



ANNUAL REPORT

09



We are part
of the solution

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ANNUAL REPORT ■ 09





Julio Ponce | Presidente

We are well positioned to react quickly to market changes in order to efficiently satisfy our customers' needs. We are convinced that the long-term drivers are in place in all of our business lines and that the products that we supply will help the world face today's modern challenges.

■ Chairman's Letter

Dear Shareholders:

During 2009, we reported revenues of US\$1,436.9 million and net income of US\$327.1 million. Although 2009 net income fell below 2008 figures, it remains the second highest in the Company's history.

This past year we faced important challenges while all global markets felt the blow of the global financial crisis. At SQM, we were particularly affected by a major worldwide decrease in the demand for potassium-based fertilizers. This drop resulted from uncertainty surrounding potassium chloride prices because large producers and major consumers could not reach a consensus. Demand in the lithium and iodine markets was also sharply impacted by the global crisis and was further exacerbated by consumers' attempts to optimize inventories during the first half of the year in response to the prevailing economic uncertainty.

Lower demand, combined with the lack of an established price in potassium chloride markets, affected the sales prices of our fertilizers during the second half of the year and, therefore, average prices in 2009 were lower than 2008 averages. Likewise, in the case of lithium, SQM reduced sales prices in an attempt to drive demand upwards and accelerate recovery.

However, the negative trend in sales volumes seen in multiple business areas at the beginning of the year began to turn around during the second half of 2009. In fact, as the year progressed, volumes approached normal levels in the iodine, lithium and specialty fertilizer markets. Demand for potassium-based fertilizers improved when larger producers started selling potassium chloride to the Indian and Chinese markets towards the end of the year.

Additionally, this year we reached our goal of selling 550,000 metric tons of potassium chloride, tripling 2008 sales volumes and positively impacting the Company's margins. With demand down by approximately 40%, such an accomplishment leaves us optimistic about the ambitious goals we have set for 2010.

Despite global economic uncertainty, our sound financial position and high liquidity allowed us to forge ahead with our investment plans. During the first 6 months of 2009, SQM increased its liquidity by successfully placing approximately US\$320 million in bonds on the Chilean market, pre-financing all 2009 and 2010 maturities.

Our investment plan is designed to expand production capacity of potassium chloride in the Salar de Atacama, which should translate into increasingly greater production volumes between 2010 and 2012. This plan also includes





start-up operations during 2010 at our new potassium nitrate plant located in Coya Sur. This new facility, which will process nitrate salts from our mines in Chile's 1st Region, will enable us to significantly reduce production costs.

Our investments over the past few years have not only allowed us to modernize our facilities and significantly improve production yields, but have also considerably increased our available production capacity, putting us in a position to satisfy expected future growth in demand for nitrates, iodine and lithium. In addition, we have doubled production of potassium-based products in the Salar de Atacama over the past three years, and we expect this trend to continue in upcoming years and to positively impact operating margins.

The year 2010 will be one of transition as our diverse markets regain a sense of normalcy. We are convinced that the factors that made us very optimistic before the 2009 financial crisis are still present and stronger than ever. Elements such as accelerated progress in modern agricultural techniques, growing demand for high-value agricultural products, water scarcity and less arable land, which create pressure to increase yields, are going to drive growth of our potassium-based fertilizers. Demand for lithium batteries should also grow largely because of increased market penetration of hybrid and electric cars over the long term. General economic

recovery will strengthen demand for iodine, while demand for industrial nitrates should rise as a result of their use for thermal storage in solar-based electricity generation.

Lastly, I can not go without recognizing the efforts of everyone who works at SQM. Our operations are so vast that the success, both past and future, of this Company depends in large part on the daily efforts of everyone who works at SQM, from our miners in the north of Chile to the people working in SQM Beijing or SQM South Africa.

Our leadership and positive long-term prospects are based on three key pillars of which we are extremely proud:

- Sustainable development of unique, vast and high-quality natural resources.
- Low production costs throughout all business areas.
- Exceptional human capital.

Once again, I would like to thank you for the continued support you have given us over the years.

Thank you,



Julio Ponce L.
Chairman

■ Board of Directors

As of December 31, 2009, the members of the Board of Directors were:



1

DIRECTOR

Kendrick 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 L.

Forestry Engineer
Universidad de Chile
RUT: 4.250.719-9

5

DIRECTOR

Eduardo Novoa C.

Commercial 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
University of 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, 2009, the Company's Senior Management was made up by:



Chief Executive Officer
Patricio Contesse G.

Forestry Engineer
Universidad de Chile
RUT: 6.356.264-5



Executive Vice President
and Chief Operating Officer
Patricio de Solminihac T.

Industrial Engineer
Universidad Católica de Chile
RUT: 6.263.302-6



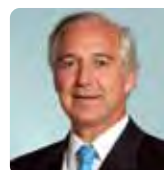
Chief Financial Officer and
Business Development
Senior Vice President
Ricardo Ramos R.

Industrial Engineer
Universidad Católica de Chile
RUT: 8.037.690-1



Senior Commercial Vice
President
Eugenio Ponce L.

Mechanical Engineer
Universidad Católica de Valparaíso
RUT: 5.370.715-7



General Counsel
Matías Astaburuaga S.

Lawyer
Universidad Católica de Chile
RUT: 7.080.469-7



Nitrates and Iodine Operations
Senior Vice President
Mauricio Cabello C.

Mechanical Engineer
Universidad de Santiago de Chile
RUT: 10.391.635-6



Salar-Lithium Operations
Senior Vice President
Juan Carlos Barrera P.

Industrial Engineer
Universidad Católica de Chile
RUT: 10.528.182-K



Nueva Victoria Operations
Senior Vice President
Jaime San Martín L.

Transportation Engineer
Universidad Católica de Chile
RUT: 8.931.725-8



Human Resources and
Corporate Affairs Senior Vice
President

Daniel Jiménez Sch.
Industrial Engineer
Universidad Católica de Chile
RUT: 6.362.533-7



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, 2009 were:

Series A Shareholders	Number of shares	% Ownership of series A Shares	% Ownership of total Shares
SOCIEDAD DE INVERSIONES PAMPA CALICHERA S.A.	57,934,256	40.56%	22.01%
INVERSIONES EL BOLDO LTDA.	44,679,453	31.28%	16.98%
INVERSIONES RAC CHILE LTDA.	19,200,242	13.44%	7.30%
INVERSIONES GLOBAL MINING (CHILE) LTDA.	9,993,168	7.00%	3.80%
BOLSA DE COMERCIO DE SANTIAGO BOLSA DE VALORES	3,805,371	2.66%	1.45%
INVERSIONES LA ESPERANZA (CHILE) LTDA.	3,693,977	2.59%	1.40%
KOWA CO. LTD.	781,429	0.55%	0.30%
KOCHI S.A.	714,084	0.50%	0.27%
LA ESPERANZA DELAWARE CORPORATION	207,550	0.15%	0.08%
INVERSIONES RENTAMAX LTDA.	153,000	0.11%	0.06%
BANCHILE CORREDORES DE BOLSA S.A.	123,318	0.09%	0.05%
INMOBILIARIA Y COMERCIAL RECOLETA SUR LTDA.	97,572	0.07%	0.04%
Subtotal Main Series A Shares	141,383,420	98.99%	53.72%
Total Series A Shares	142,819,552	100%	54.26%
Total Series A Shareholders	508		

Series B Shareholders	Number of shares	% Ownership of series B Shares	% Ownership of total Shares
THE BANK OF NEW YORK MELLON	55,734,253	46.30%	21.18%
INVERSIONES EL BOLDO LTDA.	17,643,419	14.66%	6.70%
SOCIEDAD DE INVERSIONES PAMPA CALICHERA S.A.	7,544,215	6.27%	2.87%
BANCHILE CORREDORES DE BOLSA S.A.	5,326,662	4.42%	2.02%
AFP PROVIDA S.A. PARA FONDO PENSION C	2,900,035	2.41%	1.10%
INVERSIONES RAC CHILE LTDA.	2,699,773	2.24%	1.03%
BANCO ITAU POR CUENTA DE INVERSIONISTAS	2,242,292	1.86%	0.85%
AFP CAPITAL S.A. FONDO DE PENSION TIPO C	2,138,192	1.78%	0.81%
AFP HABITAT S.A. PARA FONDO PENSION C	2,071,585	1.72%	0.79%
BANCO DE CHILE POR CUENTA DE TERCEROS CA	1,609,906	1.34%	0.61%
BANCO SANTANDER POR CUENTA DE INV. EXTRANJEROS	1,546,368	1.28%	0.59%
LARRAIN VIAL S.A. CORREDORA DE BOLSA	1,525,535	1.27%	0.58%
Subtotal Main Series B Shares	102,982,235	85.55%	39.13%
Total Series B Shares	120,376,972	100%	45.74%
Total Series B Shareholders	1,325		

Total Series A and B Shareholders **1,439**

As of December 31, 2009, Sociedad de Inversiones Pampa Calichera S.A. and Inversiones Global Mining (Chile) Ltda. –collectively, Pampa Group–controlled 30.15% 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 2.07% 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 30.15%, of which 28.68% is directly held as shown in the table above. The additional 1.47% are shares included in Larrain Vial and Banchile holdings.

Potash Corporation of Saskatchewan, Inc. ("PCS") controls 100% of the total shares of Inversiones El Bordo Limitada and Inversiones RAC Chile Limitada. As of December 31, 2009, PCS controlled 32% of the total shares of SQM S.A.

Additionally, during the year 2009 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 the companies Corporación de Ventas de Salitre y Yodo, Compañía Salitrera Anglo Lautaro, Compañía Victoria and the Government of Chile.

1971

CORFO (Chilean government agency for the advancement of production) 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 (Kefco) 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).



Patricio Contesse | Chief Executive Officer

In 2009, we faced new challenges in all of our markets, as the world was impacted by an unforeseen financial crisis. SQM was not an exception, and we observed lower demand across all of our business units. However, towards the end of 2009 we saw important improvements in the demand for our products. These positive market signals, together with strong fundamentals of our businesses and the efforts of our workforce, will allow us to grow in the future and continue creating value for the Company.

■ Company Profile

For over 40 years, SQM has proven its ability to capitalize on opportunities as they arise, transforming itself from its beginnings in 1968 as primarily a producer and seller of fertilizers, to become a multidisciplinary company with major global presence in various businesses.

Since its beginning, SQM has worked to pursue opportunities to improve its production processes, strengthen its competitive position and create value for its shareholders. These efforts have led the Company to continuously expand its product offering and business lines.

The Company currently has 5 main business lines: Specialty Plant Nutrition, Iodine and Derivatives, Lithium and Derivatives, Potassium Chloride and Industrial Chemicals. Presently, SQM is the world's largest producer in the niche markets of Specialty Plant Nutrition, Iodine and Lithium.

In addition to these historically important business lines, the Company has given an important boost to its potassium-based products over the last few years. The potassium chloride market is a commodity market where the Company has steadily increased its presence, which is expected to continue to grow and significantly impact results in the coming years.

Today SQM is an integrated producer of fertilizers and specialty chemicals and enjoys important competitive advantages that have enabled the Company to grow extensively in recent years.

SQM's global leadership in its principal markets is rooted in the following factors that are key to understanding the company:

- 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 natural resources: caliche ore and salar brines
- Flexible production processes that are mutually complementary
- Global presence through an extensive distribution and sales network
- Participation in markets with high growth potential







Natural Resources

SQM is a unique company thanks to the rich natural resources located in Chile's Tarapacá and Antofagasta Regions: caliche ore and the salar brines of the Salar de Atacama. The important synergies between the company's two main natural resources make SQM's business model impossible to replicate.

These two raw materials provide important advantages over with our key competitors:

Caliche is an element that exists almost exclusively in Chile, home to the largest commercially exploitable reserves in the world. This mineral has high concentrations of sodium nitrate and iodine and is found beneath inert material no more than two meters below the desert's surface, in layers two to three meters thick, which allows for extensive mineral extraction at a relatively low cost.

