	Development	38	12.31.2010
SQM Nitratos S.A.	Construction of sewage system at Lagarto.	Capacity extension	Asset-Expense	Development	100	12.31.2010
SQM Salar S.A.	Renewal of Chaxa saltpeter deposit meteorological station	Support: Risk prevention and the environment	Asset	Not classified	1	12.31.2010
SQM Salar S.A.	Water recharge study, Atacama saltpeter deposit	Support: Risk prevention and the environment	Expense	Investigación	70	12.31.2010
SQM Salar S.A.	Project to foster agricultural activity in saltpeter deposit locations	Support	Asset-Expense	Development	212	12.31.2010
SQM Salar S.A.	Fuel facility improvement study	Support	Asset-Expense	Investigación	50	12.31.2011
SIT S.A.	Improvement in lighting in the railroad area	Support	Asset	Development	64	12.31.2010
SIT S.A.	Environmental meshes for fields 3 and 4	Not classified	Asset	Not classified	66	12.31.2010
SIT S.A.	Elimination of waste water generation through vacuum	Support: Risk prevention and the environment	Expense	Not classified	150	06.30.2010
SQM S.A.	Environmental studies – Region I project	Not classified	Asset-Expense	Not classified	184	06.30.2010
SQM S.A.	Cultural Heritage Region I	Support: Risk prevention and the environment	Asset-Expense	Not classified	440	12.31.2010
Total					4,269	

25.3 Description of each Project indicating whether they are being implemented or completed.

SQM Industrial S.A.

MCLX: Cleaning of rescue yards in every SQM Plant (25 yards). The project consists in cleaning the rescue yards, selecting and selling all tradable waste situated in the yards. To identify and destine domestic waste to authorized dumps. The project is close to completion.

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

MNH8: Improvement of lighting in Maria Elena as some areas lack any lighting, cables are not channeled, and some are deteriorated. The project is being implemented.

SCCY: Conceptual Engineering and Environmental Study for the construction of warehousing facilities for hazardous waste resulting from several processes. The project is close to completion.

JNTU: To make an environmental evaluation of San Isidro waters. The project is being implemented.

JNNX: Inclusion of UV sensor at Coya Sur Meteorological Station, closing of Nueva Victoria Meteorological Station and Georeference new emission sources in Toco and Coya Sur. The project is close to completion.

MNTE: Acquisition of equipment for quantitative measure of harmful agents in SQM facilities. The project is being implemented.

INST: Implement evacuation circuit to transfuse oils directly from the equipment moving dirt to ALU storage tanks. The project is close to completion.

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

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

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

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

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

MP8Z: Implement a control system at the water intake of rivers ME; CS and Vergara that allow for the river control automation. In addition, complement the extraction satellite system recently implemented at water intakes to ensure due compliance with the concessions authorized by DGA and therefore ensure the normal water supply needed by SQM. The project is close to completion.

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

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

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

MPGF: Eliminate pollution in sub station 031, resulting from inefficient sealing system. The project is being implemented.

TPO4: Project to change fresh water and sewage systems in camp Indígena and improve the rooms. The project is close to completion.

MPLS: Implement alarms via the email for Particle concentration peaks and change the text file information log to a database to implement reports. The project is being implemented.

Minera Nueva Victoria S.A.

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

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

SQM Nitratos S.A.

PNH2: Design and build settling ditches for mud, water, oil and a tank with a pump to reuse settled water, metal tanks to withdraw mud. The project is close to completion.

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

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

PPAT: The company intends to comply with the sanitary regulations in force with respect to the water treatment systems and infiltration of effluents in some sectors of Pedro de Valdivia and María Elena. The project is being implemented.

SQM Salar S.A.

LP5K: Environmental evaluation via DIA of Project to enhance the MOP production capacity. The project is close to completion.

LNNT: This Project intends to have reliable measurements of the climatologic seasonal condition of the salar, timely measurements to prepare reports and timetables and provide real information to the environmental authority. The project is close to completion.

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

LPIL: Modify the current SOP plant so that it is possible to work on the MOP or SOP production, at Salar de Atacama, as deemed convenient. Expenses only relate to the DIA for the SOP Plant Modification. The project is being implemented.

LPIK: The final project considers the construction of a new MOP drier as the Compact Drying plant will be used for other purposes at Salar de Atacama. The expenses only relate to the DIA for the Potassium Chloride Drying Plant. The project is close to completion.

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

LPGA: Improvement in the disposal of treated sewage. The project is being implemented.

LPK2: Improve sanitary fixtures at the current house located at MOP sector to comply with the requirements of the site users. The project is close to completion.

LPN3: Conceptual engineering and construction of a new granulate-compact plant located at Salar de Atacama. The expenses only relate to the DIA for the New Drying Compacting Plant. The project is being implemented.

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

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

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

LPPJ: The object of this project is to enlarge the dual plant situated at Salar de Atacama so that it may produce MOP and SOP at the same time, increasing its capacity. The expenses only relate to the DIA for the SOP Enlargement. The project is being implemented.

SIT S.A.

TNLA: Pavement of roads in yard 2 and south access to Tocopilla port as they have dust emissions and there are accident risks as machines are operating. The project is close to completion.

PNOT: Improve night lighting in high transit sectors, using more continuous sodium lights with a 45 degree angle. Thus, the security and lighting pollution regulations will be complied with. The project is close to completion.

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

TPLR: The object of this project is to spill sewage generated in Tocopilla port to the public sewage system. The project is being implemented.

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

SQM S.A.

SCI6: The object of this project is to obtain the environmental permits for projects Development I Region including all initial environmental requirement works that allow Operations to implement the project construction and operation. The environmental evaluation will be made via EIA including the preparation of the document as well as activities relating to

specific environmental studies (Studies of “tamarugos” in Llamara and P. Tamarugal, archeological mitigation measures, environmental study of Loa river, hydro geological studies). The project is being implemented.

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

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

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

26 | Other current and non-current non-financial assets

As of December 31, 2010, December 31, 2009 and January 1, 2009, the composition of other current and non-current assets is detailed as follows:

Other non-financial assets, current	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Agreement termination bonus	2,108	2,191	990
Domestic Value Added Tax	30,795	23,246	24,650
Foreign Value Added Tax	4,167	3,080	10,666
Prepaid mining licenses	1,281	1,104	1,183
Prepaid insurance	4,575	4,062	4,085
Commercial and industrial patents	30	42	145
Prepaid leases	48	39	30
Marine concessions	86	27	46
Other prepaid expenses	1,352	584	176
Other assets	44,442	34,375	41,971

Other non-financial assets, non-current	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
End of collective negotiation bonus	1,538	2,842	454
Stain development expenses and prospecting expenses (1)	21,350	26,832	24,892
Income taxes recoverable	651	567	454
Guarantee deposits	514	467	308
Other assets	104	172	336
Total	24,157	30,880	26,444

(1) Assets for the exploration and evaluation of mineral resources are amortized when the explored or evaluated sector is exploited. For this purpose, a variable rate is applied to extracted tons, which is determined based on the measured initial reserve and evaluation cost. The Company presents expenses associated with Exploration and Evaluation of Mineral Resources. Of these expenses, those that are under exploitation are included under Inventory and are amortized according to the estimated contained ore reserves, and expenses associated with future reserves are presented under Other non-current assets. Those expenses incurred on properties with low ore grade that are not economically exploitable are directly charged to income. As of December 31, 2010, balances associated with the exploration and assessment of mineral resources are presented under Inventory for ThUS\$ 1,723 (ThUS\$ 2,285 as of December 31, 2009, and ThUS\$ 1,421 as of January 01, 2009).

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, 2010 and December 31, 2009:

Reconciliation	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Assets for the exploration and evaluation of mineral resources, net, beginning balance		
Changes in assets for exploration and assessment of mineral resources:	26,832	24,892
Additions, different from business combinations	-	5,446
Depreciation and amortization	(2,044)	(2,641)
Increase (decrease) for transfers and other charges	(3,438)	(865)
Assets for exploration and assessment of mineral resources, net, final balance	21,350	26,832

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

27 | Operating segments

27.1 Operating segments

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

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

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

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

27.2 Statement of Income classified by operating segments based on groups of products as of December 31, 2010:

Items in the statement of 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\$
Sales	603,678	316,253	150,810	149,706	528,151	81,815	-	1,830,413
Cost of sales	(431,735)	(177,425)	(85,596)	(82,489)	(350,092)	(77,073)	-	(1,204,410)
Gross profit	171,943	138,828	65,214	67,217	178,059	4,742	-	626,003
Other income by functio	-	-	-	-	-	-	6,545	6,545
Administrative expenses	-	-	-	-	-	-	(78,819)	(78,819)
Other expenses by function	-	-	-	-	-	-	(36,212)	(36,212)
Other losses (gains)	-	-	-	-	-	-	(6,979)	(6,979)
Interest income	-	-	-	-	-	-	12,930	12,930
Interest expenses	-	-	-	-	-	-	(35,042)	(35,042)
Interest in gains (losses) from associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	10,681	10,681
Foreign currency transactions	-	-	-	-	-	-	(5,807)	(5,807)
Profit (loss) before taxes	171,943	138,828	65,214	67,217	178,059	4,742	(132,703)	493,300
Income tax expense	-	-	-	-	-	-	(106,029)	(106,029)
Net income (loss) from continuing operations	171,943	138,828	65,214	67,217	178,059	4,742	(238,732)	387,271
Net income (loss) from discontinued operations	-	-	-	-	-	-	-	-
Net income (loss)	171,943	138,828	65,214	67,217	178,059	4,742	(238,732)	387,271
Net income (loss) attributable to:								
Parent company's owners	-	-	-	-	-	-	-	382,122
Non-controlling interests	-	-	-	-	-	-	-	5,149
Net income (loss) for the period	-	-	-	-	-	-	-	387,271

Continues

27.2 Statement of Income classified by operating segments based on groups of products as of December 31, 2009:

Items in the statement of income	Specialty	Iodine	Lithium	Industrial	Potassium	Other	Corporate	Total
	plant	and its	and its			products		segments and
	nutrients	derivatives	derivatives	chemicals		and services	unit	Corporate
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	unit
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sales	526,953	190,915	117,844	115,385	399,109	88,453	-	1,438,659
Cost of sales	(382,959)	(73,978)	(63,302)	(57,385)	(249,617)	(84,233)	-	(908,474)
Gross profit	143,994	116,937	54,542	58,000	149,492	4,220	-	530,185
Other income by function	-	-	-	-	-	-	17,009	17,009
Administrative expenses	-	-	-	-	-	-	(75,470)	(75,470)
Other expenses by function	-	-	-	-	-	-	(21,847)	(21,847)
Other gains (losses)	-	-	-	-	-	-	(13,705)	(13,705)
Interest income	-	-	-	-	-	-	13,525	13,525
Interest expenses	-	-	-	-	-	-	(30,979)	(30,979)
Interest in gains (losses) from associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	4,462	4,462
Foreign currency transactions	-	-	-	-	-	-	(7,577)	(7,577)
Income (loss) before taxes	143,994	116,937	54,542	58,000	149,492	4,220	(114,582)	415,603
Income tax expense	-	-	-	-	-	-	(75,840)	(75,840)
Net income (loss) from continuing operations	143,994	116,937	54,542	58,000	149,492	4,220	(190,422)	339,763
Net income (loss) from discontinued operations	-	-	-	-	-	-	-	-
Net income (loss)	143,994	116,937	54,542	58,000	149,492	4,220	(190,422)	339,763
Net income (loss) attributable to:								
Parent company's owners	-	-	-	-	-	-	-	338,297
Non-controlling interests	-	-	-	-	-	-	-	1,466
Net income (loss) for the period	-	-	-	-	-	-	-	339,763

27.3 Assets and liabilities by operating segments based on groups of products as of December 31, 2010:

Items in the statement of financial position	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\$	Items in the statement of financial position
Current assets	-	-	-	-	-	-	4,938,010	(3,242,747)	1,695,263
Non-current assets	-	-	-	-	-	-	4,081,722	(2,404,149)	1,677,573
Total assets	-	-	-	-	-	-	9,019,732	(5,646,896)	3,372,836
Current liabilities	-	-	-	-	-	-	3,430,952	(2,954,115)	476,837
Non-current liabilities	-	-	-	-	-	-	1,457,467	(232,288)	1,225,179
Total equity	-	-	-	-	-	-	4,131,313	(2,460,493)	1,670,820
Total liabilities and equity	-	-	-	-	-	-	9,019,732	(5,646,896)	3,372,836

Assets and liabilities by operating segments based on groups of products as of December 31, 2009:

Items in the statement of financial position	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\$	Items in the statement of financial position
Current assets	-	-	-	-	-	-	4,528,130	(2,870,480)	1,657,650
Non-current assets	-	-	-	-	-	-	3,478,669	(1,994,515)	1,484,154
Total assets	-	-	-	-	-	-	8,006,799	(4,864,995)	3,141,804
Current liabilities	-	-	-	-	-	-	3,099,433	(2,554,391)	545,042
Non-current liabilities	-	-	-	-	-	-	1,413,334	(281,022)	1,132,312
Total equity	-	-	-	-	-	-	3,494,032	(2,029,582)	1,464,450
Total liabilities and equity	-	-	-	-	-	-	8,006,799	(4,864,995)	3,141,804

27.4 Disbursements of non monetary assets of the segment as of December 31, 2010:

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

Disbursements of non monetary assets of the segment as of December 31, 2009:

Identification of disbursements of non-monetary assets	Chile ThUS\$	Latin America and the Caribbean ThUS\$	Europe ThUS\$	North America ThUS\$	Asia and others ThUS\$	Balances
						according to the Statement of Financial Position ThUS\$
Investments in joint ventures	-	-	-	-	3,530	3,530
SQM Migao Sichuan	-	-	-	-	3,000	3,000
Coromandel SQM India	-	-	-	-	530	530
Amounts in additions of non-current assets	376,515	-	-	-	-	376,515
- Property, plant and equipment	376,186	-	-	-	-	376,186
- Intangible assets	329	-	-	-	-	329
Total segments	376,515	-	-	-	3,530	380,045

27.5 Information on products and services of external customers

Revenues from regular activities from external customers by group of product and service as of December 31, 2010 are detailed as follows:

Items in the statement of 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	603,678	316,253	150,810	149,706	528,151	81,815	1,830,413

Revenues from regular activities from external customers by group of product and service as of December 31, 2009 are detailed as follows:

Items in the statement of 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	526,953	190,915	117,844	115,385	399,109	88,453	1,438,659

27.6 Information on geographical areas

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

27.7 Revenues from regular activities from external customers classified by geographical areas as of December 31, 2010:

Identification of revenue from external customers	Chile ThUS\$	Latin America and the Caribbean ThUS\$	Europe ThUS\$	North America ThUS\$	Asia and others ThUS\$	Balances according to the Statement of Financial Position ThUS\$
Revenue	216,028	162,967	799,457	363,676	288,285	1,830,413

Revenue from external customers, classified by geographical areas as of December 31, 2009:

Identification of revenue from external customers	Chile ThUS\$	Latin America and the Caribbean ThUS\$	Europe ThUS\$	North America ThUS\$	Asia and others ThUS\$	Balances
						according to the Statement of Financial Position ThUS\$
Revenue	250,730	169,148	408,682	299,926	310,173	1,438,659

27.8 Non current assets classified by geographical areas as of December 31, 2010:

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

Non-current assets classified by geographical area as of December 31, 2009:

Non-current asset items	Chile ThUS\$	Latin America and the Caribbean ThUS\$	Europe ThUS\$	North America ThUS\$	Asia and others ThUS\$	Balances
						according to the Statement of financial position ThUS\$
Investments in associates recognized using the equity method of accounting	328	-	18,853	6,653	29,351	55,185
Intangible assets other than goodwill	2,267	-	-	569	-	2,836
Goodwill	24,248	86	11,373	724	1,957	38,388
Property, plant and equipment, net	1,297,830	293	474	1,766	183	1,300,546
Investment property	1,405	-	-	-	-	1,405
Other non-current assets	78,252	1,017	-	1,037	297	80,603
Total assets	1,404,330	1,396	30,700	10,749	31,788	1,478,963

27.9 Information on the main customers

In respect to the degree of dependency of the Company on its customers, in accordance with paragraph 34 of IFRS 8, the Company has no external customers who individually represent 10% or more of its income from operating activities. Credit risk concentrations with respect to trade and other accounts receivable are limited due to the significant number of entities in the Company's portfolio and its worldwide distribution. The Company's policy is requiring guarantees (such as letters of credit, guarantee clauses and others) and/or maintaining insurance policies for certain accounts as deemed necessary by the Company's Management.