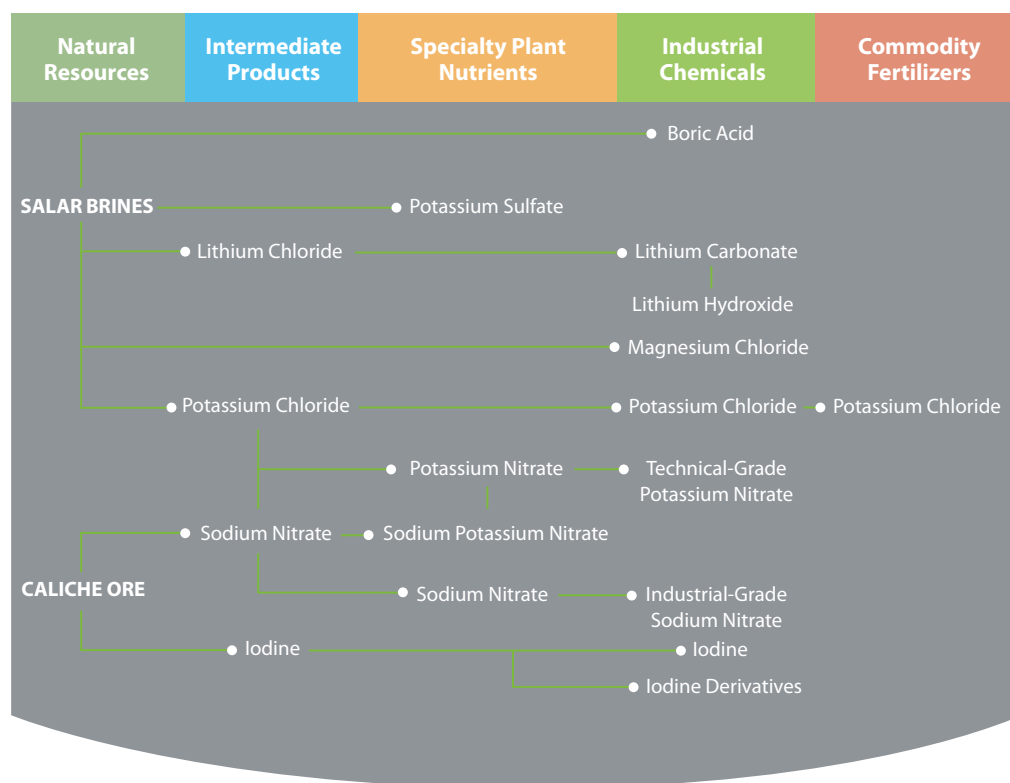
The underground salt brines found in the Salar de Atacama have high concentrations of lithium and potassium. The main products derived from the Salar

are potassium chloride, lithium carbonate, potassium sulfate and boric acid.

One of the most notable features of our business is the fact that these two resources complement each other to create one of the Company's most important products: potassium nitrate.

In addition to the high grade of each resource, the production process for each mineral is benefited by the ease of extraction and scale of our operations, which-coupled with the quality and quantity of these resources-enables us to be low-cost producers in our main business lines.

The characteristics of these resources are one of the most important pillars in the Company's strategy, since they are used in a wide range of applications that provide solutions to the modern challenges facing our world today, such as energy (via lithium and solar salts) and food production.



Quality, Research and Development

One of the Company's most important foundations for success is our commitment to our customers. Because we recognize that our success as a company is tied to our customers' success, we constantly strive to not only satisfy but exceed customer expectations. Indeed, our greatest challenge lies in selling high quality products and becoming each customer's preferred supplier.

Ensuring that our operations run optimally and according to quality standards is a priority for SQM. This approach allows us to produce high quality products for our customers. As part of our strategy to ensure quality, we have obtained ISO 9001:2008 certifications for our iodine, lithium and nitrate production processes. These certifications, granted by TÜV Rheinland, also include handling, storage and shipping at the port of Tocopilla.

Our Research and Development Area is an essential division within SQM as it is closely related to product quality. For that reason, SQM employs a group of top-

level research professionals dedicated to researching and developing processes that maximize the Company's returns on its mineral resources, reduce costs and increase productivity. Thanks to these efforts, the Company is able to continuously improve returns and streamline processes.

SQM in the World



Headquarters



SQM Commercial Office



Joint Venture



Logistics and Distribution

SQM's global reach is one of our major strengths. The logistical challenges we face begin in our production facilities located in Chile's Tarapacá and Antofagasta Regions and continue throughout the supply chain ending only when the product has been delivered successfully to our customers around the world. The handling and care of our products, and, as a result, the success of our business, is strongly tied to our logistics and distribution network.

SQM's raw materials -caliche ore and salar brines- have important synergies and so our first challenge is to manage the internal logistics of these resources to produce our high-quality products. Potassium chloride, for example, is extracted from the Salar de Atacama and then transported to our production facilities in Coya Sur to manufacture one of the most important products in our Specialty Plant Nutrition business line, potassium nitrate.

Using our own railway system, the Company moves close to 1.1 million metric tons of finished product annually between production plants and the port of Tocopilla. Our products then travel from the port of Tocopilla to over 100 countries on six continents. However, considering the

increased production coming from the Salar de Atacama, product shipments could reach 2.0 million metric tons annually in the short term. Given this significant growth, the Company plans to invest over US\$12 million in its port facilities, including new receiving and weighing systems, warehouses, packing systems and cranes, among others.

Our products are distributed to various destinations scattered throughout the world. In order to meet the logistical demands of our products, we have sales and representative offices in over 20 countries, major distribution agreements, and strategically located warehouses and mixing plants. In addition to helping to efficiently distribute our products, our physical proximity allows us to advise our customers in using our products more effectively.

Thanks to our logistics network we reach thousands of customers in different locations around the world. SQM's logistics chain and global reach are integral to our success.







Patricio de Solminihaq | Executive Vice President and Chief Operating Officer

Despite the difficulties we experienced during 2009, we are confident in the key fundamentals of our businesses. We are dedicated to strengthening our long-term competitive position which is why we have continued with our expansion plans for two important products: potassium nitrate and potassium chloride. Developing new ways to make our production processes more efficient is also an important component of our operational strategy.

■ Sustainable Development

SQM's long-term business development is framed within its Sustainable Development Policy, whose principles are the cornerstone of SQM's commitment to caring for the environment and our workers, the satisfaction of our customers and our relationship with the communities in which we work.



SQM operates under a fundamental principle: to maintain a good-neighbor relationship with the communities in which we operate. Our operations and projects are always developed with a long-term, sustainable vision, and we know that the Company's success depends greatly on the success of the communities where we work. For this reason, we have devoted considerable efforts to strengthen our relationships with these communities, seeking ways to help them grow. This effort is a company-wide commitment, which is reflected each year as projects proposed by SQM's own employees are chosen to aid these communities. This way we can all work together to ensure mutual success, enhancing our operations as a company.

The Environment

SQM is committed to protecting its workers, the surrounding communities and natural resources in the areas in which it operates. Consistent with this commitment, SQM operates using an environmental management system that allows it to identify and control environmental aspects of the Company's production processes.

To efficiently manage identified risks, SQM has staffed a technical unit with professionals responsible for coordinating its environmental management efforts. By monitoring operations and risks, we ensure that the Company is complying with its commitment to the environment.

In 2009, SQM obtained approval from Chilean environmental authorities for various projects in its operations in the Salar de Atacama, including: Expansion of Potassium Chloride Production, Drying and Compacting Capacity and SOP Plant Modification. The capacity increases gained from these projects stem from the project "Changes and Improvements to Mining Operations in the Salar de Atacama," which since late 2006 has helped produce greater quantities of potassium-rich salts. In addition, during 2009 the Company obtained environmental approval for the Iris Solar Evaporation Pools and Pipeline Project in its Nueva Victoria operations and for Salt Waste Stock Piles in the Pampa Blanca operations.

During 2009, the Company continued the Pampa Hermosa Project to expand its iodine and nitrate operations in the Nueva Victoria facilities, which includes new mining areas, an increase in iodine production in the Nueva Victoria industrial area and construction of a new nitrate production plant in the Sur Viejo industrial area.

SQM collaborates with high-level technical organizations to conduct environmental assessments and ensure follow up of environmental monitoring. The Pontificia Universidad Católica, which conducts hydrogeological studies in the Tamarugal Plains, the Salar de Llamara and the Salar de Atacama, has collaborated with SQM for several years. In addition, SQM has had an agreement since 1995 with CONAF Antofagasta to monitor birdlife in the Salar de Atacama and with the Universidad de Chile to monitor Tamarugo trees in the Salar de Llamara. The Company has another important agreement with the Universidad Católica del Norte to perform a hydrological recharge study in the northern sector of the Salar de Atacama and to monitor aquatic flora and fauna in the Salar de Atacama lagoons.



Management of Operating Risks

The health and safety of its employees is a central concern for SQM. Since 2008, the Company has implemented a Health and Safety Management System based on the Competitive Company Program offered by the Chilean Chamber of Construction in all of its facilities in the Tarapacá and Antofagasta Regions, which is auditable and certifiable. The success of this risk management system depends primarily on actions at the supervisory level, seeking to develop effective leadership from supervisors on these safety-related matters. This program also includes training programs specially designed for all workers in accordance with their job responsibilities.

Our vision is zero harm. We are convinced that a job well done is a job done safely.

Our People

At SQM, the Company's growth goes hand in hand with the professional and personal development of its employees. For this reason, training plays a fundamental role in SQM's relationship with its workers. The Company implements a comprehensive training plan each year, which in 2009 included close to 4,000 employees in company-organized courses, totaling 105,000 training hours.

Through a special continuing studies program sponsored by the Company, 312 employees have obtained their primary and/or secondary diplomas. This program also includes awarding university and graduate level scholarships to employees to encourage them to further their studies and perfect their skills.

SQM continues to offer courses in advanced study and new techniques for employees in the operations area through certification coursework and technical workshops, complemented by a comprehensive safety training program including courses offered in 2009 on the Company's Basic Safety Rules.

As part of another important initiative to improve the quality of life of SQM employees, the Company made major investments to enhance the infrastructure at its camps, which included construction of 2 modern residential facilities in María Elena with the highest standards of comfort seen in the Chilean mining industry. In addition, the Company made improvements at other camps, expanding existing rooms and adding new rooms, athletic fields and recreation areas.

Social Development

In accordance with its Sustainable Development Policy, SQM strives to be a good neighbor to the communities where it operates and works to maintain open lines of communication with the members of these communities. As part of its community efforts, the Company has implemented multiple initiatives focusing on recovering heritage, improving education and culture, and socially advancing these important communities.

Recovering Heritage

In 2009, the Company continued its strategic alliance with two important foundations, the Corporación Museo del Salitre (Nitrates Museum Foundation) and the Corporación Chacabuco (Chacabuco Foundation), which work to recover and promote the historic nitrate heritage in the north of Chile. The efforts of these institutions have led to the creation of opportunities for tourism, as well as the restoration of the historic Humberstone, Santa Laura and Chacabuco facilities, which were of great importance during the nitrate boom of the nineteenth century.

During 2009, the Company continued its efforts to recover and restore María Elena, a nitrate enclave that suffered considerable damage in the earthquake that struck the Antofagasta Region in November 2007. These works included rebuilding and repairing damaged homes and infrastructure, painting all of the town's houses, stabilizing roads, and supervising the design and development of public spaces.

In addition, as part of the environmental studies SQM carries out for new projects, the Company works to protect heritage sites through a registry of pre-Hispanic and historic artifacts. These initiatives, which take place predominantly around María Elena and Nueva Victoria, include promotional activities within the community and other measures to add value to local and regional museums.

Education and Culture

SQM understands that education enables individuals and communities to succeed and achieve their goals, which is why the Company renewed its educational alliance with the Municipality of San Pedro de Atacama. Through this program, which has been in place since 2007, SQM finances the salary of an educational specialist to work with local students with learning disabilities.

In a related initiative, in 2009 SQM inaugurated a cultural center at a school in Toconao, restoring the building, furnishing it, and providing the necessary equipment in order to offer classes and workshops to the community.

SQM also offers scholarships to its employees' children, in order to promote education and provide incentives for academic excellence. This program enables the Company to assist its employees with up to 50% of their children's educational expenses.

During 2009 the Company continued its free training program for the community, with participation of 134 students from María Elena, San Pedro de Atacama and Pozo Almonte. Through this program, SQM provides the tools for local residents to improve their employability by becoming trained in areas for which there is high demand, such as automotive mechanics, operation of heavy machinery, security services, English for the tourism industry, and specialty tourism, to name a few.

Additionally, the Company maintained its program of literary workshops with the renowned author Hernán Rivera Letelier, through which students from educational institutions in Iquique, Antofagasta and Pozo Almonte have the opportunity to meet with the writer. Mr. Rivera Letelier not only delights the students with tales of the nitrate legacy that inspires his works, he also shares his own success story. As a result of this experience, the children can see for themselves how Mr. Rivera Letelier's passion for literature helped him to overcome poverty and adversity.





Community Development

During 2009, the Company continued its program to develop and fund a contest to finance micro-entrepreneurs in the region. The objective of this program, which is now in its third year, is to foster the economic and social development of the communities around San Pedro de Atacama.

The contest was developed jointly with the municipal government and the foundation Servicio País in order to provide local residents with an opportunity to start their own businesses. A total of 81 projects were submitted, in such diverse areas as specialty tourism, traditional handicrafts, and small-scale agriculture and cattle farming, and 11 of these projects received funding nearly twice as many as in the contest's first two years.

SQM has also continued its agricultural development project, Atacama Tierra Fértil ("Atacama: Fertile Land"), in San Pedro de Atacama. The purpose of this project is to support the community in the development of sustainable agriculture in order to obtain products with greater added value. The project involves working with the most typical crops from the towns of Talabre, Socaire and Toconao, where pilot programs have been developed that include training and new irrigation, fertilization and seed health testing

techniques for future harvests along with a nutritional program appropriate for each type of crop and soil. As part of the program, farmers in Toconao that produce the traditional local wine have received training on crop cultivation and winemaking techniques that will enable them to improve the quality of their products and increase their sales.

In the district of Pozo Almonte, SQM continued its support of the Comunidad Agrícola de Pintados school, contributing to the improvement of its infrastructure and to the implementation of different classes and workshops with its students.





■ Specialty Plant Nutrition



Eugenio Ponce | Senior Commercial Vice President

This year was marked by important growth in potassium chloride, tripling 2008 sales volumes for this product. This significant increase helped to offset declines in our other key markets, which were impacted by global financial circumstances. In general, we have already begun to observe positive trends and demand recovery in all of our businesses, especially in fertilizer markets. We are expecting volume to recover for all of our products during 2010.

■ Specialty Plant Nutrition

SQM has operated in the specialty fertilizer business for more than 20 years and is the current leader in this important market. Specialty Plant Nutrition is one of the Company's main lines of businesses, representing 45% of consolidated sales in 2009. Since entering this industry, SQM has dedicated efforts to not only becoming the world's largest producer -with installed capacity of 650,000 metric tons- but also to having the greatest potential for future development.

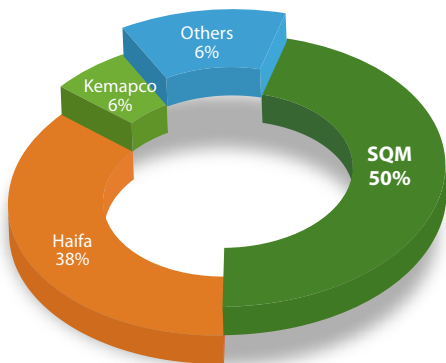
In 2009, the world endured an unprecedented global crisis. No market -not even the most basic and necessary markets such as the fertilizer industry- escaped the repercussions of this crisis. As a result, the potassium nitrate market is estimated to have contracted by close to 30% in 2009, which translates into global sales of close to 650,000 metric tons, excluding local production and consumption in China.

Nevertheless, towards the end of 2009, we began to see critical signs of recovery in the principal specialty plant nutrient markets. The conclusion of the most important contract negotiations in the potassium market -between China and India and the world's largest potassium producers- eliminated much uncertainty regarding the price of this macronutrient during the second half of 2009. We expect demand for all potassium-based fertilizers to begin to rebound in 2010, with demand for potassium nitrate returning to pre-crisis levels of close to 1.0 million metric tons by 2011.

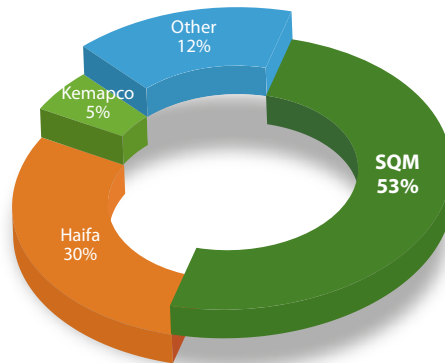
The specialty plant nutrient market is a niche market that provides important solutions to modern-day agricultural challenges. The specialty plant nutrients SQM manufactures provide farmers with tools to confront such problems.

With each passing year, the world's population continues to grow and demands increasingly more from the resources

MARKET SHARE*
KNO₃ (for agricultural use)



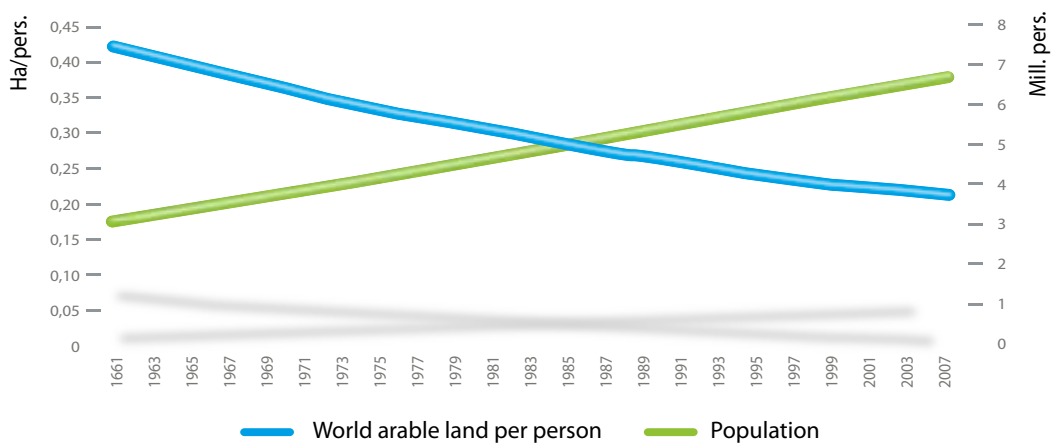
MARKET SHARE*
Nitrates (KNO₃, NaNO₃, SPO)



(*) SQM estimates as of December 31, 2009.



EVOLUTION OF ARABLE LAND AND GLOBAL POPULATION



Source: FAO

at its disposal. As a result, farmers are forced to produce more with less water and less land. Therefore, the need to maximize these basic resources (water and land) becomes critical.

The need to take full advantage of these resources has created incentives for developing new agricultural techniques such as fertirrigation, drip irrigation, hydroponics and the use of greenhouses. In many cases, these advanced techniques allow for substantial water savings when considering the same area of land to be irrigated. Essentially farmers can improve their yields using less water by applying these techniques to their production processes.

The need for sophisticated fertilizers goes hand in hand with these advanced technologies. SQM's specialty plant nutrients meet farmers' requirements and provide tools to ensure scarce resources like water and land are not wasted.

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



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

- Nitric nitrogen: Nitrogen source preferred by plants that does not need to be transformed before being absorbed by the plant.
- Highly soluble: Allows rapid absorption of nutrients, especially in stages when large quantities are needed.
- Chlorine-free: Many 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 to supply specialty plant 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, where 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 hydroponics, technified irrigation systems and foliar applications. As these systems are highly technical, the products used must be extremely soluble, nutrient-packed, free of impurities and have 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 automated and technologically advanced irrigation systems.

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

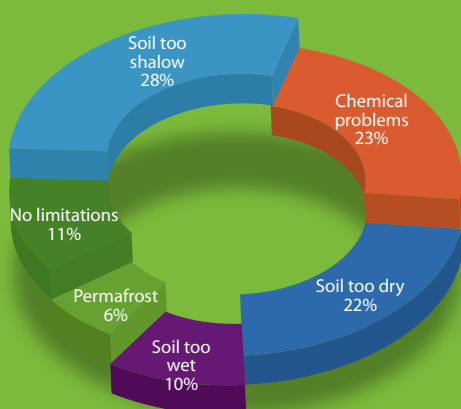
Growth of this niche fertilizer market has been driven by the development of agricultural technologies that maximize returns on water and land, as these resources grow scarcer by the day, and by other key factors such as increased consumption of vegetables and fruit and growing demand for high-quality agricultural products.



Soil Limitations

Percentage of global land area.

Global land area is estimated to be approximately 13.5 billion Ha.



- Only 11.5% (1.5 billion Ha.) of the world's soil can be farmed.
- The world will need to produce 75% more food to feed the growing world population in future.
- Fertile arable land is being lost at a growing rate.
- Nearly one-third of the world's arable land has been abandoned during the past 40 years.



SQM is well-positioned to take advantage of this market growth thanks not only to our access to unparalleled natural 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. In addition to commercial agreements signed in recent years with important companies such as Yara (Norway) and Migao (China), today we add new strategic alliances and joint ventures with diverse groups such as Coromandel (India), Roullier (France) and Qingdao Star (China). These agreements help to extend our reach and establish a presence in important markets, while reducing costs and using resources as efficiently as possible.

SQM is committed to being the top producer in this market, a commitment that is reflected in the construction of a new potassium nitrate plant with capacity of 300,000 metric tons, which should begin operating in the second half of 2010. This new plant demonstrates our confidence in the solid fundamentals of this market.



Chlorine-Free Products

Within its extensive range of products, SQM offers specialty fertilizers with unique features that make them the best alternative for diverse crops. One of the most important of these features is that they are chlorine free.

Chlorine is a microelement that is required in minimal quantities by plants. On average, around 5 mg Cl-/Kg dry weight is required, but depending on the plant this need could range from 2 to 20 mg Cl-/Kg dry weight. Normally these levels are available in the soil, and it is even estimated that rain may contribute up to 20 kg/ha/year, a sufficient quantity to meet plant requirements.

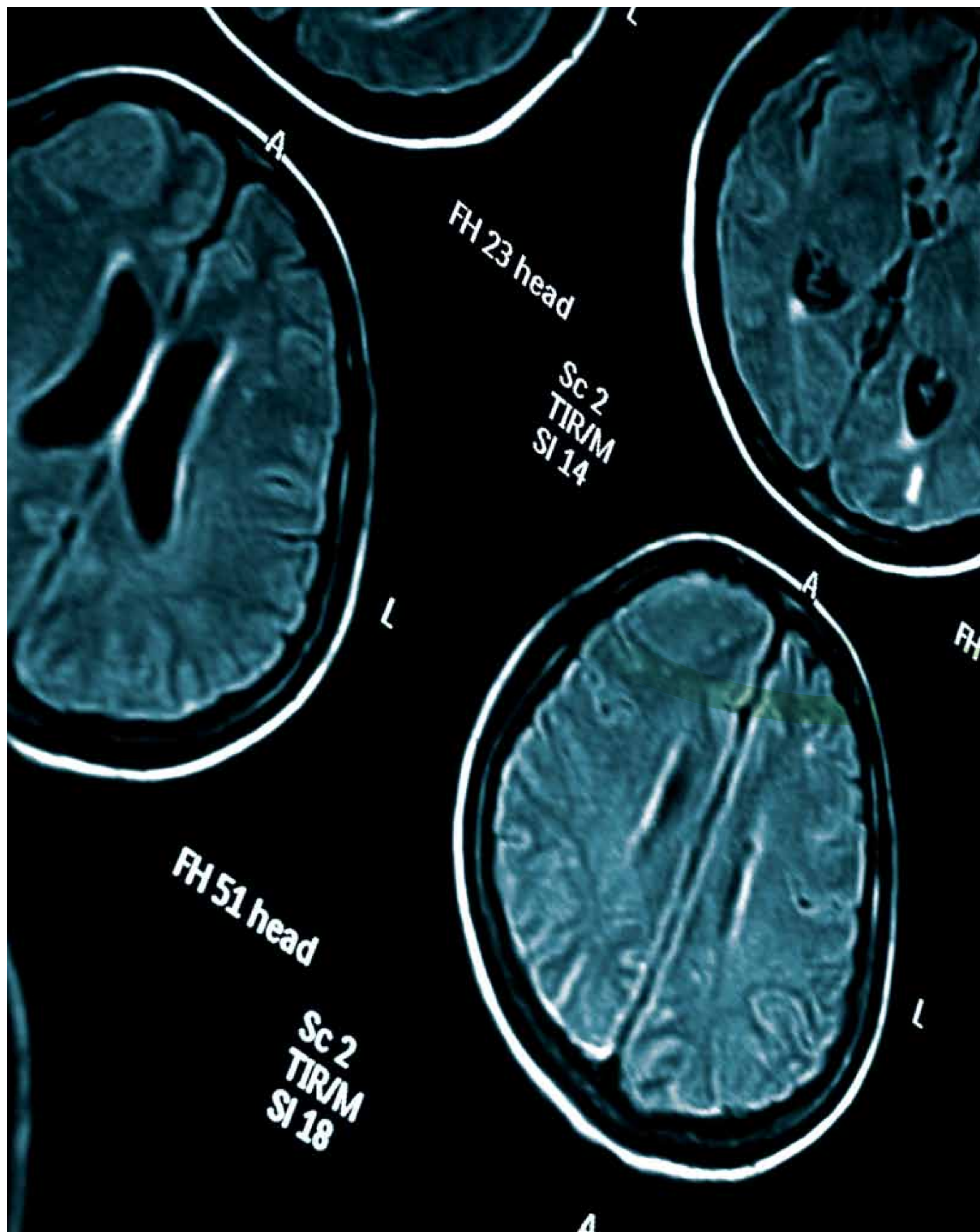
Excess chlorine absorption in crops can cause osmotic, nutritional and/or toxic damage, and the magnitude of damage depends on the crop's tolerance level, as well as the water, soil and climate conditions in which the plant grows. This damage involves increased salinity and a decrease in available water; competition with ions that are required by plants in greater quantities such as nitrates, phosphates and sulfates; and toxicities that result in foliar burns and losses, all of which can lead to lower crop yields and poorer quality.