27.10 Property, plant and equipment classified by geographical areas as of December 31, 2010:

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

Property, plant and equipment classified by geographical areas as of December 31, 2009

	Chile	Latin America and the Caribbean	Europe	North America	Asia and others	Total
Property, plant and equipment	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Production facilities:						
Coya Sur	252,138	-	-	-	-	252,138
María Elena	142,442	-	-	-	-	142,442
Nueva Victoria	202,037	-	-	-	-	202,037
Pampa Blanca	25,271	-	-	-	-	25,271
Pedro de Valdivia	73,203	-	-	-	-	73,203
Salar de Atacama	302,840	-	-	-	-	302,840
Salar del Carmen	222,093	-	-	-	-	222,093
Tocopilla (Instalaciones portuarias)	59,132	-	-	-	-	59,132
Subtotal production facilities	1,279,156	-	-	-	-	1,279,156
Corporate facilities:						
Santiago	12,233	-	-	-	-	12,233
Antofagasta	5,808	-	-	-	-	5,808
Subtotal corporate facilities	18,041	-	-	-	-	18,041
Subtotal business offices	633	293	474	1,766	183	3,349
Total segments	1,297,830	293	474	1,766	183	1,300,546

28 | Other income, other expenses by function and other gains or losses

Other income and expenses are detailed as follows:

a) Other income by function	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Discounts obtained from suppliers	922	921
Indemnities received	272	60
Insurance recovery	201	285
Overestimate of provision for obligation with third parties	424	670
Overestimate of doubtful accounts	83	41
Sale of mine concessions	872	2,170
Sale of materials, spare parts and supplies	668	400
Sale of property, plant and equipment	448	248
Other operating income	1,357	1,858
Miscellaneous services	534	-
Indemnities at Minera Esperanza	764	10,356
Total	6,545	17,009

b) Other income by function	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Bad debt impairment	(1,246)	(3,293)
VAT and other non recoverable taxes	(543)	(612)
Fines paid	(374)	(262)
Investment plan expenses	(13,279)	(5,737)
Gifts not accepted as credit	(2,095)	(2,431)
Adjustment to the realization value items of fixed assets	(1,000)	(2,612)
Items of fixed assets impairment	-	(1,001)
Losses from auction	(500)	(3,000)
Legal expenses	(2,087)	(451)
Depreciation of immobilized goods	(5,677)	-
Brazil Trial	(2,000)	-
Prospection provision	(4,000)	-
Other operating expenses	(3,411)	(2,448)
Total	(36,212)	(21,847)

c) Other gains or losses	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Retirement plan provision	(100)	(2,500)
Temporary closing of El Toco operations provision	(6,900)	(6,500)
PNW adjustment of previous year	23	-
Layoff process costs	-	(1,696)
El Toco closing provision	-	(6,028)
Lack of capital contribution result	-	3,019
Other	(2)	-
Total	(6,979)	(13,705)

29 | Income and deferred taxes

As of December 31, 2010, December 31, 2009 and January 1, 2009, current income taxes recoverable are detailed as follows:

29.1 Current tax accounts receivable:

	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Net monthly tax provisional payments, Chilean companies actual year	19,614	27,213	329
Net monthly tax provisional payments, Chilean companies previous year	2,158	86	34
Monthly tax provisional payments, foreign companies	562	1,638	610
First category tax credits	1,111	1,063	645
First category tax absorbed by tax losses	9,328	11,825	77
Total	32,773	41,825	1,695

29.2 Current tax accounts payable:

	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Taxes payable			
First category tax and royalty	5,915	323	88,328
Foreign company income tax	1,174	592	762
Article 21 unique tax	24	383	52
Total	7,113	1,298	89,142

29.3 Taxable Earnings:

As of December 31, 2010, 2009 and January 01, 2009 the Company and its subsidiaries registered the following consolidated balances arising from accumulated taxable profit, non taxable income, taxable losses and credit for shareholders:

	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Taxes payable			
Taxable profits with credit rights	602,536	668,670	813,716
Taxable profits without credit rights	86,920	107,832	132,773
Taxable losses	21,630	99,333	16,949
Credit for shareholders	123,322	136,874	166,554

29.4 Income and deferred taxes

As of December 31, 2010, December 31, 2009 and January 1, 2009, current income taxes recoverable are detailed as follows:

Assets and liabilities recognized in the Statement of Financial Position are offset when and only if:

- 1) The Company has legally recognized before the tax authority the right to offset the amounts recognized in these entries; and
- 2) Deferred income tax assets and liabilities are derived from income tax related to the same tax authority on:

(i) the same entity of tax subject; or

(ii) different entities or subjects to tax effects who intend either to settle current fiscal assets and liabilities for their net amount, nor 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 fiscal income from subsequent periods, losses or fiscal credits not yet used, but solely as long as it is possible 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.

No deferred income taxes have been recognized between the tax and carrying value of investments in related companies, in accordance with the criteria indicated in IAS 12. Therefore, there is no recognition of deferred taxes for translation adjustments and adjustments of associated companies recorded directly in net equity, shown in the Statement of Other Comprehensive Income.

d.1) Income tax assets and liabilities as of December 31, 2010 are detailed as follows:

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

d.2) Income tax assets and liabilities as of December 31, 2009 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	-	-	-	81,055
Doubtful accounts impairment	-	-	3,708	-
Vacation accrual	-	-	2,309	-
Production expenses	-	-	-	39,660
Unrealized gains (losses) from sales of products	-	-	48,644	-
Bonds fair value	-	-	1,635	-
Staff severance indemnities	-	-	-	2,593
Hedging	-	-	-	10,948
Inventory of products, spare parts and supplies	-	-	14,229	-
Research and development expenses	-	-	-	5,263
Tax losses	1,733	-	16,473	-
Capitalized interest	-	-	-	11,222
Expenses in assumption of bank loans	-	-	-	2,015
Unaccrued interest	-	-	393	-
Fair value of property, plant and equipment	-	-	10,524	-
Employee benefits	-	-	6,180	-
Royalty deferred income taxes	-	-	-	7,677
Other	-	863	2,536	-
Balance at period end	1,733	863	106,631	160,433
Net balance	870	-	-	53,802

d.3) Income tax assets and liabilities as of January 1, 2009 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	-	-	-	72,192
Doubtful accounts impairment	-	-	1,926	-
Vacation accrual	-	-	1,734	-
Production expenses	-	-	-	29,774
Unrealized gains (losses) from sales of products	-	-	55,827	-
Bonds fair value	-	-	1,616	-
Staff severance indemnities	-	-	-	1,777
Hedging	-	-	629	-
Inventory of products, spare parts and supplies	-	-	13,613	-
Research and development expenses	-	-	-	4,702
Tax losses	2,828	-	1,534	-
Capitalized interest	-	-	-	9,252
Expenses in assumption of bank loans	-	-	-	826
Unaccrued interest	-	-	504	-
Fair value of property, plant and equipment	-	-	12,287	-
Employee benefits	-	-	2,915	-
Royalty deferred income taxes	-	-	-	5,544
Other	-	859	4,294	-
Balance at period end	2,828	859	96,879	124,067
Net balance	1,969	-	-	27,188

d.4) Deferred income taxes related to benefits for tax losses

The Company's tax loss carryforwards were mainly generated by losses in Chile, which, in accordance with current Chilean tax regulations have no expiration date. During 2009, the Company applied no significant tax losses.

As of December 31, 2010, December 31, 2009 and January 1, 2009, tax loss carryforwards were detailed as follows:

	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Chile	2,748	16,473	1,534
Other countries	796	1,733	2,828
Balance at period end	3,544	18,206	4,362

Tax losses correspond mainly to Mexico. These losses prescribe on December 31, 2011.

d.5) Unrecognized deferred income tax assets and liabilities

As of December 31, 2010, December 31, 2009 and January 1, 2009, unrecognized assets and liabilities are detailed as follows:

	12.31.2010 ThUS\$ Assets (liabilities)	12.31.2009 ThUS\$ Assets (liabilities)	01.01.2009 ThUS\$ Assets (liabilities)
Tax losses	251	489	1,544
Doubtful accounts impairment	98	98	98
Inventory impairment	704	1,176	748
Pensions plan	266	648	1,091
Vacation accrual	29	29	29
Depreciation	(67)	(44)	(20)
Other	(17)	(15)	(12)
Balance at period end	1,264	2,381	3,478

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

d.6) Movements in deferred tax liabilities

Movements in deferred tax liabilities as of December 31, 2010 and December 31, 2009 are detailed as follows:

	12.31.2010 ThUS\$ Liabilities (assets)	12.31.2009 ThUS\$ Liabilities (assets)
Beginning balance of deferred income tax liabilities	53,802	27,188
Increase (decrease) in deferred income taxes in profit or loss	47,230	26,633
Increase (decrease) in deferred income taxes in equity	(251)	(19)
Balance at period end	100,781	53,802

d.7) Disclosures on income tax expense (income)

The Company recognizes current and deferred income taxes as income or expenses, and they are included in come, 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 income tax expenses (income) are detailed as follows:

	12.31.2010 ThUS\$ Income (expenses)	12.31.2009 ThUS\$ Income (expenses)
Current gains tax expense		
Current tax expense	(60,863)	(43,613)
Adjustments to current taxes of the previous year	2,569	(4,495)
Current tax expenses, net, total	(58,294)	(48,108)
Gains deferred tax expenses		
Deferred tax expense (revenue) relating to the creation and reversal of temporary differences	(36,350)	(27,732)
Deferred tax expense (revenue) relating to changes in fiscal rates or the imposition of new taxes	(11,385)	-
Deferred tax expenses, net, total	(47,735)	(27,732)
Gains tax expense (revenue)	(106,029)	(75,840)

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

	12.31.2010 ThUS\$ Income (expenses)	12.31.2009 ThUS\$ Income (expenses)
Current income tax expense by domestic and foreign parties, net		
Current income tax expense, foreign parties, net	(2,208)	(1,499)
Current income tax expense, domestic, net	(56,086)	(46,609)
Total current income tax expense, net	(58,294)	(48,108)
Deferred income taxes by foreign and domestic parties, net		
Deferred income tax expense, foreign parties, net	(646)	(1,075)
Deferred income tax expense, domestic, net	(47,089)	(26,657)
Total deferred income tax expense, net	(47,735)	(27,732)
Expense (income) for income taxes	(106,029)	(75,840)

d.8) Participation in taxation attributable to investments recognized according to the equity method:

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

- a) the parent company, investor or interest holder is able to control the time for reversal of the temporary difference; and
- b) it is possible 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 participations in joint ventures because it is not possible for the following requirements to be met:

- (a) temporary differences are reversed in a foreseeable future; and
- (b) the Company has tax earnings against which temporary differences can be used.

d.9) Information to be disclosed on the tax effects of other comprehensive income components:

Income tax related to components of other income and expense with a charge or credit to net shareholders' equity	12.31.2010 ThUS\$		
	Amount before taxes	Expense (income) for income taxes	Amount after taxes
Cash flow hedges	(1,474)	251	(1,223)
Total	(1,474)	251	(1,223)

Income tax related to components of other income and expense with a charge or credit to net shareholders' equity	12.31.2009 ThUS\$		
	Amount before taxes	Expense (income) for income taxes	Amount after taxes
Cash flow hedges	(112)	19	(93)
Total	(112)	19	(93)

d.10) Explanation of the relationship between expense (income) for taxes and accounting income

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

Reconciliation of numbers in income tax expenses (income) and the result of multiplying financial gain by the rate prevailing in Chile.

	12.31.2010 ThUS\$ Income (loss)	12.31.2009 ThUS\$ Income (loss)
Consolidated income before taxes	493,300	415,603
Income tax rate in force in Chile	17%	17%
Tax expense using the legal rate	(83,861)	(70,653)
Effect of royalty tax expense	(11,115)	(9,364)
Effect of non taxable income	2,783	1,305
Tax effect of rates in other jurisdictions	(3,996)	(141)
Effect of changes in tax rates	(11,385)	-
Other effects from the reconciliation between carrying amount and the tax expense (income)	1,545	3,013
Tax expense using the effective rate	(106,029)	(75,840)

d.11) Tax periods potentially subject to verification:

The Group companies are potentially subject to income tax audits by tax authorities in each country. These audits are limited to a number of annual tax periods, which, in general, when they elapse, give rise to the expiration of these inspections.

Tax audits, due to their nature, are often complex and may require several years. Below, we provide a summary of tax periods that are potentially subject to verification, in accordance with tax regulations in force in the country of origin:

a) Chile:

In Chile, the tax authority may review tax returns for up to 3 years from the expiration date of the legal term in which the payment should have been made. In the event that there is an administrative or legal notice, the review can be extended to a period of 6 years.

b) United States:

In the United States, the tax authority may review tax returns for up to 3 years from the expiration date of the tax return. In the event that an omission or error is detected in the tax return of sales or cost of sales, the review can be extended for a period of up to 6 years.

c) Mexico:

In Mexico, the tax authority can review tax returns up to 5 years from the expiration date of the tax return.

d) Spain:

In Spain, the tax authority can review tax returns up to 4 years from the expiration date of the tax return.

e) Belgium:

In Belgium, the tax authority may review tax returns for up to 3 years from the expiration date of the tax return if no tax losses exist. In the event of detecting an omission or error in the tax return, the review can be extended for a period of up to 5 years.

f) South Africa:

In South Africa, the tax authority may review tax returns for up to 3 years from the expiration date of the tax return. In the event an omission or error in the tax return is detected, the review can be extended for a period of up to 5 years.

29.5 Amendments to the Income Tax Law and Specific Tax on Mining in Chile

a) Amendment to First Category Tax

Law No. 20.455 was published in the Official Gazette of July 31, 2010. Article 1 of this law temporarily increases the First Category Tax rate set forth in article 20 of the Income Tax Law (ITL) that levies incomes received or accrued within calendar years 2011 and 2012.

In accordance with that temporary increase, the referred 17% rate increases to 20% for incomes received or accrued within calendar year 2011 (fiscal year 2012); and to 18.5% for incomes received or accrued within calendar year 2012 (fiscal year 2013).

The temporary differences that would be affected by this rate increase were identified, which triggers a deferred tax charge to the results amounting to ThUS\$11,385.

b) Amendment to the specific tax on mining

Law No. 20.469 was published in the Official Gazette of October 21, 2010, dealing with the following matters:

a. Article 64 bis of the Income Tax Law that establishes a specific tax on the operational income derived from mining activities earned by a foreign mine operator, was replaced;

b. It included new article 64 ter, relating to the method to be used to determine the operational taxable income derived from mining activities that before this amendment was addressed in the replaced article 64 bis;

c. It amended article 11 ter of Decree Law 600/ 1974; and

d. It established transitory and optional regulations applicable to investments or companies subject to articles 7, 11 bis and 11 ter of DL 600/ 1974; transitory article 5 of Law 20.026, and companies included in the provisions set forth in transitory article 4, even when they are not the recipients of foreign investments.