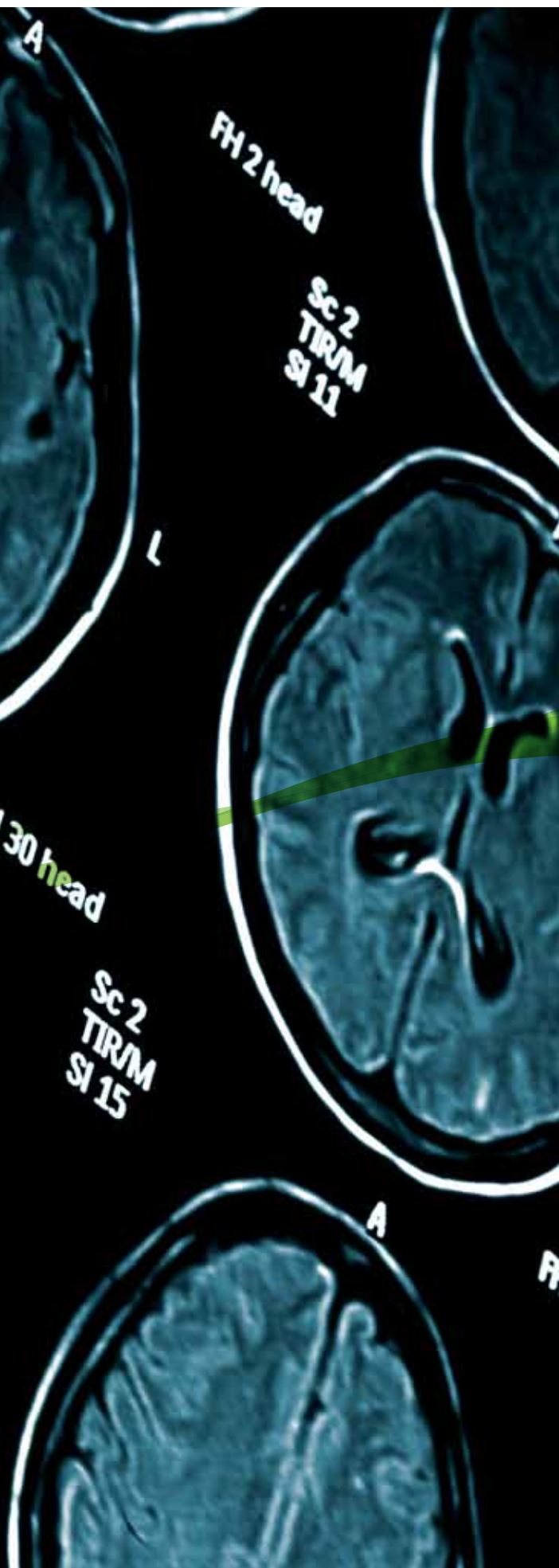
In addition to crop sensitivity, technology-intensive production methods such as fertigation and hydroponics,

SENSITIVITY TO CHLORIDES



in which the goal is to maximize yield and quality with low water consumption, require readily available nutrients to minimize the impact of factors that limit nutrient and water absorption. For this reason, chlorine-free sources of potassium and particularly potassium nitrate are the ideal products for this type of technology.





■ Iodine and Derivatives



■ Iodine and Derivatives

SQM and Iodine

SQM is the leading global producer of iodine with market share of 25%. Iodine and derivatives accounted for approximately 13% of the Company's total sales during 2009.

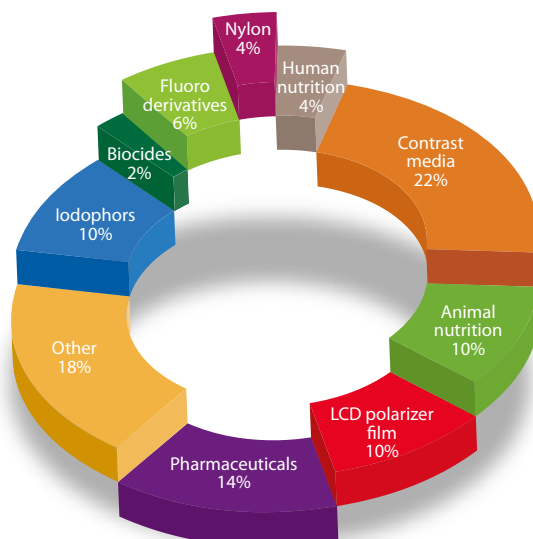
Since 1990, SQM has participated in the iodine derivative market through a joint venture with the U.S. company, Ajay Chemicals. With production plants in Chile, the U.S. and France, Ajay-SQM has become the world's chief producer and seller of iodine derivatives.

Principal Uses of Iodine

Iodine is a non-metallic element of the halogen family. Given its versatility, iodine has a wide variety of pharmaceutical, industrial, technological and chemical applications. Over 50% of iodine is used in applications related to health and human and animal nutrition.

Because of its high atomic number and density, in addition to its ability to form soluble compounds with low toxicity compared to other elements with high atomic numbers such as metals, iodine is used as a contrast agent for X-rays. In fact, this is the principal application of iodine and has driven demand growth in recent years.

MAIN USES OF IODINE*



(*) SQM estimates as of December 31, 2009.



Iodine has antiseptic and germicidal properties resulting from 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 and disinfectants. An example of this type of product is povidone-iodine, which is used as an antiseptic in various medical treatments 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 different applications related to industrial hygiene.

Iodine 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.

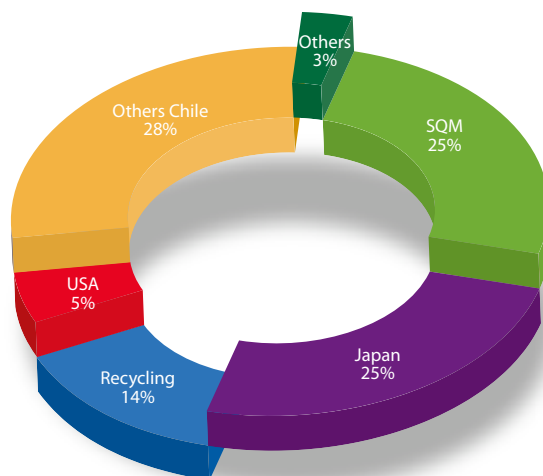
Additionally, it has been clinically established that every adult should have between 20 and 50 milligrams of iodine and that iodine deficiency is a dangerous condition. This small quantity is essential as it allows for

proper functioning of the thyroid gland. As a measure to ensure adequate intake, potassium iodide is added to salt for human consumption. Iodine is also crucial to animal nutrition, preventing illnesses and increasing yields of animal products like milk and eggs.

Another important use of iodine is in manufacturing light polarizing membranes used in liquid crystal displays (LCD) for televisions, laptops, monitors and other portable devices.

Lastly, iodine is used in various other industrial applications, including catalysts for organic synthesis, dyes, soil fumigants, herbicides and heat stabilizers for nylon fibers, among others.

MARKET SHARE IODINE*



(*) SQM estimates as of December 31, 2009.

Trends in Demand

Between 2001 and 2008, global demand for iodine and iodine derivatives grew at average annual rates of 6%, driven primarily by growth in demand for contrast media for X-rays and developments in LCD technology. Other applications have also shown attractive growth rates, with demand for iodine excluding LCD screens rising at around 4-5% per year.

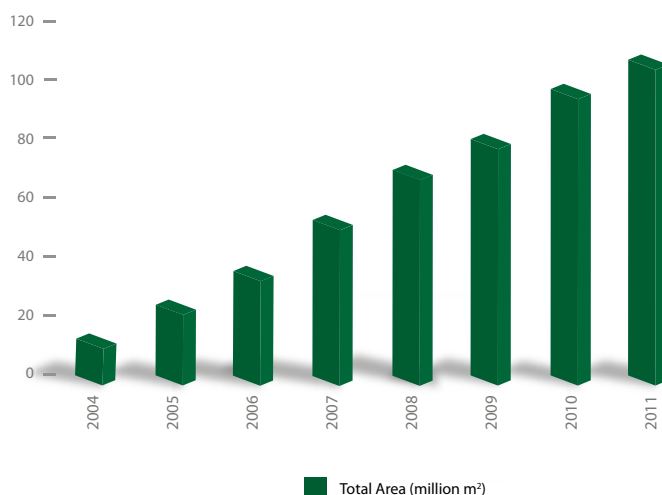
Iodine consumption is largely associated with medicine and human and animal nutrition, industries where consumptions levels remained fairly constant with respect to 2008 despite the economic downturn. However, other applications related to the automotive industry (nylon) and construction (biocides used in paints), experienced significant contractions as a result of the global financial crisis. In addition, many companies throughout the iodine supply chain optimized

their inventory levels. After more than a decade of sustained growth, it is estimated that global demand for iodine and iodine derivatives dropped by close to 12% in 2009 over 2008, reaching 25,500 metric tons in terms of iodine equivalents.

During the fourth quarter of 2009, we began to see recovery in sales volume, which makes us optimistic for 2010. We expect to see significant recuperation in the LCD industry, both through increased consumption and a return to normal inventory levels. Although there is a general consensus that the industry will pick up, we do not anticipate a return to pre-crisis demand levels during 2010.

In addition, new applications for iodine have recently been developed: One example is the use of methyl-iodide as a soil fumigant in the agrochemical industry. This new application, which replaces methyl-bromide, does not damage the ozone layer and has interesting possibilities for future growth.

EVOLUTION OF LCD SCREENS



■ Total Area (million m²)



Contrast Media

A contrast medium is an agent or substance used in medical imaging to improve the visibility of soft tissue or fluid in the body. Iodine is a key element in the production of contrast media for X-ray exams. Contrast media are injected into the human body to fill or cover organs and soft tissue highlighting areas or parts of the body where there is naturally little contrast on images such as the gall bladder, urinary tract, blood vessels, spleen, liver and bile ducts.

Iodine is the main ingredient in the production of contrast media. In general, the formulas contain more than 60% iodine. The exact content of iodine in contrast media for X-rays, however, varies depending on the type of exam

and organ studied. For example, an angiocardigram uses high concentrations of iodine, a peripheral angiogram moderate and a urogram low.

Over the last few years, there have been important developments in contrast media for X-rays in terms of both performance and image quality, aided by technological advancement in diagnostic equipment, and patient tolerance, minimizing side effects that occurred with first-generation products.