Affiliates SQM Salar S.A. y SQM Nitratos S.A. requested the Ministry of Economy approval to be subject to the provisions set forth in transitory article 4 so they can select to be subject, from 2013 and for a 5 year period, to the 5% invariability rate as the specific tax on mining.

Consequently, for years 2010, 2011 and 2012 the mechanism to determine the tax on mining payable with regard to the mining operational margin obtained by these entities will change. As of December 31, 2010 the company provisioned the amount of ThUS\$13,565 chargeable to the result account.

30| Disclosures on the effects of foreign exchange rate fluctuations

Assets in foreign currency affected by the foreign exchange rate fluctuations are detailed as follows:

Classes of Assets	Currency	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Current assets:				
Cash and cash equivalents	CLP	332,624	61,326	99
Cash and cash equivalents	CLF	-	-	-
Cash and cash equivalents	EUR	6,709	3,813	7,676
Cash and cash equivalents	ZAR	1,523	2,586	2,574
Cash and cash equivalents	AED	-	-	176
Cash and cash equivalents	BRL	22	33	4
Cash and cash equivalents	YEN	1,193	823	1,096
Cash and cash equivalents	CNY	104	-	-
Cash and cash equivalents	PEN	13	26	175
Cash and cash equivalents	ARS	-	1	3
Cash and cash equivalents	IDR	-	5	4
Cash and cash equivalents	INR	16	-	-
Cash and cash equivalents	GBP	5	2	6
Cash and cash equivalents	MXN	102	217	809
Subtotal cash and cash equivalents		342,311	68,832	12,622
Other current financial assets	CLP	69,818	126,198	-
Other current financial assets	CLF	-	43,599	-
Subtotal other current financial assets		69,818	169,797	-
Other current non financial assets	CLP	30,966	24,442	24,607
Other current non financial assets	CLF	21	758	294
Other current non financial assets	EUR	4,303	2,656	10,197
Other current non financial assets	ZAR	167	17	135
Other current non financial assets	ARS	42	-	-
Other current non financial assets	AED	-	-	135
Other current non financial assets	BRL	2	3	9
Other current non financial assets	YEN	-	-	-
Other current non financial assets	CNY	23	-	-
Other current non financial assets	PEN	331	-	-
Other current non financial assets	MXN	552	442	338
Subtotal other current non financial assets		36,407	28,318	35,715
Trade debtors and other accounts receivable	CLP	114,108	103,877	100,825
Trade debtors and other accounts receivable	CLF	1,015	1,735	1,512
Trade debtors and other accounts receivable	EUR	97,193	62,934	43,096
Trade debtors and other accounts receivable	ZAR	7,292	30,977	8,524
Trade debtors and other accounts receivable	AED	-	-	236
Trade debtors and other accounts receivable	BRL	64	20	2
Trade debtors and other accounts receivable	ARS	5	-	-
Trade debtors and other accounts receivable	YEN	2	-	-

Continues

Classes of Assets	Currency	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Trade debtors and other accounts receivable	CNY	48	-	-
Trade debtors and other accounts receivable	PEN	2	-	-
Trade debtors and other accounts receivable	GBP	409	-	-
Trade debtors and other accounts receivable	MXN	58	7	119
Subtotal trade debtors and other accounts receivable		220,196	199,550	154,314
Accounts receivable from related entities	CLP	111	299	150
Accounts receivable from related entities	EUR	2,651	1,935	3,637
Accounts receivable from related entities	AED	-	-	39
Subtotal accounts receivable from related entities		2,762	2,234	3,826
Current tax assets	CLP	9,098	7,954	-
Current tax assets	EUR	140	208	232
Current tax assets	ZAR	123	2	195
Current tax assets	YEN	16	32	721
Current tax assets	CNY	20	-	-
Current tax assets	PEN	61	-	-
Current tax assets	MXN	39	469	-
Subtotal current tax assets		9,497	8,665	1,148
Total current assets		680,991	477,396	207,625

Classes of Assets	Currency	12.31.2010 ThUS\$	12.31.2009 ThUS\$	01.01.2009 ThUS\$
Non current assets				
Other non current financial assets	CLP	20	20	-
Other non current financial assets	EUR	3	10	10
Other non current financial assets	BRL	34	28	19
Other non current financial assets	YEN	58	52	51
Subtotal other non current financial assets		115	110	80
Other non financial non current assets	CLP	599	2,757	353
Other non financial non current assets	CLF	-	5,939	2,449
Other non financial non current assets	BRL	227	245	160
Other non financial non current assets	YEN	373	297	256
Subtotal other non financial non current assets		1,199	9,238	3,218
Non current rights receivable	CLP	469	883	327
Non current rights receivable	CLF	633	787	439
Subtotal non current rights receivable		1,102	1,670	766
Investments accounted for using the participation method	CLP	1,352	328	473
Investments accounted for using the participation method	EUR	9,560	12,121	12,483
Investments accounted for using the participation method	AED	24,168	22,575	5,277
Investments accounted for using the participation method	INR	432	530	94
Investments accounted for using the participation method	TRY	11,988	8,693	11,212
Investments accounted for using the participation method	EGP	1,435	1,780	2,247
Investments accounted for using the participation method	THB	1,543	1,477	1,414
Subtotal investments accounted for using the participation method		50,478	47,504	33,200
Increase in value	CLP	735	-	-
Subtotal Increase in value		735	-	-
Property, plant and equipment	CLP	1,762	577	290
Subtotal property, plant and equipment		1,762	577	290
Total non current assets		55,391	59,099	37,554
Total assets		736,382	536,495	245,179

Liabilities in foreign currency affected by the foreign exchange rate fluctuations are detailed as follows:

Classes of Liabilities	Currency	12.31.2010			12.31.2009		
		Up to 90 days ThUS\$	Over 90 days to 1 year ThUS\$	Total ThUS\$	Up to 90 days ThUS\$	Over 90 days to 1 year ThUS\$	Total ThUS\$
Current liabilities							
Other current financial liabilities	CLF	3,577	7,749	11,326	3,649	6,541	10,190
Other current financial liabilities	CLP	814	1,508	2,322	30,647	1,268	31,915
Other current financial liabilities	EUR	-	-	-	-	3,327	3,327
Subtotal other current financial liabilities		4,391	9,257	13,648	34,296	11,136	45,432
Trade accounts payable and other accounts payable	CLP	85,403	-	85,403	72,888	66	72,954
Trade accounts payable and other accounts payable	EUR	22,356	1,535	23,891	65,031	-	65,031
Trade accounts payable and other accounts payable	INR	1	-	1	-	-	-
Trade accounts payable and other accounts payable	ARS	1	-	1	-	-	-
Trade accounts payable and other accounts payable	BRL	341	-	341	-	-	-
Trade accounts payable and other accounts payable	PEN	43	-	43	-	-	-
Trade accounts payable and other accounts payable	MXN	1,020	140	1,160	570	19	589
Trade accounts payable and other accounts payable	GBP	40	-	40	-	-	-
Trade accounts payable and other accounts payable	CNY	57	-	57	-	-	-
Trade accounts payable and other accounts payable	ZAR	1,280	1,062	2,342	3,840	-	3,840
Subtotal trade accounts payable and other accounts payable		110,542	2,737	113,279	142,329	85	142,414
Accounts payable to related entities	EUR	-	997	997	-	23	23
Accounts payable to related entities	CLP	-	-	-	-	233	233
Subtotal accounts payable to related entities		-	997	997	-	256	256
Other short term provisions	CLP	20	-	20	-	418	418
Other short term provisions	EUR	323	-	323	-	118	118
Other short term provisions	BRL	-	1,634	1,634	-	1579	1579
Subtotal other short term provisions		343	1,634	1,977	-	2,115	2,115
Current tax liabilities	CLP	-	-	-	-	27	27
Current tax liabilities	EUR	-	335	335	-	422	422
Current tax liabilities	MXN	-	-	-	-	2	2
Subtotal current tax liabilities		-	335	335	-	451	451
Employee benefits current provisions	MXN	-	292	292	-	-	-
Employee benefits current provisions	CLP	34,211	9,455	43,666	-	16,375	16,375
Subtotal employee benefits current provisions		34,211	9,747	43,958	-	16,375	16,375
Other current non financial liabilities	CLP	6,299	12,557	18,856	14,187	13,530	27,717
Other current non financial liabilities	EUR	29	84	113	128	299	427
Other current non financial liabilities	BRL	12	-	12	-	48	48
Other current non financial liabilities	MXN	710	54	764	162	-	162
Other current non financial liabilities	PEN	79	-	79	-	-	-
Other current non financial liabilities	AUD	-	4	4	-	-	-
Other current non financial liabilities	CNY	18	-	18	-	-	-
Other current non financial liabilities	ZAR	-	-	-	856	-	856
Subtotal other current non financial liabilities		7,147	12,699	19,846	15,333	13,877	29,210
Total current liabilities		156,634	37,406	194,040	191,958	44,295	236,253

01.01.2009

Classes of Liabilities	Currency	Up to 90 days ThUS\$	Over 90 days to 1 year ThUS\$	Total ThUS\$
Current liabilities				
Other current financial liabilities	CLF	-	5,352	5,352
Other current financial liabilities	EUR	1,633	-	1,633
Subtotal other current financial liabilities		1,633	5,352	6,985
Trade accounts payable and other accounts payable	CLP	68,914	-	68,914
Trade accounts payable and other accounts payable	CFL	55	171	226
Trade accounts payable and other accounts payable	EUR	9,962	-	9,962
Trade accounts payable and other accounts payable	BRL	249	-	249
Trade accounts payable and other accounts payable	AED	169	-	169
Trade accounts payable and other accounts payable	MXN	643	-	643
Trade accounts payable and other accounts payable	ZAR	599	-	599
Subtotal trade accounts payable and other accounts payable		80,591	171	80,762
Other short term provisions	CLP	138	-	138
Other short term provisions	EUR	7	291	298
Other short term provisions	BRL	-	1,295	1,295
Other short term provisions	AED	11	-	11
Subtotal other short term provisions		156	1,586	1,742
Employee benefits current provisions	CLP	-	22,112	22,112
Subtotal employee benefits current provisions			22,112	22,112
Other current non financial liabilities	CLP	9,303	10,042	19,345
Other current non financial liabilities	EUR	74	375	449
Other current non financial liabilities	BRL	3	18	21
Other current non financial liabilities	MXN	255	-	255
Subtotal other current non financial liabilities		9,635	10,435	20,070
Total current liabilities		92,015	39,656	131,671

Classes of Liabilities	Currency	12.31.2010				12.31.2009			
		Over 1 year to 3 years ThUS\$	Over 3 years to 5 years ThUS\$	Over 5 years ThUS\$	Total ThUS\$	Over 1 year to 3 years ThUS\$	Over 3 years to 5 years ThUS\$	Over 5 years ThUS\$	Total ThUS\$
Non current liabilities									
Other non current financial liabilities	CLF	-	66,081	284,056	350,137	6,195	68,144	251,926	326,265
Other non current financial liabilities	CLP	-	154,485	-	154,485	-	143,956	-	143,956
Subtotal other non current financial liabilities		-	220,566	284,056	504,622	6,195	212,100	251,926	470,221
Non current liabilities	CLF	-	-	-	-	187	-	-	187
Non current liabilities		-	-	-	-	-	-	-	-
Subtotal non current liabilities		-	-	-	-	187	-	-	187
Tax liabilities	CLP	56	-	36	92	-	-	-	-
Subtotal tax liabilities		56	-	36	92	-	-	-	-
Employee benefits non current provisions	CLP	-	-	1,805	1,805	-	-	28,171	28,171
Employee benefits non current provisions	MXN	-	-	-	-	-	-	185	185
Employee benefits non current provisions	JPY	-	-	-	-	-	-	326	326
Subtotal employee benefits non current provisions		-	-	1,805	1,805	-	-	28,682	28,682
Total non current liabilities		56	220,566	285,897	506,519	6,382	212,100	280,608	499,090

Classes of Liabilities	Currency	01.01.2009			
		Over 1 year to 3 years ThUS\$	Over 3 years to 5 years ThUS\$	Over 5 years ThUS\$	Total ThUS\$
Non current liabilities					
Other non current financial liabilities	CLF	5,056	5,056	75,828	85,940
Subtotal other non current financial liabilities		5,056	5,056	75,828	85,940
Non current liabilities	CLF	398	-	-	398
Subtotal non current liabilities		398	-	-	398
Tax liabilities	CLP	18	-	-	18
Subtotal tax liabilities		18	-	-	18
Employee benefits non current provisions	CLP	-	-	19,489	19,489
Employee benefits non current provisions	MXN	-	-	403	403
Employee benefits non current provisions	JPY	-	-	294	294
Subtotal employee benefits non current provisions		-	-	20,186	20,186
Total non current liabilities		5,472	5,056	96,014	106,542

31 | Asset value impairment

Assets value impairment

The Company assesses on an annual basis any impairment on the amount of Buildings, plant and equipment, intangible assets, goodwill and investments accounted for using the equity method of accounting in accordance with IAS 36. Assets to which this method applies are detailed as follows:

- Investments recognized using the equity method of accounting
- Property, plant and equipment
- Intangible assets
- Goodwill

a) Impairment of investments recognized using the equity method of accounting, property, plant and equipment, intangible assets and goodwill.

Assets are reviewed for impairment as to the existence of any indication that the carrying value is lower than the recoverable amount. If such an indication exists, the asset recoverable amount is calculated in order to determine the extent of this impairment, if any. In the event that the asset does not generate any cash flows independent from other assets, the Company determines the recoverable amount of the cash generating unit to which this asset belongs according to the corresponding business segment (specialty plant nutrient, iodine and derivatives, lithium and derivatives, industrial chemicals, potassium and other products and services).

The Company conducts impairment tests on intangible assets and goodwill with indefinite useful lives on an annual basis and every time there is indication of impairment.

If the recoverable value of an asset is estimated at an amount lower than its carrying value, the latter decreases to its recoverable amount.

b) Impairment of financial assets.

For the case of financial assets with a trading origin, the Company has defined a policy for the recognition of an accrual for impairment in consideration of the age of the past due balance.

An allowance is made for impairment losses related to trade accounts receivable when there is objective evidence that the Company will be not able to collect all the amounts owed in accordance with the original terms of accounts receivable.

In accordance with the information presented and evaluating the indication of value impairment of any asset related to the cash flow generating unit, we may conclude that there is no evidence of any indication supporting an impairment in the value of assets. Independent of the existence of any indicator of value impairment, the Company also:

- Has no indicators of value impairment in each of intangible assets with indefinite useful lives, nor in intangible assets not yet available for use, comparing their carrying amounts to their recoverable amounts.
- There are no indicators of value impairment on goodwill acquired in a business combination.

32 | Events occurred subsequent to the reporting date

32.1 Authorization of the financial statements

The consolidated financial statements of Sociedad Química y Minera S.A. and subsidiaries prepared in accordance with International Financial Reporting Standards for the period ended December 31, 2010 were approved and authorized for issuance by the Board of Directors at their meeting held on March 01, 2011.

32.2 Disclosures of subsequent events

Management is not aware of any other significant events that occurred between December 31, 2010 and the date of issuance of these consolidated financial statements that may significantly affect them.

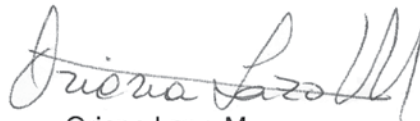
32.3 Detail of dividends declared after the reporting date

As of the closing date of these financial statements, there are no dividends declared after the reporting date.

Report of Accounting Inspectors

We have examined the Financial Statements of Sociedad Química y Minera de Chile S.A. corresponding to the business year ended December 31, 2010.

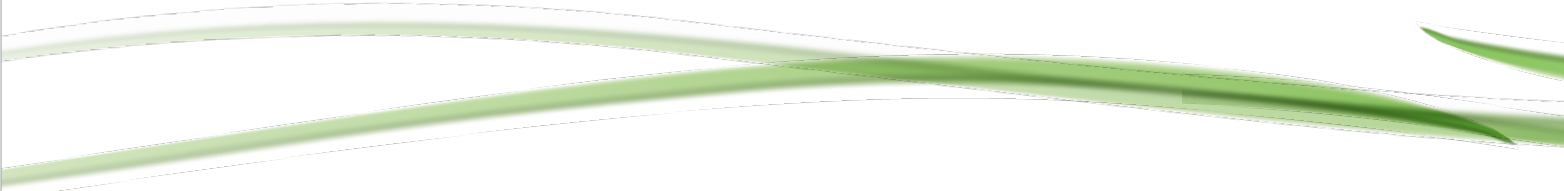
Our exam and revision as Accounting Inspectors spanned the comparison of the outstanding balances of the General Ledger with the Balance Sheet and the corresponding Income Statements as of December 31, 2010. We found these accounts to be in accordance with their balances.



Oriana Lazo M.



Mauricio Quiroz J.



Condensed Financial Statements



Condensed financial information of Subsidiaries Associates:

Statements of financial position: SQM Industrial S.A. and Subsidiaries

	2010 ThUS\$	2009 ThUS\$
Assets		
Current assets	1,224,430	1,124,004
Non currents assets	604,250	567,139
Total assets	1,828,680	1,691,143
Liabilities		
Current liabilities	966,246	987,648
Non-current liabilities	52,182	29,562
Equity	810,252	673,933
Total liabilities and equity	1,828,680	1,691,143
Income Statements		
Sales	1,739,815	1,395,696
Cost of sales	(1,512,927)	(1,267,894)
Gross profit	266,888	127,802
Administrative expenses	(48,877)	(45,656)
Other gain (losses)	(11,670)	(49,670)
Income tax expense	(28,636)	(2,684)
Profit (loss)	137,705	29,792

	2010 ThUS\$	2009 ThUS\$
Statements of cash flows		
Net cash flows provided by operating activities	186,810	183,168
Net cash flows provided by(used in) financing activities.	(14,500)	(49,323)
Net cash flows used in investing activities	(137,641)	(165,960)
Cash and cash equivalents at beginning of period	54,675	87,090
Cash and cash equivalents at end of year	89,344	54,975

Statements of financial position: Ajay SQM Chile S.A.

	2010 ThUS\$	2009 ThUS\$
Assets		
Current assets	15,298	12,816
Non currents assets	2,378	3,828
Total assets	17,676	16,644
Liabilities		
Current liabilities	6,832	6,222
Non-current liabilities	747	1,662
Equity	10,097	8,760
Total liabilities and equity	17,676	16,644
Income Statements		
Sales	54,948	35,752
Cost of sales	(49,629)	(32,039)
Gross profit	5,319	3,713
Administrative expenses	(789)	(688)
Other gain (losses)	(2,024)	(2,142)
Income tax expense	(457)	(161)
Profit (loss)	2,049	722

	2010 ThUS\$	2009 ThUS\$
Statements of cash flows		
Net cash flows provided by operating activities	(123)	1,436
Net cash flows provided by(used in) financing activities.	(712)	(450)
Net cash flows used in investing activities	(134)	(158)
Cash and cash equivalents at beginning of period	1,957	1,095
Cash and cash equivalents at end of year	988	1,923

Statements of financial position: SQM Potasio S.A. and Subsidiaries

	2010 ThUS\$	2009 ThUS\$
Assets		
Current assets	578,382	867,952
Non currents assets	678,824	546,161
Total assets	1,257,206	1,414,113
Liabilities		
Current liabilities	414,712	504,192
Non-current liabilities	233,015	413,946
Equity	609,479	495,975
Total liabilities and equity	1,257,206	1,414,113
Income Statements		
Sales	751,021	584,291
Cost of sales	(482,169)	(397,988)
Gross profit	268,852	186,303
Administrative expenses	(6,239)	(4,726)
Other gain (losses)	(34,443)	(7,323)
Income tax expense	(54,800)	(43,498)
Profit (loss)	173,370	130,756

	2010 ThUS\$	2009 ThUS\$
Statements of cash flows		
Net cash flows provided by operating activities	351,823	223,837
Net cash flows provided by(used in) financing activities.	(285,000)	(40,000)
Net cash flows used in investing activities	(200,302)	(126,512)
Cash and cash equivalents at beginning of period	181,243	123,997
Cash and cash equivalents at end of year	47,764	181,322

Statements of financial position: SQM Nitratos S.A.

	2010 ThUS\$	2009 ThUS\$
Assets		
Current assets	652,776	455,452
Non current assets	61,542	66,564
Total assets	714,318	522,016
Liabilities		
Current liabilities	610,283	447,216
Non-current liabilities	11,599	11,956
Equity	92,436	62,814
Total liabilities and equity	714,318	522,016
Income Statements		
Sales	134,841	167,562
Cost of sales	(93,600)	(116,128)
Gross profit	41,241	51,434
Administrative expenses	(43)	(22)
Other gain (losses)	(3,814)	6,095
Income tax expense	(7,762)	(11,534)
Profit (loss)	29,622	45,973

	2010 ThUS\$	2009 ThUS\$
Statements of cash flows		
Net cash flows provided by operating activities	7,273	30,902
Net cash flows provided by(used in) financing activities.	-	-
Net cash flows used in investing activities	(7,314)	(31,055)
Cash and cash equivalents at beginning of period	81	243
Cash and cash equivalents at end of year	40	90

Statements of financial position: Minera Nueva Victoria S.A. and Subsidiaries

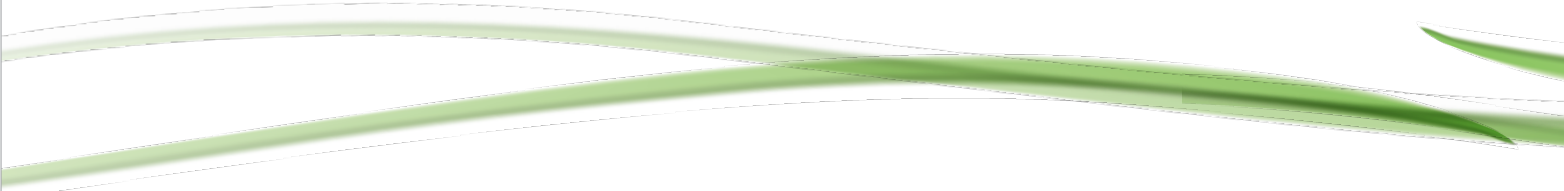
	2010 ThUS\$	2009 ThUS\$
Assets		
Current assets	70,198	66,054
Non current assets	20,808	22,057
Total assets	91,006	88,111
Liabilities		
Current liabilities	468	1,949
Non-current liabilities	18	11
Equity	90,520	86,151
Total liabilities and equity	91,006	88,111
Income Statements		
Sales	1,578	1,896
Cost of sales	(2,307)	(3,002)
Gross profit	729	(1,106)
Administrative expenses	-	(1)
Other gain (losses)	6,092	5,410
Income tax expense	(994)	(712)
Profit (loss)	4,369	3,591

	2010 ThUS\$	2009 ThUS\$
Statements of cash flows		
Net cash flows provided by operating activities	450	1,590
Net cash flows provided by(used in) financing activities.	-	-
Net cash flows used in investing activities	(450)	(1,590)
Cash and cash equivalents at beginning of period	-	-
Cash and cash equivalents at end of year	-	-

Statements of financial position: Rs Agro Chemical Trading Corp. A.V.V.

	2010 ThUS\$	2009 ThUS\$
Assets		
Current assets	5,227	5,232
Non currents assets	-	-
Total assets	5,227	5,232
Liabilities		
Current liabilities	-	-
Non-current liabilities	-	-
Equity	5,227	5,232
Total liabilities and equity	5,227	5,232
Income Statements		
Sales	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative expenses	-	-
Other gain (losses)	(5)	(4)
Income tax expense	-	-
Profit (loss)	(5)	(4)

Statements of cash flows	2010 ThUS\$	2009 ThUS\$
Net cash flows provided by operating activities	(5)	(4)
Net cash flows provided by(used in) financing activities.	-	-
Net cash flows used in investing activities	-	-
Cash and cash equivalents at beginning of period	33	37
Cash and cash equivalents at end of year	28	33



Additional Information



Significant Events

The following events were reported to the Superintendency of Securities and Insurance and the stock exchanges:

1| The subsidiary Soquimich Comercial suffered moderate damage from the earthquake that affected a large part of Chile on February 27, 2010, compromising normal business activities to some degree. Its most affected location was a warehouse at the Penco port, which we informed to the SVS as a significant event on March 2, 2010, in accordance with Official Ruling No. 574.

Also, as SQMC does not have its own transportation services, product delivery is dependent on not only recommencement of port operations but also on the availability of freight services.

Because of the tidal waves that destroyed the area around Penco, where SQMC stores products, a portion of these products were directly affected by the water.

SQMC has insurance coverage for both its facilities and its products that have been affected.

To supplement the original significant event regarding business continuity, we informed the SVS on March 22, 2010, that the port of Penco is operating normally, including dispatches and receipt of products by land.

Alternatively, SQMC is using other ports to unload some vessels.

Currently, we are coordinating the salvage and product care processes with the liquidators appointed by the insurance company.

As of the date of presentation of these financial statements, the ports of San Antonio, Penco and Puerto Montt are operating as normal. Based on available information and given our insurance coverage, we foresee no significant financial impact on the Company.

2| On February 23, 2010, the SVS was informed that at an extraordinary meeting of the Board of Directors of Sociedad Química y Minera de Chile S.A. on February 22, 2010, the directors in attendance unanimously agreed to stop production in the mining sectors of El Toco and Pampa Blanca.

The Board of Directors made this decision to halt operations because of a significant drop in global demand for nitrates and iodine at the beginning of the fourth quarter of 2008 as a result of the financial crisis that began at that time, translating into lower sales volumes for the Company over the last 15 months and, given SQM's production levels, an important increase in SQM's inventory of nitrates and iodine.

As a result of this decision to suspend operations, SQM's total nitrate production for 2010 should be slightly less than the prior year. Sodium nitrate production will decrease as a result of stopping operations at El Toco, but will be partially offset by a new potassium nitrate plant in Coya Sur scheduled to begin operating during the second half of 2010.

Regarding iodine production, for 2010 we expect to see reductions of approximately 20% over 2008 production volumes.

The Board of Directors considered that even in the event of a rise in demand for nitrate and iodine beyond currently forecasted rates, the Company's current inventory levels and available installed production capacity, including the Pampa Blanca and El Toco facilities, will allow it to respond quickly and efficiently to this increased demand. Property, plant and equipment used in production at El Toco and Pampa Blanca have a book value, net of depreciation, of ThUS\$82,204 as of December 31, 2009.

The Company estimates that the property, plant and equipment at these facilities will present no deterioration as a result of suspending operations, based on an analysis of future cash flows.

3| On March 16, 2010, the SVS was informed that at a meeting of the Board of Directors of Sociedad Química y Minera de Chile (SQM) on March 16, 2010, the directors unanimously agreed to partially modify the current “SQM Fiscal Year 2009 Dividend Policy” that was communicated at the Ordinary General Shareholders’ Meeting on April 29, 2009. This modification would decrease the percentage of SQM’s net income to be distributed to shareholders as a final dividend for fiscal year 2009 from 65% to 50%.

Taking into consideration the aforementioned reduction, at this meeting the directors also unanimously agreed to pay a final dividend of US\$0.62131 per share, which is subject to shareholder approval at the next Ordinary General Shareholders’ Meeting to take place on April 29, 2010. However, US\$0.37994 should be deducted from this dividend as this amount was already paid as an interim dividend. The balance, therefore, amounts to US\$0.24137 per share, which shall be paid and distributed in favor of SQM Shareholders registered in the respective Shareholders’ Registry as of the fifth business day prior to payment of this dividend.

The latter quantity, if approved, shall be paid to qualifying shareholders in its Chilean peso equivalent at the Observed Dollar or US Dollar rate published in the Official Gazette on April 29, 2010.

4| On November 23, 2010, the SVS was informed that at a meeting of the Board of Directors of Sociedad Química y Minera de Chile (SQM) on November 23, 2010, the directors unanimously agreed to pay and distribute the interim dividend referred to in the “SQM Fiscal 2010 Dividend Policy”, as communicated at SQM’s Ordinary General Shareholders Meeting on April 29, 2010. This interim dividend of US\$0.41794 per share, which is equivalent to approximately ThUS\$110,000 or 40% of distributable net income for fiscal year 2010 accumulated as of September 30, 2010, shall be paid and distributed beginning December 15, 2010. With a charge to net income for fiscal year 2010, it shall be paid to shareholders registered in SQM’s Shareholders’ Registry as of the fifth business day prior to December 15, 2010, in its Chilean peso equivalent at the Observed Dollar or US Dollar rate published in the Official Gazette on December 9, 2010.

Financial Information

a) Financial Indicators

		12.31.2010	12.31.2009
Liquidity			
Current ratio	Times	3.56	3.04
Acid Test Ratio	Times	1.96	1.41
Indebtedness			
Indebtedness Ratio	%	104.88	118.23
Short-term Debt/Total Debt	%	28.02	32.49
Long-term Debt/Total Debt	%	71.98	67.51
Assets and Turnover			
Total Assets	MUS\$	3,372,836	3,141,804
Inventory Turnover	Times	1.95	1.55
Inventory Turnover	Days	185	232

b) Operating Results by Region*

As of December 31, 2010	Chile ThUS\$	LatAm and Caribbean ThUS\$	Europe ThUS\$	U.S.A. ThUS\$	Asia & Others ThUS\$	Total ThUS\$
Sales	216,028	162,967	799,457	363,676	288,285	1,830,413
Cost of Sales	(192,271)	(116,477)	(515,239)	(213,315)	(167,108)	(1,204,410)

As of December 31, 2010	Chile ThUS\$	LatAm and Caribbean ThUS\$	Europe ThUS\$	U.S.A. ThUS\$	Asia & Others ThUS\$	Total ThUS\$
Sales	250,730	169,148	408,682	299,926	310,173	1,438,659
Cost of Sales	(218,868)	(125,719)	(191,137)	(165,021)	(207,729)	(908,474)

(*) The distribution of sales presented above reflects the regions in which the Company's subsidiaries are located and does not necessarily reflect the final destinations of the products sold.

c) Other Results (in ThUS\$)

	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Operating Income	626,003	530,185
Financial Expenses	35,042	30,979
EBITDA	654,203	568,653
Net Income after taxes	382,122	338,297

d) Returns

	12.31.2010	12.31.2009
Return on Equity	25.13%	24.40%
Return on Assets	11.73%	10.20%
Return on Operating Assets (1)	21.62%	21.01%
Earnings per share (US\$)	1.45	1.29
Dividend Yield- Series A (2)	1.25%	3.31%
Dividend Yield- Series B	1.23%	3.67%

(1) Calculation of operating-assets

	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Total Assets	3,372,836	3,141,804
Less:		
Other current financial assets	27,282	16,058
Taxes-current portion	32,773	41,825
Deferred tax assets	365	870
Other non-current financial assets	118	113
Coverage assets	98,916	75,537
Investments accounted for using the equity method	62,271	55,185
Goodwill	38,388	38,388
Non-current rights receivable	1,102	4,208
Other non-financial assets, non-current	3,473	2,293
Total not operating assets	264,688	234,477
Total operating assets	3,108,148	2,907,327

(2) The dividend yield (per share) is calculated by dividing dividends per share by the closing share price for the year. Dividends paid for Series A and Series B shares are the same; there are no economic differences between the two series of shares.