There is high growth potential in countries like China and India, where only a small percentage of the population has access to these types of procedures due to the lack of equipment available. In addition, an ageing population increases the need for preventative diagnostics.





■ Lithium and Derivatives



■ Lithium and Derivatives

SQM and Lithium

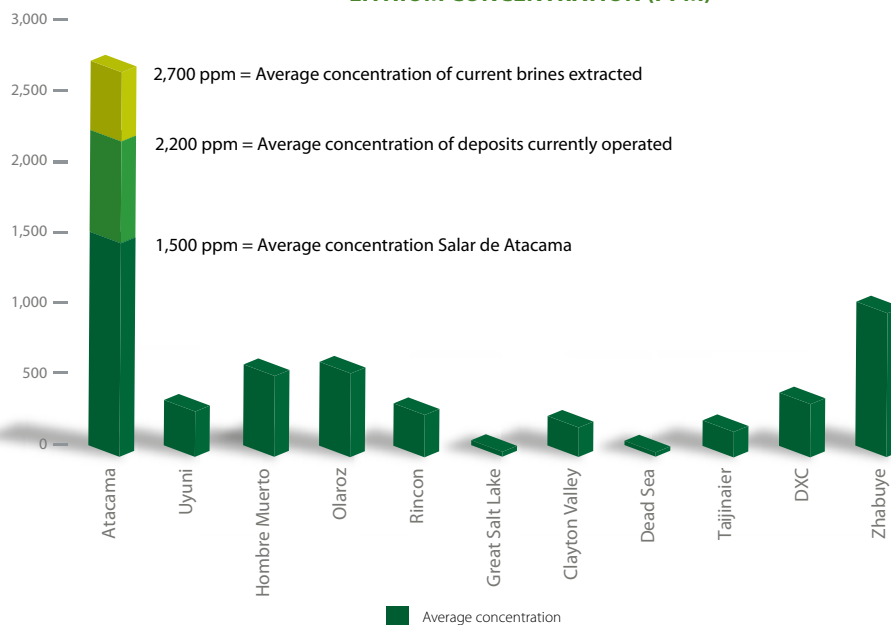
Currently, SQM is the world's leading lithium producer with a market share of close to 31%. The lithium business represented approximately 8% of SQM's total sales in 2009.

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

Through the development of lithium-based products, SQM provides important resources to face modern challenges such as the efficient use of energy and raw materials. The vast majority of research and development of new technologies for energy applications has centered on lithium. Lithium is not only used in rechargeable batteries and new technologies for electric cars, but also in industrial applications to lower melting temperature, helping to save energy and reduce costs. This element also reinforces certain metals such as aluminum, making it a stronger material and allowing for a more efficient use of raw materials, thus lowering costs.

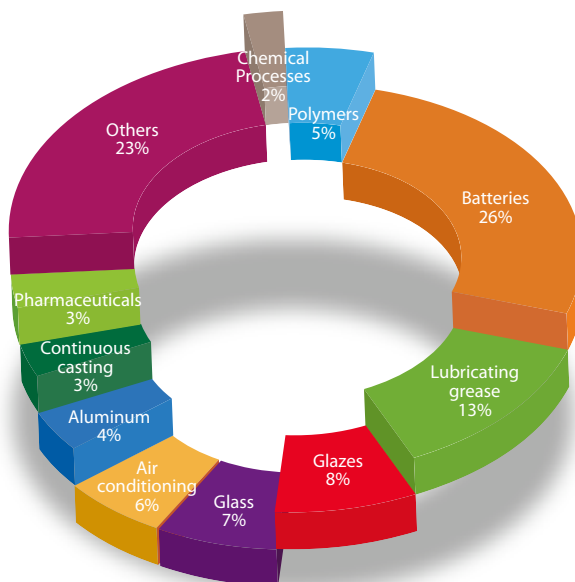


LITHIUM CONCENTRATION (PPM)





PRINCIPAL USES OF LITHIUM*



(*) SQM estimates as of December 31, 2009.

Principal Uses of Lithium

Lithium is a metal from the alkaline family, and, given its versatility, it is used in a wide variety of applications.

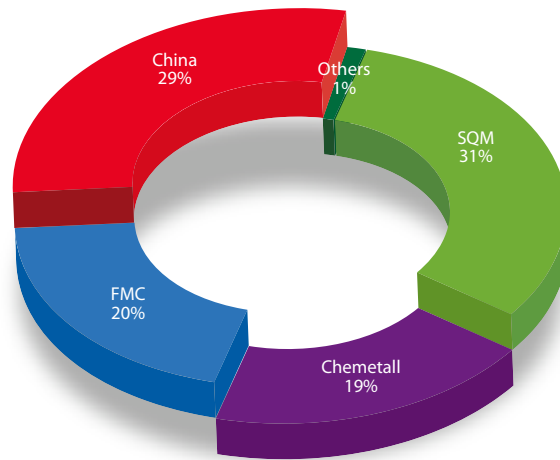
Due to its high electrochemical potential and low density, lithium in the forms of lithium carbonate and lithium hydroxide is the preferred raw material for manufacturing cathode material for secondary (rechargeable) batteries. Lithium batteries have higher energy density, permitting them to store more energy per weight and volume.

As the solid element with the greatest resistance to high temperature, lithium is also used in applications that involve heat transfer, such as ceramic glass, an important component in kitchen stovetops. One of the main advantages of using lithium to manufacture this type of glass is that it makes glass harder while at the same time improving its appearance.

Lithium is used in manufactured glass and ceramic coatings because of its low coefficient of thermal

expansion, making the final product more resistant to changes in temperature, and because lithium decreases the melting points of the materials employed in the production process. Using lithium also results in lower energy costs for manufacturers. In addition, adding lithium to glass gives the glass certain physical and mechanical properties such as hardness, shine and increased resistance to chemical agents.

Lithium is also being explored as an important component in new applications. For example, lithium has significant potential for use in the aerospace and aeronautical industries.



(*) SQM estimates as of December 31, 2009.

Trends in Demand

From 2000 to 2008, global demand for lithium chemicals grew at average annual rates of 7-8%, driven by the development of rechargeable batteries. Remaining applications have also shown attractive growth rates. In fact, demand for lithium, excluding battery use, has grown around 5% per year.

To a large extent, lithium consumption is connected to the automotive and construction industries, which shrank as a result of the global financial crisis. During this same period, many companies throughout the lithium supply chain optimized their inventory levels. As a result, after more than a decade of sustained growth, global demand for lithium in 2009 was estimated to have fallen by around 25% over 2008, reaching 68,500 metric tons of lithium carbonate equivalent.

In order to speed up demand recovery and encourage research into new uses for lithium, late in the third quarter of 2009 SQM announced a 20% reduction in the price of lithium carbonate and lithium hydroxide.

During the final months of 2009, there was a significant rise in sales volume, providing a good sign that the market had bottomed out. Although the market anticipates volume recovery in 2010, in general expectations do not surpass pre-crisis demand levels.

Independent of the global financial crisis, car companies continue to move forward with programs to develop and manufacture hybrid and electric vehicles. In 2009, companies such as Hyundai, Nissan, Mitsubishi and Mercedes Benz launched vehicles that use lithium batteries to store energy, and these projects are expected to show encouraging progress in the coming years.





Al-Li Alloys

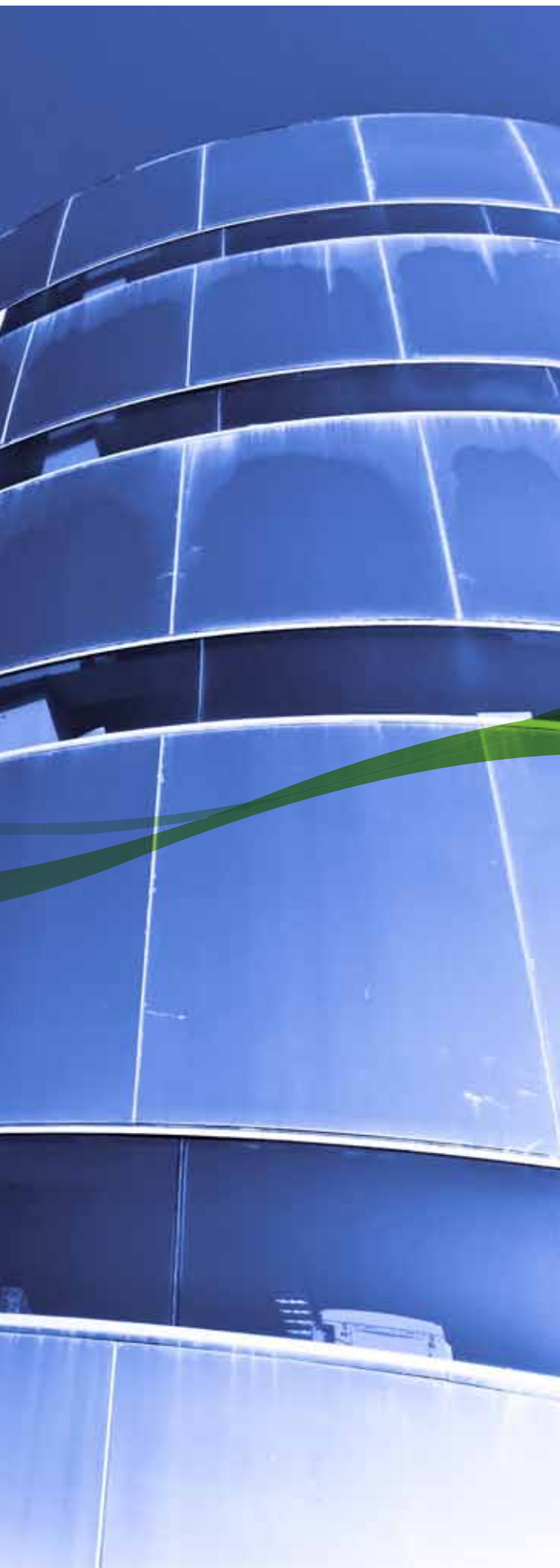
Since the 1980s, lithium-aluminum (Al-Li) alloys have been under development as a building material for commercial and military aviation. Major airplane manufacturers have been evaluating the introduction of these alloys into some of their models in order to reduce aircraft weight and, therefore, increase efficiency.

In the case of Airbus, the recently launched A830 model uses Al-Li alloys in some parts such as wings and seat rails. The A380-F (cargo) model to be launched in 2012 will use even more of this type of alloy, with estimates anticipating a reduction of up to 350 kg in

aircraft weight. The greatest demand potential for Al-Li alloys is expected in the future A350 models, which will incorporate this alloy into structural parts such as the fuselage and floor. Decreases in weight of up to 700 Kg per plane are expected for this model. The new A350, which will be launched no earlier than 2013, will use more Al-Li alloys than any other aircraft. In fact, it is estimated that over 20% of the materials for these new aircrafts will be made from this alloy.

Boeing has also conducted tests with this alloy in its B777 model. Recently, a major aluminum producer announced that it is offering Al-Li alloys to Boeing for its B787-Dreamliner model.





■ Industrial Chemicals



■ 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 nitrate sales represent most of the industrial chemical sales. Industrial nitrates are produced through a refining process that uses our fertilizer products and eliminates impurities that are beneficial to agriculture but harmful to industry.

Thanks to the Company's industrial nitrates, many industries have identified valuable solutions to complex problems. The sodium nitrate and potassium nitrate produced by SQM are used in a diverse range of applications, from daily-use applications like glass and water treatment to the more complex uses such as renewable energy storage. In manufacturing glass and crystal, for example, these nitrates help decrease the melting temperature, thus saving energy and reducing costs. SQM's nitrates are also part of the "battery" system that allows a solar power plant to function additional hours each day.

Both sodium nitrate and potassium nitrate are also used in applications such as explosives for mining and civil works, metal treatments, 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 48%, 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 an 18% market share in industrial-grade potassium nitrate, available in three grades of purity: industrial, technical and refined.

Renewable Energy

In recent years a new, important application has developed in the field of renewable energy; sodium nitrate and potassium nitrate are being used in new solar energy plants to store thermal energy.

Solar energy is an essential tool in the fight against global warming given that the key to this type of energy production is that it is clean and renewable. Now with new technology using nitrates produced by SQM, solar energy will not require a traditional backup energy source such as diesel or coal, enabling these new solar plants to be 100% "green."

Unlike traditional solar energy plants, these new plants use a "battery" or tank of melted nitrate salts that store energy in the form of heat. During the day, large mirrors reflect solar light, which heats the nitrate salts. The salts stay warm during the day and at night release energy in the form of heat captured from the sun, allowing the plant to operate even in the absence of solar radiation.

This new process allows the plant to operate for more hours during the day, thus improving plant efficiency





and eliminating the need for a traditional backup energy source. Using solar salts in this type of plant helps reduce the effects of global warming.

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.

Boric acid's high degree of purity with respect to other borates has made it an important input for industries such as glass, where it improves resistance to chemicals and heat; insulating materials based on wood pulp, in which it acts as a fire retardant, and also in LCD screen manufacturing, where it improves chemical resistance.

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

The economic slowdown that affected the world in 2009 negatively impacted the demand for industrial chemicals, mainly in applications related to construction and economic development, such as glass, ceramics and explosives for mining and civil works.

For 2010 we expect to see recovery in industrial consumption based on the economic improvement observed toward the end of 2009. For example, in applications such as mining explosives, the last quarter of the year showed an increase in demand. This positive trend was also observed in sales to distributors.





■ Potassium Chloride



■ Potassium Chloride

Potassium is an essential primary macronutrient that, although not part of a plant's structure, plays a fundamental role in the development of its basic functions. Potassium is one of three essential nutrients for healthy crop growth and cannot be replaced by any other macronutrient, such as nitrogen or phosphate, since each plays a unique role in plant development. Correct application of potassium is, therefore, fundamental in achieving an efficient balance of nutrition levels in crops.

Besides helping increase crop yield, potassium serves several important functions in plant development, which include ensuring crop quality, increasing post-harvest duration and improving flavor, vitamin content and physical appearance.

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. This regulatory role also allows plants to build increased resistance to stress associated with spikes and drops in temperature, drought, parasites, etc.

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

It is estimated that global demand for potassium in 2009 fell by nearly 45% with respect to 2008, with sales approaching 30 million metric tons of potassium

chloride worldwide. However, SQM's sales volume grew by 200% compared to 2008, since the company was able to take advantage of its position as a small producer in this market. Through our distribution network, SQM can sell its potassium chloride 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.

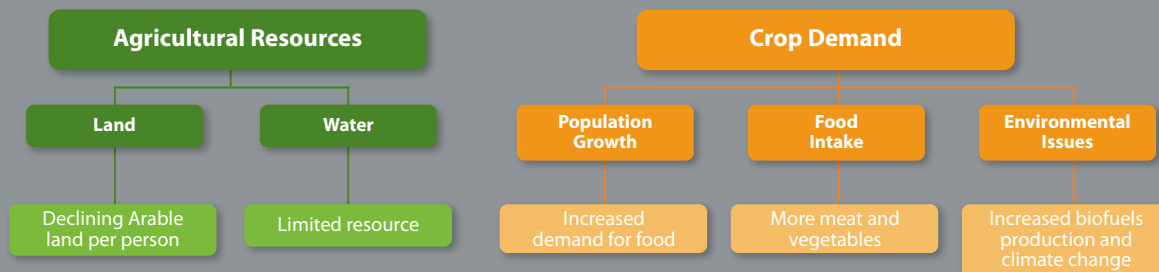
Demand for potassium chloride is expected to stabilize in 2011, when many market players expect sales volumes to return to around 50 million metric tons.

The potassium market has high barriers to entry, causing supply to be stable over the long term and leading to relatively constant prices. SQM has budgeted to expand its sales capacity of potassium chloride in 2010 to close to 1.1 million metric tons.





LONG-TERM FERTILIZER DEMAND DRIVERS



Need for more efficient production methods, involving:

- Use of less resources (land and water)
- Greater food production

SHORT-TERM FERTILIZER DEMAND DRIVERS



In a context of volatile crop fertilizer prices, farmers tend to be cautious with the application rates of fertilizer.



Potassium: Strategic Nutrient

Approximately 90% to 98% of potassium found in the soil is in a form called primary-mineral, meaning that this form is not accessible to plants. Between 1% and 10% is trapped in expandable clay and only slowly becomes usable. And only 1% to 2% is found dissolved in soil solutions where it is usable by plants.

Considering that soil contains very little potassium that plants can use, it is imperative to correctly apply the required amount of potassium, depending on crop type, soil fertility conditions and yield.

Due to the increasing demand for crops and decreasing availability of agricultural resources, more efficient production methods are needed that, in essence, “produce more with less.”

The definition of increased efficiency in agricultural production can have many facets. The most important components, however, are those that produce: higher yields, better quality and increased resistance.

Yield

Fertilizers are indispensable in obtaining higher yields since they provide nutrients that the soil lacks. According to the International Fertilizer Industry Association (IFA), yields can double or even triple with the application of fertilizer.

Potassium plays a fundamental role in the primary physiological processes of plants, including:

- Activating enzymes: It has been proven that more than 60 enzymes require potassium. Potassium is responsible for sucralose, starch and protein synthesis, which lead to higher yields and better quality crops.
- Promoting photosynthesis: Green leaves rich in potassium are able to absorb double the CO₂ of leaves with lower potassium content.
- Accelerating the flow of nutrients.
- Improving nitrogen absorption and facilitating protein synthesis.





- Regulating reduction and oxidation processes.
- Improving the efficiency of water use: Plants rich in potassium need less water to produce a given crop.

These characteristics cause production to increase using fewer resources, resulting in a more significant impact on the efficiency of the production process.

Quality

Potassium can create substantial differences in crop quality, in addition to its indirect benefits from interacting with other nutrients and agricultural practices.

Some examples of the benefits of applying potassium to particular crops are:

- Increased starch content of rice, soy bean, sesame and other food crops.
- Increased oil content in sesame, soy bean, canola, peanut and cottonseed.
- Increased content of protein and vitamin C in potatoes. In addition, increased harvest of medium and large sized root and tuber crops and decreased weight loss after harvest.
- Increased size of cotton balls and improved fiber resistance, as well as increased percentage of mature fibers.
- In citrus crops, potassium positively affects the thickness of the peel and improves the color of the fruit. It increases the citric and ascorbic acid (vitamin C) content in juice and affects other characteristics such as the sugar/acid ratio and soluble solid content.
- Increased content of solids, sugars, acids and carotenoids in fruits and vegetables.

Resistance

The health of a plant is affected by many factors, which include climate, type of protection used in the plant, cultivation techniques, soil conditions and finally, the application of fertilizers. Appropriate application of potassium fertilizers can be seen as insurance against the risk of disease and pests, since potassium increases the plant's natural ability to withstand the stress of drought, cold, pests and diseases.



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 commodity fertilizers and 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 these resources, farmers around the world seek to improve their productive efficiency to meet demand.

The first half of 2008 was marked by substantial increases in international prices. This trend, however, reversed in 2009, with a major downward correction in prices. More specifically, 2009 exhibited slower-than-expected recovery during the first half of the year, with slight improvement towards the end of the year.

Soquimich Comercial S.A. has developed 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.







■ Financial Analysis



Ricardo Ramos | Chief Financial Officer and Business Development Senior Vice President

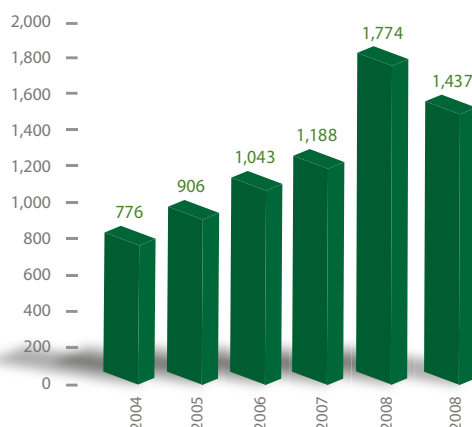
In a challenging scenario like 2009, a company must decrease costs and maximize efficiency in order to prepare for future growth. Achieving growing earnings over the next few years will be a very important challenge for SQM, which is why we have focused efforts on improving returns and strengthening our financial position.

■ Financial Analysis

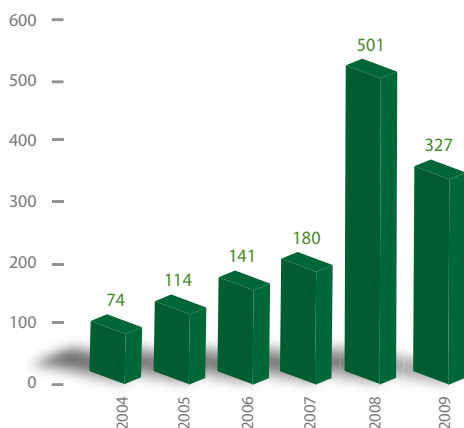
SQM reported earnings for the year 2009 of US\$327.1 million (US\$1.24 per ADR), a decrease of 34.8% with respect to 2008, when earnings totaled US\$501.4 million (US\$1.91 per ADR). Operating income reached US\$441.9 million (30.8% of revenues), 22.4% lower than the US\$632.2 million (35.6% of revenues) recorded the previous year. Revenues for 2009 totaled US\$1,436.9 million, representing a decrease of 16.0% over the US\$1,774.1 million reported in 2008.

The impact of the economic downturn took a toll on volumes in our Specialty Plant Nutrition, Iodine and Lithium business lines. Additionally, average 2009 prices in our fertilizer and lithium businesses were lower than those recorded during 2008. The Company did, however, benefit from higher average iodine prices and significantly higher potash volumes. While the overall results achieved in 2009 were lower than in 2008, net income and revenues recorded for 2009 were the second highest in Company history.

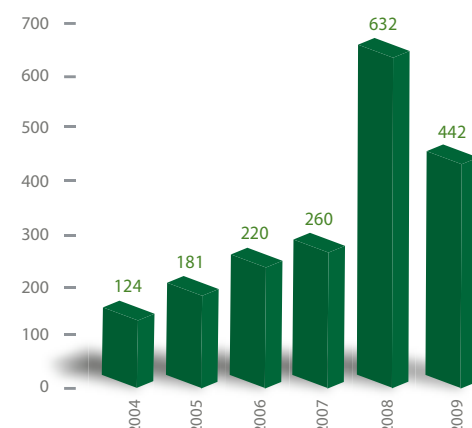
Revenues
(MMUS\$)



Net Income
(MMUS\$)



Operating Income
(MMUS\$)





Specialty Plant Nutrition

Specialty Plant Nutrition revenues for 2009 totaled US\$648.7 million, 33.7% lower than the US\$978.9 million recorded for 2008.

Specialty Plant Nutrition Volumes and Revenues:

		2009	2008	2009/2008	
Sodium Nitrate	Th. MT	16.5	22.8	-6.2	-27%
Potassium Nitrate and Sodium Potassium Nitrate	Th. MT	392.1	538.2	-146.1	-27%
Specialty Blends	Th. MT	184.5	205.9	-21.4	-10%
Other non-SQM specialty plant nutrients (*)	Th. MT	90.3	103.1	-12.8	-12%
Potassium sulfate	Th. MT	133.4	138.3	-4.9	-4%
Specialty Plant Nutrition Revenues	MUS\$	648.7	978.9	-330.2	-34%

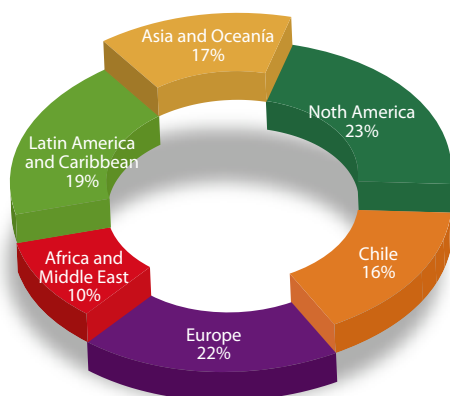
*Includes trading of other specialty fertilizers.

Compared to 4Q08, the last quarter of 2009 reflected a shift in market conditions and market sentiment. The extreme caution observed at the end of 2008 and during the first half of 2009 has been replaced with a more optimistic outlook for demand across all of our fertilizer businesses. The important conclusion of contract negotiations between China and several important potash producers has eliminated the lack of price visibility that

was keeping buyers on the sidelines of potassium-based markets for much of 2009. As a result, we have observed robust demand recovery in commodity potassium markets, which should translate into positive growth in our specialty fertilizer business.