Cash Flow Analysis

Cash Flow Statement	12.31.2010 ThUS\$	12.31.2009 ThUS\$
Net cash flows provided by operating activities	618,522	371,353
Net cash flows used in investing activities	(236,809)	(507,491)
Net cash flows provided by (used in) financing activities	(254,235)	202,492
Effects of variation in exchange rate on cash and cash equivalents	21,535	25,709
Cash and cash equivalents at beginning of period	375,639	283,576
Cash and cash equivalents at end of year	524,652	375,639

Management and Director's Compensation

a) Summary of Director's compensation January-December 2010 (in Ch\$)

Directors	SQM S.A.		SQMC S.A.		Total Ch\$
	Meeting (Ch\$)	Committee (Ch\$)	Meeting (Ch\$)	Committee (Ch\$)	
JULIO PONCE LEROU	677,094,645	-	76,290,552	-	753,385,197
HERNAN BÜCHI BUC	80,305,549	6,724,390	-	-	87,029,939
EDUARDO NOVOA CASTELLON	81,378,328	7,089,134	-	-	88,467,462
KENDRICK TAYLOR WALLACE	82,425,474	-	-	-	82,425,474
WAYNE BROWNLEE	82,425,474	-	-	-	82,425,474
JOSÉ MARÍA EYZAGUIRRE BAEZA	80,305,552	-	-	-	80,305,552
DANIEL YARUR ELSACA	80,305,552	6,724,390	-	-	87,029,942
WOLF VON APPEN BEHRMAN	81,378,330	-	-	-	81,378,330
	1,245,618,904	20,537,914	76,290,552	-	1,342,447,370

b) During 2010, the Board of Directors incurred the following expenses:

Expense	Total US\$
Travel, rental, services, general expenses	60,696
TOTAL	60,696

c) Management Compensation

Year	Number of Executives	Total Ch \$
2009	105	10,154,567,771
2010	108	10,205,606,784

d) Human Resources

As of December 31, 2010, SQM and its subsidiaries had 4,327 employees distributed as follows:

Employee Type	Holding	Other Subsidiaries	Total
Executive	25	90	115
Professionals	90	771	861
Technicians and operators	273	2,824	3,097
Foreigners	13	241	254
TOTAL	401	3,926	4,327

e) Incentive Plan for Directors and Executives

The objective of every organization is to create value for its stakeholders. Consequently, SQM has developed an incentive program that recognizes the commitment of the people with the organization and its results.

a) Directors: The only compensation dispersed to the Company's directors is that indicated in the item "Director's compensation." The Company has not implemented any incentive plans for its directors.

b) Senior executives: SQM S.A. has defined annual bonus plans for its executives related to goal achievement and level of individual contribution to the Company's income. These incentives are structured in a minimum and maximum of gross remuneration which are paid once a year or every two years. These incentives are based in the following variables:

- Short term (once a year): Company's Operational Results
- Long term (twice a year): Company's ROE before tax

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

For further information please see Note 17 (Executives' Compensation Plan) of the consolidated financial statements.

Directors Committee, Activities and Consulting Expenses

As of December 31, 2010, the Company's Directors Committee was formed by the SQM Directors: Mr. Hernán Büchi B., Mr. Eduardo Novoa C. and Mr. Daniel Yarur E. This Committee carried out the functions as established in section 50 bis of law No. 18.046, which include:

- a) Analysis of un-audited financial reports.
- b) Analysis of audited financial reports.
- c) Analysis of reports and proposals submitted by external auditors, account inspectors and risk rating agencies, and recommendations to the Board of Directors regarding external auditors and risk rating agencies that could be designated by shareholders at the respective Annual General Shareholders Meeting.
- d) Analysis of tax and other non-audit services provided by external auditors for the Company and its subsidiaries in Chile and abroad.
- e) Analysis of functions, objectives and working programs of the Internal Audit Department.
- f) Analysis of the Company's Senior Executives' remuneration and compensation plans.
- g) Analysis of the records relating to the transactions referred to in Title XVI of the Law on Corporations.
- h) Analysis of matters related to U.S. law "Sarbanes-Oxley Act", especially regarding Section 404.
- i) Analysis of matters related to "IFRS" and standards issued by U.S. standard-setter, the "PCAOB".
- j) Analysis of Internal Control Report.

The Directors Committee examined the following records in connection with operations related to Title XVI of Law No. 18.046:

During its sessions held on August 12 and 31, 2010, the Directors Committee analyzed and subsequently recommended the following agreements: (a) a possible land storage and ground transport agreement between the "SQM Group" and the "Ultramar Group" (linked to Mr. Wolf von Appen, Director of SQM S.A.) (b) a possible agreement to purchase housing modules between "SQM Group" and the "Ultramar Group" (linked to Mr. Wolf von Appen, Director of SQM S.A.) (c) a possible agreement to purchase PVC and thick geotextile scraps between the "SQM Group" and Mallinko S.A. (linked to Mr. Patricio Contesse G., CEO of SQM S.A.) and (d) two possible ocean freight agreements between the "SQM Group" and the "Ultramar Group" (linked to Mr. Wolf von Appen, Director of SQM S.A.).

The Company's Directors Committee was informed of the "General Transitory Policy on Customary Transactions within the Company's Line of Business", which it in turn reported to authorities and the market in general as a Material Event.

On April 29, 2010, the Annual General Shareholders Meeting of SQM S.A. agreed to pay each member of the Directors Committee monthly compensation of 17UF and annual compensation equivalent to 0.013% of the Company's net income obtained in 2010. These amounts are regardless of the number of sessions held by the Committee during the respective period and are also independent from what the Committee members receive as members of the Company's Board of Directors. In this same meeting, an operational budget was approved for the Directors Committee that equals the total aforementioned compensation.

During 2010, the Directors Committee did not incur any consulting expenses.

Based on the provisions in force as of December 31, 2010, Mr. Eduardo Novoa C. is considered an independent director and is the Chairman of the Company's Directors Committee.

Ultimately, the Directors Committee issued their Annual Management Report as mentioned in Law No. 18,046.

Dividends

a) Dividend Policy

SQM S.A.'s dividend policy for the year 2010, as approved by shareholders at the General Shareholders Meeting held on April 29, 2010, considers the distribution of 50% of the distributable net income for the 2010 business year to the Company's shareholders.

b) Distributable Income

The distributable income of the Company reported for the period ended December 31, 2010, is detailed as follows:

	MUS\$
Net income (loss)	382,122
Distributable income	382,122

c) Dividends

Each series A share and series B share is entitled to participate equally in any dividends declared on the outstanding capital stock of SQM.

During the last three years, the Company has distributed the following dividends:

Year of distribution	US\$/Share
2008	0.44459
2008 (interim)	0.37994
2009	0.85835
2009 (interim)	0.37994
2010	0.24137
2010 (interim)	0.41794

Share Transactions

a) Related-Party Transactions

Purchases and sales of Company stock by members of SQM's Board of Directors, Management and main shareholders during 2010 were as follows (price in Chilean pesos):

Name	Date	Purchase	Sale	Series	Price (ch\$)	Amount Traded \$
Sociedad De Inversiones Pampa Calichera S.A.	16/Apr/10	590,000		B	19,245	11,354,550,000
Sociedad De Inversiones Pampa Calichera S.A.	19/Apr/10	595,414		B	19,245	11,458,742,430
Sociedad De Inversiones Pampa Calichera S.A.	19/Apr/10	1,100,000		B	18,824	20,706,400,000
Sociedad De Inversiones Pampa Calichera S.A.	16/Jun/10	431,231		B	18,360	7,917,401,160
Inv Global Mining Chile Ltda.	22/Jun/10		66,000	A	21,501	1,419,066,000
Inv Global Mining Chile Ltda.	2/Aug/10	3,871,371		A	23,000	89,041,533,000
Sociedad De Inversiones Pampa Calichera S.A.	11/Aug/10		150,000	B	20,740	3,111,000,000
Descazeaux Aribit, Bernard	14/Oct/10	380		B	1	380
Sociedad De Inversiones Pampa Calichera S.A.	29/Oct/10	300,000		B	25,478	7,643,400,000
Sociedad De Inversiones Pampa Calichera S.A.	29/Oct/10	100,000		B	25,490	2,549,000,000
Sociedad De Inversiones Pampa Calichera S.A.	29/Oct/10	10,000		B	25,500	255,000,000
Sociedad De Inversiones Pampa Calichera S.A.	11/Oct/10		100,000	B	24,660	2,466,000,000
Sociedad De Inversiones Pampa Calichera S.A.	16/Nov/10		10,000	B	24,849	248,490,000
Inversiones El Boldo Ltda.	25/Nov/10		1,996	B	24,108	48,120,247
Inversiones El Boldo Ltda.	26/Nov/10	1,996		A	24,330	48,562,680
Inversiones El Boldo Ltda.	26/Nov/10	4,000		A	24,000	96,000,000
Inversiones El Boldo Ltda.	26/Nov/10		7,500	B	24,536	184,017,375
Inversiones El Boldo Ltda.	26/Nov/10		4,000	B	24,700	98,800,000
Inversiones El Boldo Ltda.	26/Nov/10	7,500		A	23,850	178,875,000
Inversiones El Boldo Ltda.	30/Nov/10	4,000		A	24,000	96,000,000
Inversiones El Boldo Ltda.	1/Dec/10	4,000		A	24,000	96,000,000
Inversiones El Boldo Ltda.	1/Dec/10		4,000	B	24,900	99,600,000
Inversiones El Boldo Ltda.	2/Dec/10	2,400		A	24,000	57,600,000
Inversiones El Boldo Ltda.	3/Dec/10	2,000		A	24,000	48,000,000
Inversiones El Boldo Ltda.	3/Dec/10		2,400	B	24,982	59,957,784
Inversiones El Boldo Ltda.	3/Dec/10		4,000	B	25,161	100,644,000
Inversiones El Boldo Ltda.	3/Dec/10		2,000	B	25,100	50,200,000
Inversiones El Boldo Ltda.	6/Dec/10	2,000		A	24,000	48,000,000
Inversiones El Boldo Ltda.	7/Dec/10		2,000	B	25,201	50,402,000
Inversiones El Boldo Ltda.	7/Dec/10	2,000		A	24,000	48,000,000
Inversiones El Boldo Ltda.	7/Dec/10		2,000	B	25,200	50,400,000
Inversiones El Boldo Ltda.	9/Dec/10	1,988		A	24,200	48,109,600
Inversiones El Boldo Ltda.	10/Dec/10		1,988	B	25,700	51,091,600
Inversiones El Boldo Ltda.	10/Dec/10	2,000		A	24,500	49,000,000
Inversiones El Boldo Ltda.	10/Dec/10		2,000	B	26,200	52,400,000
Inversiones El Boldo Ltda.	14/Dec/10	2,605		A	24,500	63,822,500
Inversiones El Boldo Ltda.	15/Dec/10		2,605	B	25,840	67,313,200
Inversiones El Boldo Ltda.	17/Dec/10	1,653		A	24,979	41,291,163
Inversiones El Boldo Ltda.	17/Dec/10		2,120	B	25,200	53,424,000
Inversiones El Boldo Ltda.	17/Dec/10	1,000		A	25,000	25,000,000
Inversiones El Boldo Ltda.	17/Dec/10		1,533	B	25,715	39,421,923
Inversiones El Boldo Ltda.	17/Dec/10		1,000	B	25,540	25,540,000
Inversiones El Boldo Ltda.	17/Dec/10	2,000		A	25,000	50,000,000
Inversiones El Boldo Ltda.	21/Dec/10	2,255		A	25,125	56,656,875
Inversiones El Boldo Ltda.	24/Dec/10		2,255	B	25,263	56,968,629
Inversiones El Boldo Ltda.	24/Dec/10		2,012	B	25,500	51,306,000
Sociedad De Inversiones Pampa Calichera S.A.	29/Dec/10	110,000		B	25,561	2,811,710,000
Inversiones El Boldo Ltda.	30/Dec/10		6,200	B	25,715	159,432,194
Inversiones El Boldo Ltda.	30/Dec/10	15,451		A	26,000	401,725,536
Inversiones El Boldo Ltda.	30/Dec/10	6,200		A	26,000	161,200,000
Inversiones El Boldo Ltda.	30/Dec/10		15,451	B	25,964	401,175,790
Sociedad De Inversiones Pampa Calichera S.A.	30/Dec/10	3,721		A	27,000	100,467,000

b) SQM's share price and sales volumes

Santiago Stock Exchanges

	Average Price (Ch\$)/Shares		Number of Shares Traded		Amounted Traded (millions of Ch\$)	
	SQM A	SQM B	SQM A	SQM B	SQM A	SQM B
2008						
Q1	12,185.0	8,494.2	28,231	20,428,250	334	173,522
Q2	18,505.7	16,781.9	489,191	41,364,677	9,053	694,177
Q3	20,456.9	18,338.8	36,731	39,718,435	751	728,390
Q4	16,112.1	13,555.1	110,120	71,919,771	1,774	974,883
2009						
Q1	18,127.0	16,634.7	53,427	39,206,493	968	652,189
Q2	20,494.7	19,079.3	155,530	45,759,647	3,188	873,062
Q3	21,629.0	19,777.9	62,074	35,486,403	1,343	701,846
Q4	21,254.5	19,840.9	92,017	48,182,071	1,956	955,975
2010						
Q1	21,531.8	19,899.1	35,230	35,392,915	759	704,286
Q2	21,658.0	18,590.2	17,310	32,537,887	375	604,887
Q3	23,597.8	20,963.4	13,043	35,623,411	308	746,787
Q4	24,868.2	24,858.2	5,124,249	28,302,900	127,431	703,559

New York Stock Exchanges

	Average Price (US\$)/Shares		Number of Shares Traded		Amounted Traded (millions of US\$)	
	SQM A	SQM B	SQM A	SQM B	SQM A	SQM B
2008*						
Q1	25.41	18.52	162,000	40,761,670	0.41	755
Q2	-	35.20	-	89,265,245	-	3,142
Q3	-	35.46	-	96,494,844	-	3,422
Q4	-	21.34	-	88,658,325	-	1,892
2009						
Q1	-	27.50	-	63,465,240	-	1,745
Q2	-	33.72	-	63,362,906	-	2,136
Q3	-	36.37	-	59,121,732	-	2,150
Q4	-	38.33	-	52,601,005	-	2,016
2010						
Q1	-	38.31	-	52,957,487	-	2,029
Q2	-	34.94	-	43,392,229	-	1,516
Q3	-	41.37	-	34,188,178	-	1,414
Q4	-	51.81	-	29,969,094	-	1,553

*In March 2008, the Series B ADR began trading under a new ratio of 1:1. The Company also announced the delisting of the series A ADR from the New York Stock Exchange.

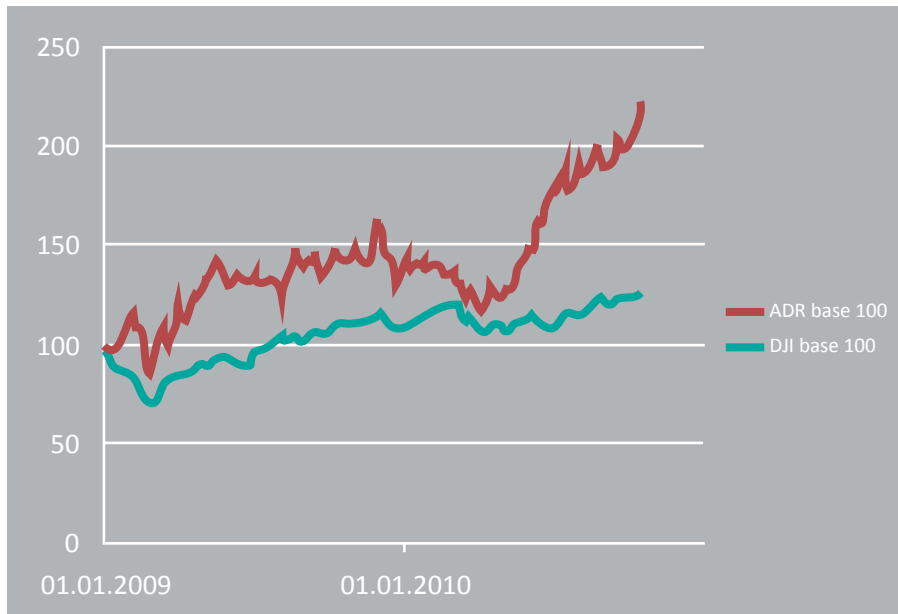
*Source: Bloomberg, Composite Exchange

c) Share's performance compared to IPSA and Dow Jones Industrial

2009- 2010 SQM's share price variation (SQM-A and SQM-B) vs. IPSA



2009-2010 SQM's ADR price variation (SQM-B) vs. Dow Jones Industrial (DJI)



Other General Information

Investment Policy

The General Shareholders Meeting, held on April 29, 2010 authorized SQM S.A. to invest: (i) in everything that relates to its business purpose; (ii) in the activities described in the Company's by-laws, and with the objectives described therein; and (iii) at the time, in the amount and to the extent necessary to maintain or increase its operations and interests. Accordingly, SQM S.A. may particularly invest in: (i) projects that allow the Company to maintain, improve or increase its production capacity, commercialization, opening and diversification of products or markets; and (ii) in fixed assets or other assets such as stock or rights in partnerships that relate to its business purpose and that allow it to increase its net income, operations or profitability.

The maximum investment limit will be determined by the Company's ability to finance such investments. Financing resources may come from internal sources (in accordance with the Company's Dividend Policy) or external sources (in accordance with the Company's Financing Policy). The Company is not subject to any special control regulations in the areas of investment, regardless of Management's responsibility to strive for the highest possible return on such investments.

Financing Policy

The General Shareholders Meeting held on April 29, 2010 established that SQM S.A.'s consolidated debt shall not exceed a debt-to equity ratio of 1.5. This limit may be exceeded if, and only if, Management has the prior authorization granted by an Extraordinary Shareholders Meeting.

Infrastructure

The Company, currently owns or has an exclusive concession, directly or through its subsidiaries, for the assets essential or necessary for the management, extraction, production, processing, mineral transportation and other products that it produces.

Customers and Suppliers

Not considering related parties, no single customer accounted for more than 6.9% of SQM S.A.'s consolidated sales. Likewise, SQM S.A. has not entered into contracts with suppliers that, individually considered, account for more than 8.6% of its consolidated purchases.

Insurance

The insured assets are the totality of the productive plants, machinery, offices, supplies, products-in-progress, finished products, products in-transit and business interruptions. This insurance provides all-risk coverage.

Contracts

Although SQM's heat generation facilities and fusion processes are connected to international gas pipelines, for which the Company has signed long-term supply contracts, restrictions on imports of gas from Argentina have reduced SQM's gas supply to a minimum. Consequently, the Company has had to replace this gas with liquid fuels.

The following table describes the main agreements:

Agreement Description	Expiration Date	Company
50 and 60 HZ Electrical Energy Supply.	March 16, 2013. SQM retains the right to renew once more for a period of 3 years.	Electroandina S.A.
Electricity Supply.	March 20, 2017.	Norgener S.A.
50 HZ Electrical Energy Supply.	January 31, 2013.	Norgener S.A.
Natural Gas Supply.	May 21, 2011.	Distrinor S.A.
50 HZ Nueva Victoria Energy Supply.	December 31, 2013.	Electroandina S.A.
Distribution and Supply of Fuel.	April 30, 2012.	Copec S.A.

SQM maintains contracts with clients in its different business areas. These agreements can be of varied nature depending on the industry conditions, clients, the amounts involved and the prevailing conditions in the markets at the time of the agreement signature.

SQM has a joint venture agreement with Yara International ASA, where the Company utilizes Yara's distribution network to sell specialty plant nutrients, and at the same time, Yara utilizes SQM's distribution network to sell its productions. Additionally, each company independently controls the sale of its products and through this agreement SQM is able to reduce distribution costs.

Not considering related parties, no single customer represented more than 6.9% of the Company's consolidated sales, and the 10 largest clients represented no more than 18.0% of consolidated sales in 2010.

In addition, during the normal course of business, SQM has entered into different contracts—some of which have been described herein—basically related to its productive and commercial operations. All of these contracts are standard for this type of industry and none of them is expected to have a material effect on the Company's results of operations.

Brands and Patents

The Company owns the brands it utilizes for its products. It has also registered its own exclusive productive processes used in the productive areas. The Company does not hold any contracts for the utilization of brands, processes or other related items.

Financial Assets

The financial assets of the Company are mainly comprised of readjustable time deposits in first category banks and by international money markets funds also held in first category institutions.

Risk Factors

A| A significant part of our sales are made to emerging markets. Therefore, we are exposed to risks related to the economic conditions and trends 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 taxes or restrictions on the payment of dividends or repatriation of capital or the imposition of new environmental regulations or price controls, could have a material adverse effect on our sales or operations in those countries.

B| Increased exposure to accounts receivable: The increase in prices of potassium-based fertilizers and iodine increased SQM's accounts receivable. If this trend continues, our exposure to bad debt may increase significantly. While SQM is taking measures, such as using credit insurance, letters of credit and prepayment for a portion of sales, to minimize this risk, the global economic situation may produce a substantial increase in the amount of bad debt.

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

D| SQM has an ambitious capital expenditure program that is subject to risks and uncertainties related to the amounts, terms and effectiveness of the investments.

E| Currency fluctuations may have a negative effect on our financial results. Although the U.S. dollar is the primary currency in which SQM transacts its businesses, a significant part of its operating costs are related to the Chilean peso. Fluctuations in the exchange rate of this currency may affect SQM's financial condition and results of operations.

F| High raw material and energy prices increase our production costs and cost of goods sold. SQM relies on certain raw materials and various sources of energy (diesel, electricity, natural gas and others) to manufacture its products. If the increase is prolonged and SQM is unable to pass on increases in raw material and energy prices to its customers, its financial results could be adversely affected.

G| Reserves estimates could significantly vary. The mining reserves estimates are prepared by our geologists. Estimation methods involve numerous uncertainties as to the quantity and quality of the reserves, and these could be revised positively or negatively.

H| Quality standards in markets where SQM sells its products could become stricter over time. Governments and customers in several of the markets where we do business may impose quality standards for products that we sell.

I| SQM's businesses are subject to many operating and other risks for which we may not be fully covered in our insurance policies. Our facilities located in Chile and abroad are insured by insurance policies that are standard for the industry. Nonetheless, we may be subject to certain catastrophic events, including fires, major equipment failures, natural disasters, accidents, terrorist acts, war, and others, that may not be covered under our insurance policies.

J| The continuity of our natural gas supply is dependent on the policy determined by the Argentinean authorities. As part of a cost-reduction effort, we interconnected our facilities to a natural gas network. The natural gas comes from Argentina and is subject to a 10-year agreement. Due to energy shortages in Argentina, Argentinean authorities decided to restrict exports of natural gas to Chile in order to increase the supply to their domestic markets.

K| The abovementioned decline in the supply of natural gas could negatively affect the supply of electricity in the Northern Power Grid (SING). The natural gas shortage has placed the SING under significant stress, and if the situation continues, it could lead to a system failure, affecting the supply of electricity.

L| Declines in the supply of natural gas and increasing global oil prices could negatively affect our electricity contracts. As natural gas supply continues to be uncertain and world oil prices continue to increase, we are faced with potential revisions to our long-term electricity supply agreements.

M | Water supply could be affected by regulatory changes and/or natural problems. Even though we have not experienced significant difficulties obtaining the necessary water to conduct our operations, there can be no assurance that we will not face problems in the water supply due to new environmental regulations or natural depletion of water resources.

N | Changes in mining and water rights laws or in regulations affecting port concessions could affect our operating costs. We conduct our mining operations under exploitation and exploration concessions granted pursuant to judicial proceedings in accordance with provisions of the Chilean Constitution and the Constitutional Mining Law and related statutes. 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. 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. We also hold water rights, which we believe is sufficient to meet current and anticipated operational requirements. We operate port facilities at Tocopilla, Chile, for the shipment of our products and the delivery of certain raw materials.

O | 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 a variety of national and local regulations relating to environmental protection. Under the Chilean Environmental Law, we are required to conduct environmental impact studies of any future projects or activities (or their significant modifications) that may affect the environment. CONAMA and COREMA evaluate environmental impact studies submitted for their approval and also oversee the implementation of projects.

P | SQM, due to the nature of its business, is or will be in the future part of legal proceedings.

Legal Constitution

The Company was constituted by public deed dated June 17, 1968, before the Santiago Notary Public Mr. Sergio Rodríguez Garcés. The extract of the deed was registered in leaf 4533 No. 1991, dated June 29, 1968, in the official Commercial Register of Santiago.

Its existence was approved through Supreme Decree No. 1164 of the State Department of Chile, dated June 22, 1968, which was likewise registered on June 29 of the same year in the official Commercial Register of Santiago in leaf 4537 No. 1992 and was noted at the margin of the Company's registration.

The extract of the public deed, approved by the Superintendency of Insurance Companies, Corporations and Stock Exchanges, and the Supreme Decree that authorized the existence of the Company were published in the Official Gazette No. 27080 of June 29, 1968.

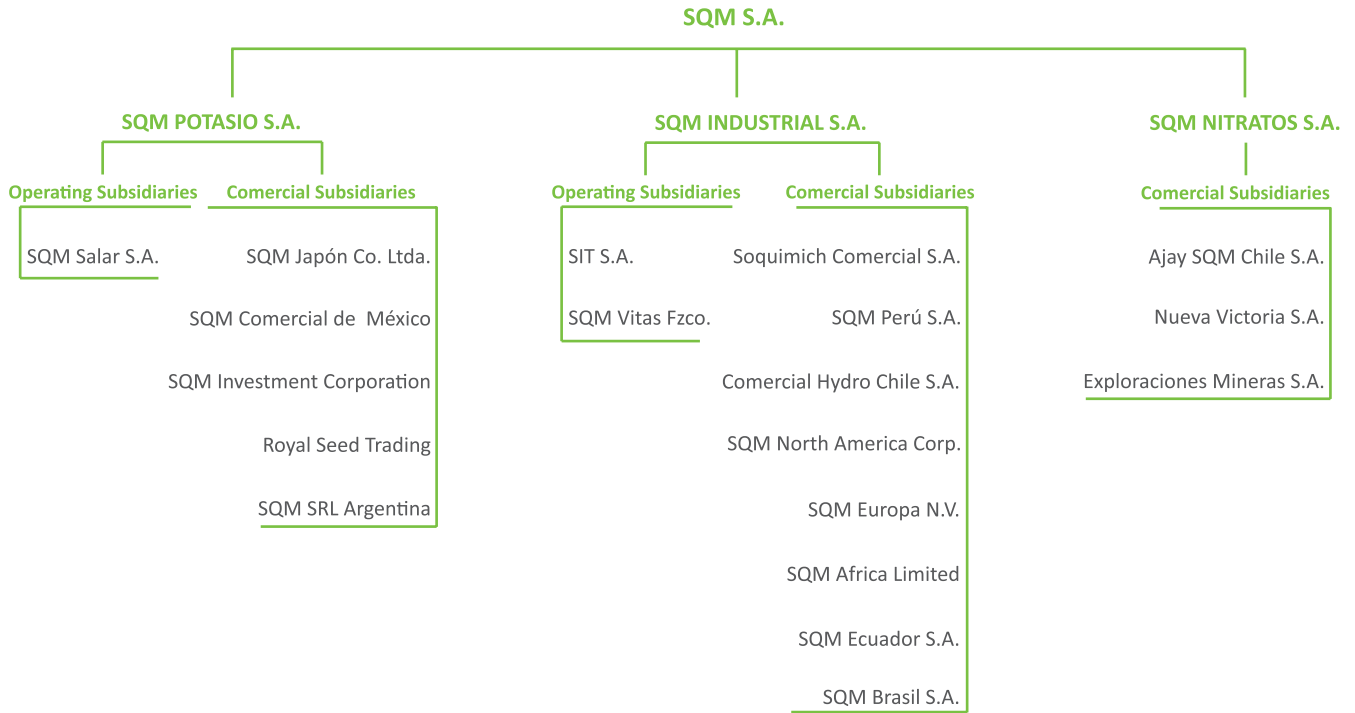
Participation of Major Shareholders

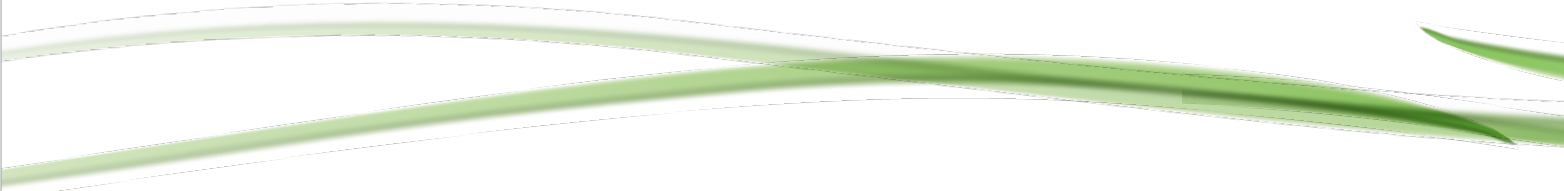
SQM has been informed that the Canadian company Potash Corporation of Saskatchewan Inc. (“PCS”) indirectly controls 100% of the shares of Inversiones el Boldo Limitada and 100% of the shares of Inversiones RAC Limitada. Through these companies PCS owns 32% of the total shares of SQM.

SQM has also been informed that Mr. Julio Ponce L. and related persons control 100% of the total shares of Inversiones SQYA S.A., which currently and indirectly controls 31.12% of the total shares of SQM S.A. The above, considering that Inversiones SQYA S.A. controls 67.13% of the total shares of Norte Grande S.A., that Norte Grande S.A. controls 75.56% of the total shares of Sociedad de Inversiones Oro Blanco S.A., that Sociedad de Inversiones Oro Blanco S.A. controls 97.33% of the total shares of Sociedad de Inversiones Pampa Calichera S.A. and that Sociedad de Inversiones Pampa Calichera S.A. and the related companies Inversiones Global Mining (Chile) Ltda. And Norte Grande S.A. ultimately control 31.12% of the total shares of SQM.