Although volumes were lower year over year, we observed a positive trend in volume recovery throughout

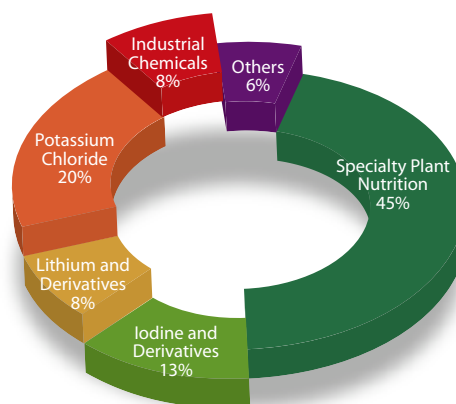
2009 SALES BY GEOGRAPHICAL REGION



the year, a trend we expect to continue into 2010. Average prices for this business line in 2010 should be lower than in 2009, as potassium nitrate and other specialty fertilizers prices adjust to the newly established potash price.

We have expectations for continued demand recovery during the coming year, as economies in important markets begin to improve and credit restrictions ease.

2009 SALES BY BUSINESS SEGMENT



Fundamentals for this business line remain strong and should continue to drive this market in the medium to long term. Volumes for specialty plant nutrients in 2010 should be higher than those recorded during 2009. This tendency should continue and markets should reach pre-crisis levels by the end of 2011.

Iodine and Derivatives

Revenues from sales of iodine and derivatives during 2009 totaled US\$190.3 million, a 22.9% decrease with respect to the US\$246.9 million reported for 2008.

Iodine and Derivatives Volumes and Revenues:

		2009	2008	2009/2008	
Iodine and Derivatives	Th. MT	7.2	10.5	-3.3	-32%
Iodine and Derivatives Revenues	MMUS\$	190.3	246.9	-56.6	-23%

As anticipated, volumes for iodine and derivatives fell significantly year over year, as more economically sensitive applications, such as biocides used in paints for construction and nylon used in the automotive industry, were hard hit by prevailing economic circumstances.

Sales volumes for 4Q09 were, however, higher than average sales during the first three quarters of the year, indicating a positive shift in demand in this market. We expect demand to continue to rebound during the following quarters, as more elastic uses return to normal demand levels. Overall demand for iodine should normalize by the end of 2010. Volumes for this business line in 2010

should be higher than those observed in 2009, but will not surpass pre-crisis volume levels.

Despite the impact of the prevailing economic trends on the iodine market during 2009, we are optimistic about the medium- to long-term growth prospects for the iodine market. Prices during 2009 increased in line with our October 2008 announcement and should remain at these levels in the short to medium term.



Lithium and Derivatives

Revenues for the Lithium and Derivatives segment totaled US\$117.8 million during 2009, a decrease of 31.6% with respect to the US\$172.3 million recorded for 2008.

Lithium and Derivatives Volumes and Revenues:

		2009	2008	2009/2008	
Lithium and Derivatives	Th. MT	21.3	27.9	-6.6	-24%
Lithium and Derivatives Revenues	MMUS\$	117.8	172.3	-54.5	-32%

The lithium market was hard-hit during 2009 as inventory optimization took place and overall consumption dropped. Applications related to industrial segments, such as air conditioning, ceramics and glass for construction, were hardest hit in the year.

Average prices for the business line will be lower in 2010 considering the 20% price reduction announced in September. Lower prices for lithium and derivatives, however, should accelerate demand recovery by creating incentives for new applications and recapturing market share of applications that stopped using lithium-based products because of higher prices.

We did, however, see a positive trend in volumes during 2009, in which sales volumes were higher quarter-over-quarter throughout the year. Continuing with the tendency observed during the last year, we have seen positive signs of recovery during the first quarter of 2010 in the lithium market. A strong rebound in demand for traditional, rechargeable batteries has driven volumes during the first months of the year. We anticipate volume recovery to continue throughout the year and believe that demand for this segment should stabilize by the end of 2010.



Potassium Chloride

Potassium chloride revenues for 2009 totaled US\$284.8 million, an increase of 103.4% with respect to 2008, when revenues amounted to US\$140.0 million.

Potassium Chloride Volumes and Revenues:

		2009	2008	2009/2008	
Potassium Chloride	Th. MT	556.5	185.6	370.9	200%
Potassium Chloride Revenues	MMUS\$	284.8	140.0	144.8	103%

During 2009, we achieved our sales goal in potassium chloride tripling volumes recorded in 2008.

Much of 2009 was characterized by uncertainty in the potash market, and many buyers were reluctant to make purchases due to a lack of price visibility. During 4Q09, however, China settled an important contract which established a floor in pricing encouraging other important buyers to return to markets. As we expected, this newly established price has stirred demand at the distributor and farmer levels worldwide. As a result, there have been strong signs that demand has begun to increase, and we anticipate that demand levels and application rates will quickly normalize.

Despite the difficult market circumstances observed in 2009, demand fundamentals -such as population growth and changing diets- for this market remain intact. Compounding the effects of these long-term fundamentals are short-term demand drivers, such as the need to refill distributor inventories and to replenish soil nutrients. These factors set the stage for positive market growth in 2010.

While growth in 2010 will be substantial, we do not expect market demand to reach pre-crisis levels before 2011.

SQM is well positioned as a small player in the potash market and, in addition, is well positioned to capture future growth. Our expansion plans in this business line have progressed as anticipated, and we expect 2010 production of potassium related products from the Salar de Atacama to be higher than production recorded in 2009. As a result, we have established a sales target of 1.1 million metric tons of potassium chloride for 2010, approximately double the volumes sold in 2009.



Industrial Chemicals

Industrial chemicals revenues for 2009 reached US\$115.4 million, 6.7% lower than the US\$123.6 million recorded in 2008.

Industrial Chemicals Volumes and Revenues:

		2009	2008	2009/2008	
Industrial Nitrates	Th. MT	149.2	161.9	-12.7	-8%
Boric Acid	Th. MT	3.4	7.2	-3.8	-53%
Industrial Chemicals Revenues	MMUS\$	115.4	123.6	-8.2	-7%

While demand for traditional applications of industrial chemicals was weak during much of 2009, we witnessed important growth in demand for nitrates used in thermal storage for solar electricity generation. We expect this trend to continue in the short to medium term as new projects continue to be developed. Additionally, recent announcements of government subsidies in European nations should continue to drive growth for this new application. Demand for nitrate salts used in thermal storage should have a positive impact on SQM's margins in the short to medium term. We anticipate that volumes

for solar salt applications in 2010 will be higher than those recorded during 2009.

Volumes for traditional industrial applications, especially explosives for infrastructure and civil works, are also showing positive signs of recovery. Demand for traditional uses of industrial chemicals should normalize by the end of 2010.



Other Commodity Fertilizers

Revenues from sales of other commodity fertilizers and other income reached US\$79.8 during 2009, down from US\$112.3 million in 2008. Revenues were impacted by lower generalized demand for commodity fertilizers and lower average prices.

- Lower earnings from investments in related companies also affected non-operating results, as the fertilizer business activities of our offshore affiliates were affected by lower global fertilizer prices

Selling and Administrative Expenses

Selling and administrative expenses totaled US\$78.9 million (5.5% of revenues) for 2009, compared to the US\$85.7 million (4.8% of revenues) recorded during the same period of 2008.

Non-operating Income

The Company recorded a non-operating loss of US\$37.0 million for 2009, which is higher than the US\$19.3 million loss recorded in 2008:

- In 4Q09, the Company provisioned approximately US\$15 million related to the suspension of operations at the El Toco and Pampa Blanca mining facilities.
- The Company has increased its financial debt and cash position/liquidity since 4Q08, which has led to higher financial expenses due to the negative carry of debt.

Financial Debt

During the year 2009, SQM issued long-term debt to fund its capital expenditures program and to refinance short- and long-term debt obligations.

In January 2009, the Company placed in the Chilean market two series of bonds for an amount in local currency equivalent to approximately US\$173 million. Series H was issued for an amount of 4 million UFs (Chilean inflation-adjusted currency, equivalent to approximately US\$139 million), at 21 years with a 10-year grace period, at a re-offer yield of 5.05% in UFs. Series G was issued for an amount of Ch\$ 21 billion (equivalent to approximately US\$34 million), at 5 years, bullet, at a re-offer yield of 7.5% in Chilean pesos.

In May 2009, the Company placed in the Chilean market two series of bonds for an amount in local currency equivalent to approximately US\$148 million. Series I was issued for an amount of 1.5 million UFs equivalent to approximately US\$56 million), at 5 years, bullet, at a re-offer yield of 3.67% in UFs. Series J was issued for an amount of Ch\$ 52 billion (equivalent to approximately US\$92 million), at 5 years, bullet, at a re-offer yield of 6.14% in Chilean pesos.



As of December 31, 2009, net financial debt⁽¹⁾ was approximately US\$688.8 million. Net financial debt/EBITDA was 1.16x as of year-end.

Capex

In 2009, SQM invested approximately US\$376 million as part of its Three-Year Investment Plan, which includes close to US\$1.0 billion in investments between 2008 and 2010. The projects included in this plan outlined for 2010 aim to increase in particular the production capacity of potassium products, given that these products contribute significantly to the Company's margins. In addition, part of this investment plan is intended to modernize production processes in order to improve SQM's operating efficiency.

Major projects included in this plan are:

- Construction of a potassium nitrate plant in Coya Sur. This project was initiated in the second half of 2008 and aims to increase SQM's capacity by 300,000 metric tons by the second half of 2010.
- Capacity increases in the Salar de Atacama. The most important project in the three-year plan is the increase in production capacity for potassium-based products. For 2010, we expect potassium chloride and potassium sulfate production to be slightly higher than 1.4 million metric tons compared to the approximately 1.1 million metric tons (potassium

chloride and potassium sulfate) produced in 2009. Our future investment plans are in line with this trend, and our total production should reach approximately 1.8 million metric tons during 2012.

- Additional projects. In order to improve productivity and infrastructure, the Company is implementing new projects such as improvements to its rail system and various investments in its production facilities including maintenance capex for the three-year period.

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.

(1) Net financial debt is financial debt minus cash and cash equivalents, considering the effects of cross currency swaps.





■ Consolidated Financial Statements

REPORT OF INDEPENDENT AUDITORS

(Translation of a report originally issued in Spanish)



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Santiago, Chile
www.eychile.cl

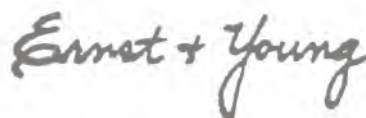
Tel: (56 2) 676 1000
Fax: (56 2) 676 1010
Casilla 2823

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

1. We have audited the accompanying consolidated balance sheets of Sociedad Química y Minera de Chile S.A. and subsidiaries ("the Company" or "SQM S.A.") as of December 31, 2009 and 2008, and the related consolidated statements of income and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.
2. 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.
3. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sociedad Química y Minera de Chile S.A. and subsidiaries as of December 31, 2009 and 2008 and the results of its operations and cash flows for the years then ended, in accordance with generally accepted accounting principles in Chile and standards set forth by the Superintendency of Securities and Insurance.
4. As indicated in Note 33, as of January 1, 2010 the Company will adopt International Financial Reporting Standards (IFRS) as their generally accepted accounting principles.