Sociedad de Inversiones Pampa Calichera S.A. and Kowa Company Ltd. –the latter being owner, directly and indirectly, of 2.08% of the total shares of SQM– subscribed on December 21, 2006 a Joint Performance Agreement that allows them to control 33.20% of the total shares of SQM. As a result of this Agreement, the “Group” lead by Mr. Julio Ponce L. indirectly controls 33.20% of the total shares of SQM S.A. and is, therefore, the Controller of SQM S.A.

Corporate Structure





Subsidiaries and Affiliates



Local Subsidiaries and Affiliates

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.
Directors:	Jaime San Martín L. Patricio Contesse G.* Patricio de Solminihac T. Ricardo Ramos R. Daniel Jiménez Sch.
CEO:	Patricio Contzvvvvesse G.*
Relationship to HQ:	Wholly owned. Maintains market Current account and rental of Industrial facilities through headquarters.
Address:	El Trovador 4285, Santiago.
Phone:	(2) 425 2000
Fax:	(2) 425 2268

Ajay-SQM Chile S.A.:

Capital:	US \$5,313,794
Ownership:	51% SQM S.A. 49% Other non- related parties.
Corporate Purpose:	Iodine processing.
Directors:	Eugenio Ponce L. Daniel Jiménez. Alan Shipp. Charles Pittard.
CEO:	Patricio Covarrubias G.
Relationship to HQ:	Basically wholly-owned.
Address:	Avda. Pdte. Eduardo Frei N° 4900, Santiago.
Phone:	(2) 443 7110
Fax:	(2) 443 7114

Servicios Integrales de Tránsito y Transferencias S.A.:

Capital:	US \$9,873,573
Ownership:	99.99966% SQM Industrial S.A. 0.00034% SQM S.A.
Corporate purpose:	Transportation and storage of merchandise.
Directors:	Eugenio Ponce L. Ricardo Ramos R. Patricio de Solminihac T. Jaime San Martín L. Daniel Jiménez Sch.
CEO:	Patricio Contesse G.*
Relationship to HQ:	Basically wholly- owned.
Address:	Arturo Prat N° 1060, Tocopilla.
Phone:	(55) 414452
Fax:	(55) 414488

SQM Salar S.A.:

Capital:	US \$38,000,000
Ownership:	81.82% SQM Potasio S.A. 18.18% SQM S.A.
Corporate Purpose:	Exploitation a commercialization of potassium, lithium, and other products.
Directors:	Patricio De Solminihac T. Daniel Jiménez Sch. Ricardo Ramos R. Jaime San Martín L. Patricio Contesse G.* Patricio Contesse G.*
CEO:	Patricio Contesse G.*
Relationship to HQ:	Basically wholly- owned.
Address:	El Trovador 4285, Santiago.
Phone:	(2) 425 2000
Fax:	(2) 425 2268

Exploraciones Mineras S.A.:

Capital:	US \$30,100,000
Ownership:	99.730897% Minera Nueva Victoria S.A. 0,269103% SQM S.A.
Corporate Purpose:	Exploitation of other mines and quarries.
Directors:	Patricio de Solminihac T. Ricardo Ramos R. Patricio Contesse G.*
CEO:	Patricio Contesse G.*
Relationship to HQ:	Basically wholly- owned.
Address:	El Trovador 4285, Santiago.
Phone:	(2) 425 2000

Institución de Salud Previsional Norte Grande Ltda.:

Capital:	US \$461,929
Ownership:	99% SQM Industrial S.A. 1% SQM S.A.
Corporate Purpose:	Management of health matters for SQM S.A. and it's subsidiaries.
CEO:	Bárbara Blümel.
Relationship to HQ:	Basically wholly- owned.
Address:	Aníbal Pinto N° 3228, Antofagasta.
Phone:	(55) 412621
Fax:	(55) 412632

(*) Director or CEO of SQM S.A.

SQM Potasio S.A.:

Capital:	US \$39,020,000
Ownership:	99.997386% SQM S.A. 0.002614% Other non- related parties.
Corporate Purpose:	Extraction of minerals for the manufacture of fertilizers and chemical products.
Directors:	Patricio de Solminihac T. Ricardo Ramos R. Jaime San Martín L. Patricio Contesse G.* Daniel Jiménez Sch.
CEO:	Patricio Contesse G.*
Relationship to HQ:	Basically wholly- owned.
Address:	El Trovador 4285, Santiago.
Phone:	(2) 425 2000
Fax:	(2) 425 2268

Proinsa Ltda.:

Capital:	US \$87,736
Ownership:	99.9% SQMC S.A. 0.1% Other non- related parties.
Corporate Purpose:	Production and sale of fertilizers.
CEO:	Claudio Morales.
Relationship to HQ:	Basically wholly- owned.
Address:	El Trovador 4285, Santiago.
Phone:	(2) 425 2525
Fax:	(2) 425 2268

SQMC Internacional Ltda.:

Capital:	US \$1,239,597
Ownership:	99.7423% SQMC S.A. 0,2577% Proinsa Ltda.
Corporate Purpose:	Sale, import and export of fertilizers.
CEO:	Claudio Morales.
Relationship to HQ:	Basically wholly- owned.
Address:	El Trovador 4285, Santiago.
Phone:	(2) 425 2525
Fax:	(2) 425 2268

Comercial Hydro S.A.:

Capital:	US \$4,818,848
Ownership:	99.9999% SQMC S.A. 0,0001% SQMC Internacional S.A.
Corporate Purpose:	Import and sale of fertilizers.
CEO:	Claudio Morales.
Relationship to HQ:	Basically wholly- owned.
Address:	El Trovador 4285, Santiago.
Phone:	(2) 425 2525
Fax:	(2) 425 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 and transfer of mineral substances and raw materials.
CEO:	Patricio Contesse.*
Directors:	Patricio de Solminihac. Ricardo Ramos. Jaime San Martín.
Relationship to HQ:	Basically wholly- owned.
Address:	El Trovador 4285, Santiago.
Phone:	(2) 425 2525
Fax:	(2) 425 2268

Sales de Magnesio Ltda.:

Capital:	US \$243,618
Ownership:	50% SQM Salar S.A. 50% Other non- related parties.
Corporate Purpose:	Sale of magnesium plants.
CEO:	José Tomás Ovalle.
Relationship to HQ:	Basically wholly- owned.
Address:	Sector La Negra Lotes 1 y 2 Antofagasta.
Commercial address :	El Trovador 4285, Santiago.
Phone:	(2) 425 2428
Fax:	(2) 425 2434

Minería Nueva Victoria S.A.:

Capital:	US \$93,679,169
Ownership:	99% SQM S.A. 1% SQM Potasio S.A.
Corporate Purpose:	Production and commercialization of Non- metallic minerals.
CEO:	Patricio Contesse G.*
Directors:	Patricio de Solminihac T. Ricardo Ramos R. Patricio Contesse G.*
Relationship to HQ:	Basically wholly- owned.
Address:	Ex oficina Salitrera Iris s/n, Pozo Al Monte, Iquique.
Phone:	(2) 425 2000

Almacenes y Depósitos Ltda.:

Capital:	US \$1,531,957
Ownership:	99% SQM Potasio S.A. 1% SQM S.A.
Corporate Purpose:	General depot.
CEO:	Patricio Contesse G.*
Relationship to HQ:	Basically wholly- owned.
Address:	El Trovador 4285, Santiago.
Phone:	(2) 425 2000
Fax:	(2) 425 2268

Sociedad Prestadora de Servicios de Salud Cruz del Norte A.A.:

Capital: US \$123,561
Ownership: 99% SQM Industrial S.A.
1% SQM Potasio S.A.
CEO: David Zapata Figueroa.
Relationship to HQ: Basically wholly- owned.
Address: El Trovador 4285, Santiago.
Phone: (2) 425 2000
Fax: (2) 425 2068

Soquimich Comercial S.A.:

Capital: US \$61,745,898
Ownership: 60.6383212% SQM Industrial S.A.
39.3616784% Other non- related parties.
0,0000004% SQM S.A.
Corporate purpose: Sale and distribution of fertilizers.
Directors: Julio Ponce L.*
Eugenio Ponce L.
Radomiro Tomic E.
Patricio de Solminihac.
Patricio Contesse.*
Juan Carlos Barrera.
Ricardo Ramos R.
CEO: Claudio Morales.
Relationship to HQ: Basically wholly- owned.
Address: El Trovador 4285, Santiago.
Phone: (2) 425 2525
Fax: (2) 425 2268

Comercial Agrorama Callegari Ltda.:

Capital: MUS \$1,710
Ownership: 70% SQMC S.A.
30% Other non- related parties.
CEO: Alvaro Baeza Yevenes.
Administration manager: Victor López.
Relationship to HQ: Basically wholly- owned.
Address: El Trovador 4285, Santiago.
Phone: (2) 425 2000
Fax: (2) 425 2068

(*) Director or CEO of SQM S.A.

FOREIGN SUBSIDIARIES AND AFFILIATES

SQM Comercial de México S.A. de C.V.:

Capital:	US \$27,806
Ownership:	99% SQM Potasio S.A. 1% SQM S.A.
Corporate purpose:	Import, export and sale of fertilizers.
CEO:	Bernard Descazeaux Aribit.
Relationship to HQ:	Basically wholly-owned.
Address:	Calle Industria Eléctrica s/n, Lote 30, Manzana A Parque Industrial Bugambilias CP 45645, Tlajomulco de Zúñiga, Jalisco, México.
Phone:	(52 33) 35401100
Fax:	(52 33) 35401101

SQM Nitratos de México S.A. de C.V.:

Capital:	US \$5,636
Ownership:	51% SQM Nitratos S.A. 49% Other non- related parties.
Corporate purpose:	Provision of services.
CEO:	Bernard Descazeaux Aribit.
Relationship to HQ:	Basically wholly-owned.
Address:	Calle Industria Eléctrica s/n, Lote 30, Manzana A Parque Industrial Bugambilias CP 45645, Tlajomulco de Zúñiga, Jalisco, México.
Phone:	(52 33) 35401100
Fax:	(52 33) 35401101

Administración 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:	Provision of services.
CEO:	Bernard Descazeaux Aribit.
Relationship to HQ:	Basically wholly- owned.
Address:	Calle Industria Eléctrica s/n, Lote 30, Manzana A Parque Industrial Bugambilias CP 45645, Tlajomulco de Zúñiga, Jalisco, México.
Phone:	(52 33) 35401100
Fax:	(52 33) 35401101

Nitrato Naturais do Chile Comercio de Produtos e Serviços Agrícolas e Industriais Ltda.:

Capital:	US \$202,567
Ownership:	99.9999% SQM Industrial S.A. 0.0001% SQM Brasil Ltda.
Corporate purpose:	Sale of agricultural and industrial Inputs, provision of advisory services. Representation of other domestic or Foreign companies.
Relationship to HQ:	Basically wholly- owned.
Representative:	Rene Gonzalo Bafalluy Lizana.
Address:	Al. Tocantins 75, 6° Andar, Edif. West Gate, Alphaville, Barueri, CEP 06455- 020, Sao Paulo, Brazil.
Phone:	(55 11) 4133 7208
Fax:	(55 11) 4133 7205

SQM Ecuador S.A.:

Capital:	US \$416,900
Ownership:	99.996% SQM Industrial S.A. 0.004% SQM S.A.
Corporate purpose:	Wholesale fertilizer sales.
CEO:	Álvaro Araya.
Relationship to HQ:	Basically wholly- owned.
Address:	Av. José Orrantia y Ave. Juan Tanca Marengo Edificio Executive Center Piso 2 Oficina 211.
Phone:	(593 4) 2158639
Fax:	(593 4) 2158639 ext 11

Royal Seed Trading A.V.V.:

Capital:	US \$6,000
Ownership:	98.33% SQM Potasio S.A. 1.67% SQM S.A.
Corporate purpose:	Investment and sale of real estate and other property.
CEO:	CMS Corporate Management Services N.V.
Relationship to HQ:	Basically wholly- owned.
Address:	Caya Ernesto O. Petronia 17, Orangestad, Aruba.
Phone:	(297) 8 26548

SQM Africa (PYT) Ltda.:

Capital: US \$70,699
Ownership: 100% Soquimich European Holdings B.V.
Capital purpose: Sale of specialty plants nutrients and Industrial products in the sub-sahara region.
Directors: Frank Biot.
Relationship to HQ: Peter van Collie.
Address: Alvaro Araya.
Tramore House, 3 Waterford Office Park, Waterford Drive, 2191 Fourways, Johannesburg, Southafrica.
Phone: (27 11) 6588640
Fax: (27 11) 6581101

Soquimich European Holding B.V.:

Capital: US \$15,815,547
Ownership: 100% SQM Corporation N.V.
Capital purpose: Holding company.
Directors: Frank Biot.
Relationship to HQ: Patrick Vanbeneden.
Alvaro Araya.
Paul Van Duuren.
Dennis Beets.
Address: Localellikade 1 Parnassustoren
1076 AZ Amsterdam,
Netherlands.
Phone: (31 20) 5408955
Fax: (31 20) 5408909

SQM Japan Co. Ltda.:

Capital: US \$87,413
Ownership: 1% SQM S.A.
99% SQM Potasio S.A.
Capital purpose: Sales & marketing of product in Asia / Oceania.
CEO: Mayo Shibazaki.
Directors: Patricio Contesse.
Eugenio Ponce.
Daniel Jimenez.
Mayo Shibazaki.
Alvaro Araya.
Address: From 1st Bldg 207, 5-3-10
Minami-Aoyama, Minato-ku,
Tokyo Japan 107-0062.
Phone: 81 3 5778 3311
Fax: 81 3 5778 3312

(*) Director or CEO of SQM S.A.

SQM Oceanía PYT:

Capital: US \$1
Ownership: 100% Soquimich European Holdings B.V.
Capital purpose: Import, export and distribution of fertilizers and industrial products.
CEO: Alvaro Araya.
Address: Level 9, 50 Park Street, Sydney NSW 2000, Sydney, Australia.
Phone: (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% Other non- related parties.
Corporate purpose: Corporate purpose: Production, sale and distribution of Specialty plant nutrients.
Directors: Patrick Vanbeneden.
Alvaro Araya.
Karina Kuzmak-Bourdet.
Vincent Bignon.
Address: Jebel Ali Free Zone, PO Box 18222
Dubai, United Arab Emirates.
Phone: (971 4) 8838506
Fax: (971 4) 8838507

Abu Dhabi Fertilizar Industries Co. W.L.L.:

Capital: US \$1,440,217
Ownership: 50% SQM Corporation N.V.
50% Other non- related parties.
Corporate purpose: Distribution and sale of specialty plant nutrients.
Directors: Yousef Al Tawil.
Frank Biot.
Patrick Vanbeneden.
Address: PO Box 71871 Abu Dhabi, United Arab Emirates.
Phone: (971) 25511700
Fax: (971) 25511702

Nutrisi Holding N.V.:

Capital: EUR \$570,155
Ownership: 50% Soquimich European Holdings B.V.
Corporate purpose: Holding company.
CEO: Patrick Vanbeneden.
Directors: Frank Biot.
Patrick Vanbeneden.
Joseph Zidon.
Kees Langeveldz.
Address: St Pietersvliet 7 bus 8 2000
Antwerp, Belgium.
Phone: (32 3) 2039700
Fax: (32 3) 2312782

Ajay Europe Sarl:

Capital:	US \$4,644,075
Ownership:	50% Soquimich European Holding B.V. 50% Other non-related parties.
Corporate purpose:	Production and distribution of iodine and iodine derivatives.
CEO:	Alan Shipp.
Directors:	Eugenio Ponce L.
Relationship to HQ:	Alan Shipp. Felipe Smith. Alec Poitevint.
Address:	Z.I. du Grand Verger BP 227 53602, Evron Cedex, France.
Phone:	(33 24) 3013535
Fax:	(33 24) 3017618

Nu3 N.V.:

Capital:	EUR \$10,995,963
Ownership:	50% Nutrisi Holding N.V. 50% Other non- related parties.
CEO:	Patrick Vanbeneden.
Corporate purpose:	Production of solid and liquid specialty fertilizers.
Directors:	Peter van Coillie.
Relationship to HQ:	Joseph Zidon. Heinrich Schaper. Kenneth Frederiksen.
Address:	Industrieweg 20, 2280 Grobbendonk, Belgium.
Phone:	(32 3) 2039700
Fax:	(32 3) 2039769

Doktor Tarsa Tarim Sanayi A.S.:

Capital:	US \$12,636,117
Ownership:	50% Soquimich European Holdings B.V. 50% Other non- related parties.
Corporate purpose:	Distribution and sale of specialty Plant nutrients in Turkey.
CEO:	Ali B. Ozman.
Directors:	Frank Biot. Ali B. Ozman. Fahri Harmansah.
Address:	Organize Sanayi Bolgesi, Ikinci Kisim, 22 cadde TR07100 Antalya, Turkey.
Phone:	(90 2) 422494646
Fax:	(90 2) 422494600

Nu3 B.V.:

Capital:	EUR \$18,000
Ownership:	100% NU3 N.V.
Corporate purpose:	Production of solid and liquid specialty fertilizers.
Relationship to HQ:	Basically wholly- owned.
Directors:	Peter van Coillie. Joseph Zidon. Heinrich Schaper. Kenneth Frederiksen.
Address:	Maassluisdijk 103, 3130 AB Vlaardingen, Netherlands.
Phone:	(31 10) 4452092
Fax:	(31 10) 4452009

SQM Europe N.V.:

Capital:	US \$9,945,066
Ownership:	0.86% SQM S.A. 99.14% Soquimich European Holdings B.V.
Corporate purpose:	Distribution and sale of specialty plant nutrients and industrial products in Europe, North Africa and the Middle and Far East.
Directors:	Julio Ponce L.* Eugenio Ponce L. Patricio de Solminihac T. Daniel Jiménez S.
CEO:	Frank Biot.
Address:	Sint Pietersvliet 7 bus 8, 2000 Antwerp, Belgium.
Phone:	(32 3) 2039700
Fax:	(32 3) 2312782

SQM North America Corporation:

Capital:	US \$30,140,100
Ownership:	51% SQM Industrial S.A. 9% Soquimich European Holdings B.V.
Corporate purpose:	Commercialization of nitrates, boron, Iodine and lithium in North America.
CEO:	Gerardo Illanes.
Directors:	Patricio Contesse G.* Patricio de Solminihac T. Eugenio Ponce L. Ricardo Ramos R. Daniel Jiménez S.
Relationship to HQ:	Basically wholly- owned.
Address:	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA 30309.
Phone:	(1 770) 916 9400
Fax:	(1 770)916 9401

Fertilizantes Naturales S.A.:

Capital: US \$133,127
Ownership: 33.35% Soquimich European Holdings B.V.
66,65% Nutrisi Holding N.V.
Corporate purpose: Distribution and sale of specialty plant nutrients and technical products in Spain.
Directors: Frank Biot.
Joseph Zidon.
Patrick Vanbeneden.
Jorge Lütken.
CEO: Jorge Lütken.
Address: Provenza 251 .Principal 1a CP
08008 Barcelona, Spain.
Phone: (34 93) 4877806
Fax: (34 93) 4872344

Charlee SQM Thailand:

Capital: Baht \$80,000,000
Ownership: 40% Soquimich European Holding
60% Other non- related parties.
Corporate purpose: Distribution and sale of specialty plant nutrition.
CEO: Vashirasak Arjananont.
Directors: Patrick Vanbeneden.
Olaf Rietveld.
Chali Arjananont.
Vashirasak Arjananont.
Address: 31 Soi 138 (Meesuk) Lapdrawrd,
Bangkapi, 10240 Bangkok,
Thailand.
Phone: (662) 3778668
Fax: (662) 3773578

SQM Med Tarim Sanayi Ve Ticaret A.S.:

Capital: US \$508,544
Ownership: 50% Soquimich European Holdings B.V.
50% Other non- related parties.
Corporate purpose: Production and sale of specialty products.
CEO: Ali Özman.
Directors: Patrick Vanbeneden.
Peter Van Coillie.
Ali B. Ozman.
Address: Organize Sanayi Bolgesi, İkinci
Kisim, 22 cadde TR07100 Antalya,
Turkey.
Phone: (90 2) 422494646
Fax: (90 2) 422494600

SQM Agro India Pvt Ltd.:

Capital: IRS \$5,100,000
Ownership: 100% Soquimich European Holding.
Corporate purpose: Agent and distributor of specialty plant nutrients in India.
Directors: Patrick Vanbeneden.
Alfredo Doberti.
Olaf Rietveld.
Address: C 30 Chiragh Enclave New Delhi,
110048 India.
Phone: (91 11) 26 44 24 98
Fax: (91 11) 26 23 82 73

Iodine Minera B.V.:

Capital: US \$10,922,696
Ownership: 100% Soquimich European Holdings B.V.
Corporate purpose: Sale of Iodine and iodine derivatives in Europe and North America.
CEO: Alvaro Araya.
Directors: Patrick Vanbenede.
Paul Van Duuren.
Address: Locatellikade 1, Parnassustoren,
1076 AZ Amsterdam,
Netherlands.
Phone: (31 20) 5408989
Fax: (31 20) 5408909

SQM (Beijing) Commercial Co. Ltda.:

Capital: US \$100,000
Ownership: 100% SQM Industrial S.A.
Corporate purpose: Sale of chemical products.
CEO: Diego Molina H.
Directors: Patricio de Solminihac T.
Eugenio Ponce L.
Ricardo Ramos R.
Relationship to HQ: Basically wholly- owned.
Address: Room 1001C, CBD International
Mansion No. 16 Yong An Dong Li,
Jian Wai Ave Beijing, 100022, P.R.
China.
Phone: (86 10) 6461 8950
Fax: (86 10) 8454 0885

(*) Director or CEO of SQM S.A.

Misr Speciality Fertilizers S.A.E.:

Capital:	£ 35,000,000
Ownership:	47.4857% Soquimich European Holdings B.V. 52.5143% Other non- related parties.
Corporate purpose:	Production of solid and liquid specialty fertilizers for Egypt.
CEO:	Assem Doss.
Directors:	Patrick Vanbeneden. Peter Van Coillie. Kenneth Frederiksen. Bartolomeo Pescio.
Address:	Edificio Tiba, B3 Zahraa el Maadi, Cairo, Egypt.
Phone:	(20 2) 5199447
Fax:	(20 2) 5193775

Soquimich S.L.R. Argentina:

Capital:	US \$1,656,500
Ownership:	99.96% SQM Investment Corporation. 0,04% SQM Industrial S.A.
CEO:	Carlos Balter.
Corporate purpose:	Import, export, and sale of fertilizers, sodium nitrate, iodine, iodated salts, sodium sulfate, potassium nitrate, and all types of inputs for agriculture and industry.
Relationship to HQ:	Basically wholly- owned.
Address:	Espejo 65 - Oficina 6 - 5500 Mendoza Argentina.
Phone:	(54 261) 434 0301
Fax:	(54 261) 434 0301

SQM Venezuela S.A.:

Capital:	US \$55,396
Ownership:	50% SQM Industrial S.A. 50% North America Corporation.
Corporate purpose:	Sale of agricultural and industrial inputs.
Representative:	José Manuel Ortega.
Relationship to HQ:	Basically wholly- owned.
Address:	Calle Guaicaipuro, torre Forum piso 6, UBR . El Rosal Apartado 1423 Caracas 1010- A- Venezuela.
Phone:	(58 212) 951 3333
Fax:	(58 212) 951 2851

North America Trading:

Capital:	US \$338,124
Ownership:	100% SQM North America Corporation.
Corporate purpose:	Investment company.
CEO:	Gerardo Illanes.
Directors:	Ricardo Ramos. Daniel Jimenez.
Relationship to HQ:	Basically wholly- owned.
Address:	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA 30309.
Phone:	(770) 916 9400
Fax:	(770) 916 9401

SQM Virginia Llc:

Capital:	US \$33,375,305
Ownership:	100% SQM North America Corporation.
Corporate purpose:	Investment company.
CEO:	Daniel Pizarro.
Directors:	Eugenio Ponce L. Gerardo Illanes.
Relationship to HQ:	Basically wholly- owned.
Address:	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA 30309.
Phone:	(770) 916 9400
Fax:	(770) 916 9401

SQMC Holding Corporation Llp:

Capital:	US \$3,000,000
Ownership:	99.9% SQM Potasio S.A. 0.1% SQM S.A.
Corporate purpose:	Investment company.
CEO:	Daniel Pizarro.
Directors:	Eugenio Ponce L. Felipe Smith.
Relationship to HQ:	Basically wholly- owned.
Address:	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA 30309.
Phone:	(770) 916 9400
Fax:	(770) 916 9401

RS Agro Chemical Trading A.V.V.:

Capital:	US \$6,000
Ownership:	98.3333% SQM S.A. 1.6667% SQM Potasio S.A.
Corporate purpose:	Investment and sale of real estate and other property.
CEO:	CMS Corporate Management Services.
Relationship to HQ:	Basically wholly- owned.
Address:	Caya Ernesto O.Petronia 17, Orangestad, Aruba.
Phone:	(297) 8 26548

SQM Lithium Specialties Limited Partnership, Llp:

Capital: US \$33,712,430
Ownership: 99% SQM Virginia LLC
1% North American Trading Co.
Corporate purpose: Production and sale of lithium derivatives.
CEO: Daniel Pizarro.
Relationship to HQ: Basically wholly- owned.
Address: 2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA 30309.
Phone: (770) 916 9400
Fax: (770) 916 9401

Ajay North America L.L.C.:

Capital: US \$10,383,786
Ownership: 49% SQMC Holding Corporation
LLP 51% Other non- related parties.
Corporate purpose: Production and sale of iodine derivatives.
CEO: Alan Shipp.
Relationship to HQ: Basically wholly- owned.
Address: 1400 Industry RD Power Springs GA 30129.
Phone: (1 770) 943 6202
Fax: (1 770) 439 0369

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 sale of real estate and property.
CEO: N.V. Interpark.
Relationship to HQ: Basically wholly- owned.
Address: Pietermaai 123, P.O. Box 897, Willemstad, Curacao, Dutch Antilles.
Phone: (59) (99) 4612544
Fax: (59) (99) 4612647

SQM Corporation N.V.:

Capital: US \$12,939,718
Ownership: 99.97940% SQM Industrial S.A.
0.02040% SQI Corporation N.V.
0.00020% SQM S.A.
Corporate purpose: Investment and sale of real estate and other property.
CEO: N.V. Interpark.
Relationship to HQ: Basically wholly- owned.
Address: Pietermaai 123, P.O. Box 897, Willemstad, Curacao, Dutch Antilles.
Phone: (59) (99) 4612544
Fax: (59) (99) 4612647

SQI Corporation N.V.:

Capital: US \$6,300
Ownership: 99.98413% SQM Potasio S.A.
0.0187% SQM S.A.
Corporate purpose: Investment and sale of real estate and other property.
CEO: N.V. Interpark.
Relationship to HQ: Basically wholly- owned.
Address: Pietermaai 123, P.O. Box 897, Willemstad, Curacao, Dutch Antilles.
Phone: (59) (99) 4612544
Fax: (59) (99) 4612647

SQM Brasil Produção e Comercialização de Produtos Químicos e Serviços Ltda.:

Capital: US \$1,790,000
Ownership: 98.905% SQM Industrial
1.095% SQM S/A.
Corporate purpose: Sale of chemical products and fertilizers, provision of advisory services, representation of other chemical products and fertilizers.
Representative: Rene Gonzalo Bafalluy Lizana.
Relationship to HQ: Basically wholly- owned.
Address: Al. Tocantins 75, 6° Andar, conjunto 608 Edif. West Gate, Alphaville, Barueri, CEP 06455 020, Sao Paulo, Brazil.
Phone: (55 11) 4133 7208
Fax: (55 11) 4133 7205

SQM Perú S.A.:

Capital: US \$17,427
Ownership: 99.02% SQM Industrial S.A.
0.98% SQM S.A.
CEO: Álvaro Araya.
Directors: Jaime Contesse G.
Claudio Morales G.
José Labarca M.
Relationship to HQ: Basically wholly- owned.
Address: Avenida Camino Real N° 348 of 702, San Isidro, Lima, Peru.
Phone: (511) 6112121
Fax: (511) 6112122

(*) Director or CEO of SQM S.A.

Sichuan SQM-Migao Chemical Fertilizer Co., Ltd:


Capital:	US\$11,000,000
Ownership:	50% SQM Industrial S.A. 50% Migao Corporation
Corporate Purpose:	Production and sale of fertilizers
CEO:	Liu Guocai
Directors:	Mark Fones Liu Yaquin Frank Biot
Address:	Huangjin Road, Dawan Town, Qingbaijiang District, Chengdu Municipality, Sichuan Province, China.
Phone:	(86) 532 809 65 366

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. (China)
Corporate Purpose:	Production and sale of soluble fertilizers.
CEO:	Li Xiang
Directors:	Frank Biot Li Xiang Mark Fones Wan Taibin
Address:	Longquan Town, Jimo City, Qingdao Municipality, Shandong Province, China.
Phone:	(86) 532 809 65 366

Liability Statement

SQM S.A.'s Directors and Chief Executive officer hereby declare that we have performed our respective duties of Administrators and of Main Executive of the Company in compliance with the practices generally applied for these duties in Chile and, pursuant to that, we hereby declare, liable under oath, that the information provided in this 2010 annual report is true and we assume the responsibilities that may arise from this statement.



CHAIRMAN
Julio Ponce
RUT: 4.250719-9



VICE CHAIRMAN
Wayne R. Brownlee
Passport: BD 108168



DIRECTOR
Eduardo Novoa C.
RUT: 7.836.212-k




DIRECTOR
Daniel Yarur E.
RUT: 6.022.573-7



DIRECTOR
Hernán Büchi B.
RUT: 5.718.666-6



DIRECTOR
Wolf Von Appen B.
RUT: 2.884.455-7



DIRECTOR
José María Eyzaguirre B.
RUT: 7.011.679-0



CHIEF EXECUTIVE OFFICER
Patricio Contesse González
RUT: 6.356.264-5



DIRECTOR
Kendrick T. Wallace
Passport: 712198876

Legal Address

El Trovador N° 4285, Las Condes, Santiago

Telephone

(56 2) 425 20 00

Fax

(56 2) 425 24 93

P.O. Box

96D - Santiago, Chile

Website

www.sqm.com

Tax Number

93.007.000-9

External Auditors

Ernst & Young (Chile) Limitada

Ratings Agencies

Fitch Chile Clasificadora de Riesgo Ltda.

Feller & Rate Clasificadora de Riesgo Ltda.

Chilean Stock Exchange Ticker Symbol

“SQM-A” for series A shares

“SQM-B” for series B shares

NYSE Ticker Symbol

“SQM” for series B ADRs

Depository Bank

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