Juan Francisco Martínez A.
RUT: 10.729.937-8



ERNST & YOUNG LTDA.
RUT: 77.802.430-6

Santiago, Chile
February 25, 2010

■ CONSOLIDATED BALANCE SHEETS

		As of December 31,	
		2009	2008
ASSETS	Notes	ThUS\$	ThUS\$
Current Assets			
Cash		19,217	21,618
Time Deposits	32	351,478	136,613
Marketable Securities	4	174,742	165,689
Accounts Receivable, Net	5	309,765	328,041
Other Accounts Receivable, Net	5	16,058	6,743
Accounts Receivable from Related Companies	6	68,656	51,027
Inventories, Net	7	637,689	540,727
Recoverable Taxes		68,903	37,081
Prepaid Expenses		5,275	5,490
Deferred Taxes	8	5,377	34,802
Other Current Assets		87,971	11,583
Total Current Assets		1,745,131	1,339,414
Property, Plant and Equipment, Net			
	9	1,324,405	1,119,920
Other Assets			
Investments in Related Companies	10	55,205	36,951
Goodwill, Net	11	29,725	31,901
Negative Goodwill, Net	11	(1,073)	(1,279)
Long-term Accounts Receivable, Net	5	4,209	767
Long-term Accounts Receivable from Related Companies	6	—	2,000
Intangible Assets, Net		2,514	3,115
Other Long-term Assets	12	43,018	34,426
Total Other Assets		133,598	107,881
TOTAL ASSETS		3,203,134	2,567,215

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

CONSOLIDATED BALANCE SHEETS

	Notes	As of December 31,	
		2009	2008
LIABILITIES AND SHAREHOLDERS' EQUITY		ThUS\$	ThUS\$
Current Liabilities			
Short-term Bank Debt	13	70,368	133,355
Current Portion of long-term Debt	14	151,158	451
Promissory Notes		29,363	–
Current Portion of Bonds Payable	15	16,243	7,929
Dividends Payable		831	656
Accounts Payable		182,958	109,763
Other Accounts Payable		350	357
Notes and Accounts Payable to Related Companies	6	3,892	178
Accrued Liabilities	16	37,191	30,414
Withholdings		32,066	32,252
Income Taxes		1,298	89,186
Deferred Income	32	16,536	31,722
Deferred Income Taxes	8	–	–
Other Current Liabilities		3,220	9,643
Total Current Liabilities		545,474	445,906
Long-Term Liabilities			
Long-term Bank Debt	14	365,000	230,000
Long-term Obligations with the Public (Bonds)	15	670,221	285,940
Other Accounts Payable		187	397
Deferred Income Taxes	8	56,520	57,485
Long-term Accrued Liabilities	16 - 17	53,026	37,310
Total long-term Liabilities		1,144,954	611,132
Minority Interest	18	46,093	47,069
Shareholders' Equity			
Paid-in Capital	19	477,386	477,386
Other Reserves	19	162,084	159,721
Retained Earnings	19	827,143	826,001
Total Shareholders' Equity		1,466,613	1,463,108
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,203,134	2,567,215

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

■ CONSOLIDATED STATEMENTS OF INCOME

	Notes	For the years ended December 31,	
		2009	2008
		ThUS\$	ThUS\$
OPERATING RESULTS			
Sales		1,436,891	1,774,119
Cost of Sales		(916,088)	(1,056,254)
Gross Margin		520,803	717,865
Selling and Administrative Expenses		(78,895)	(85,709)
Operating Income		441,908	632,156
Non-Operating Results			
Non-operating Income	20	40,472	40,590
Non-operating Expenses	20	(77,458)	(59,896)
Non-operating Loss		(36,986)	(19,306)
Income before Income Taxes		404,922	612,850
Income Tax Expense	8	(76,532)	(107,951)
Income before Minority Interest		328,390	504,899
Minority Interest	18	(1,334)	(3,492)
Net Income before Negative Goodwill		327,056	501,407
NET INCOME FOR THE YEAR		327,056	501,407

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

■ CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	For the years ended December 31,	
		2009	2008
		ThUS\$	ThUS\$
Cash Flows from Operating Activities			
Net income for the year		327,056	501,407
Net gain on sale of assets		(228)	(4,180)
Gain on sale of property, plant and equipment		(228)	(2,793)
Gain on sale of investments		–	(1,387)
Charges (credits) to income not representing Cash Flows		343,006	360,744
Depreciation expense	9	151,721	110,575
Amortization of intangible assets		652	698
Write-offs and accruals		42,036	44,710
Gain on equity investments in related companies		(5,717)	(14,358)
Loss on equity investments in related companies		1,256	–
Amortization of goodwill	11	2,176	2,215
Other credits to income not representing cash flows		(12,269)	(4,979)
Other charges to income not representing cash flows		155,575	205,986
Foreign exchange difference, net		7,576	15,897
Net Changes in Operating Assets and Liabilities (Increase) Decrease:		(129,654)	(376,206)
Trade accounts receivable		23,320	(184,713)
Inventories		(119,865)	(193,469)
Other assets		(33,109)	1,976
Changes in Liabilities which Affect Cash Flows - Increase (Decrease)		(170,160)	(27,943)
Accounts payable		435	61,156
Interest payable		11,434	1,729
Net income taxes payable		(174,452)	(42,073)
Other accounts payable		(17,221)	(15,147)
VAT and taxes payable		9,644	(33,608)
Minority interest	18	1,334	3,492
Net Cash provided from Operating Activities		371,354	457,314
Cash Flows from Financing Activities			
Proceeds from short term bank financing		411,527	280,000
Current Portion with the Public		372,347	–
Payment of dividends		(345,647)	(212,831)
Repayment of bank financing		(190,333)	(100,000)
Payment of obligations with the public		(35,402)	(5,573)
Payment of expenses for the issuance and placement of bonds payable		(8,093)	–
Other Financing disbursements		(1,908)	–
Net Cash used in Financing Activities		202,491	(38,404)
Cash Flows from Investing Activities			
Sales of property, plant and equipment		1,810	25,969
Sales of permanent investments		–	1,688
Sales of other investment		20,121	–
Other investing income	23	2,170	721
Additions to property, plant and equipment		(357,007)	(275,893)
Capitalized interest		(19,231)	(10,723)
Investments in related companies		(3,580)	–
Purchase of permanent investments		(15,043)	(20,121)
Other disbursements		(2,200)	(448)
Net Cash used in Investing Activities		(372,960)	(278,807)
Effect of inflation on Cash and Cash Equivalents		25,710	(516)
Net change in cash and cash equivalents		226,595	139,587
Beginning balance of cash and cash equivalents		303,799	164,212
ENDING BALANCE OF CASH AND CASH EQUIVALENTS		530,394	303,799

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

■ NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 01. COMPANY BACKGROUND

Sociedad Química y Minera de Chile S.A. (the "Company") was registered with the Chilean Superintendency of Securities and Insurance ("SVS") on March 18, 1983. And, therefore, the Company is supervised by this entity.

Soquimich Comercial S.A., Registration No. 0436 dated January 11, 1993

NOTE 02. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Period

These consolidated financial statements have been prepared as of December 31, 2009 and 2008 and for the years then ended.

b) Basis for the Preparation of the Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in U.S. dollars in accordance with accounting principles generally accepted in Chile ("Chilean GAAP") and the regulations of the SVS. Certain accounting practices applied by the Company that conform to Chilean GAAP may not conform to generally accepted accounting principles in the United States ("US GAAP"). For the convenience of the reader, the consolidated financial statements and their accompanying notes have been translated from Spanish into English.

The consolidated financial statements include the accounts of Sociedad Química y Minera de Chile S.A. (the "Parent Company") and subsidiaries (companies in which the Parent Company holds a controlling participation, generally equal to direct or indirect ownership of more than 50%). The Parent Company and its subsidiaries are referred to collectively as the "Company".

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

c) Reporting Currency

The consolidated financial statements of the Company are prepared in U.S. dollars. As a significant portion of the Company's operations are transacted in U.S. dollars, the U.S. dollar is considered the currency of the primary economic environment in which the Company operates.

d) Reclassifications

For comparison purposes, certain reclassifications have been made to the 2008 consolidated financial statements.

e) Basis for the Consolidation

In accordance with SVS Circular No. 1,697 and Technical Bulletins No. 64 and 72 from the Chilean Association of Accountants, the Company has prepared consolidated financial statements that include the assets, liabilities, income and cash flows of the subsidiaries indicated below in the table:

FOREIGN SUBSIDIARIES

	Direct or indirect ownership	
	2009	2008
	%	%
NITRATOS NATURAIS DO CHILE LTDA.	100.0000	100.0000
NITRATE CORPORATION OF CHILE LTD.	100.0000	100.0000
SQM NORTH AMERICA CORP.	100.0000	100.0000
SQM EUROPE N.V.	100.0000	100.0000
SOQUIMICH S.R.L. ARGENTINA	100.0000	100.0000
SOQUIMICH EUROPEAN HOLDING B.V.	100.0000	100.0000
SQM CORPORATION N.V.	100.0000	100.0000
SQI CORPORATION N.V.	100.0000	100.0000
SQM COMERCIAL DE MÉXICO S.A. DE C.V.	100.0000	100.0000
NORTH AMERICAN TRADING COMPANY	100.0000	100.0000
ADMINISTRACION Y SERVICIOS SANTIAGO S.A. DE C.V.	100.0000	100.0000
SQM PERÚ S.A.	100.0000	100.0000
SQM ECUADOR S.A.	100.0000	100.0000
SQM NITRATOS MEXICO S.A. DE C.V.	51.0000	51.0000
SQMC HOLDING CORPORATION L.L.P.	100.0000	100.0000
SQM INVESTMENT CORPORATION N.V.	100.0000	100.0000
SQM BRASIL LIMITADA	100.0000	100.0000
SQM FRANCE S.A.	100.0000	100.0000
SQM JAPAN CO. LTD.	100.0000	100.0000
ROYAL SEED TRADING CORPORATION A.V.V.	100.0000	100.0000
SQM OCEANIA PTY LIMITED	100.0000	100.0000
RS AGRO-CHEMICAL TRADING A.V.V.	100.0000	100.0000
SQM INDONESIA	80.0000	80.0000
SQM VIRGINIA L.L.C.	100.0000	100.0000
SQM VENEZUELA S.A.	100.0000	100.0000
SQM ITALIA SRL	100.0000	100.0000
COMERCIAL CAIMAN INTERNACIONAL S.A.	100.0000	100.0000
SQM AFRICA PTY.	100.0000	100.0000
SQM LITHIUM SPECIALTIES LLP	100.0000	100.0000
SQM DUBAI – FZCO (**)	–	100.0000
FERTILIZANTES NATURALES S.A.	66.6700	66.6700
IODINE MINERA B.V.	100.0000	100.0000
SQM AGRO INDIA PVT. LTD.	100.0000	–

DOMESTIC SUBSIDIARIES

	Direct or indirect ownership	
	2009	2008
	%	%
COMERCIAL HYDRO S.A.	60.6382	60.6382
SQM POTASIO S.A.	99.9974	99.9974
SQM NITRATOS S.A.	100.0000	100.0000
AJAY SQM CHILE S.A.	51.0000	51.0000
SQMC INTERNACIONAL LTDA.	60.6382	60.6382
SQM INDUSTRIAL S.A.	100.0000	100.0000
ISAPRE NORTE GRANDE LTDA.	100.0000	100.0000
ALMACENES Y DEPOSITOS LTDA.	100.0000	100.0000
SERV. INTEGRALES DE TRÁNSITO Y TRANSF. S.A.	100.0000	100.0000
SOQUIMICH COMERCIAL S.A.	60.6383	60.6383
SQM SALAR S.A.	100.0000	100.0000
MINERA NUEVA VICTORIA S.A.	100.0000	100.0000
PROINSA LTDA.	60.5800	60.5800
SOCIEDAD PRESTADORA DE SERVICIOS DE SALUD CRUZ DEL NORTE S.A	100.0000	100.0000
EXPLORACIONES MINERAS S.A.	100.0000	100.0000
AGRORAMA CALLEGARI LTDA. (*)	42.4468	–

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

(**) As a result of the joint venture agreement signed with the Roullier Group for SQM Dubai Fzco., our share in that entity decreased to 50% and, therefore, it is not consolidated as of December 31, 2009.

All significant inter-company balances, transactions and unrealized gains and losses arising from transactions between these companies have been eliminated in consolidation. In addition, the share of minority investors has been recognized under minority interest.

f) Price-level Restatement

The financial statements of Chilean subsidiaries that maintain their accounting in Chilean pesos have been restated to recognize the effects of variations in the purchasing power of the Chilean peso in the respective periods. As of each year end, non-monetary assets and liabilities and initial equity balances and variations were restated and charged or credited to income. These restatements have been determined based on official indices from the National Statistics Institute, which reported a negative index of -2.3% for 2009 (8.9% in 2008).

g) Foreign Currency

i) Foreign Currency Transactions

Monetary assets and liabilities denominated in Chilean pesos and other currencies have been translated to U.S. dollars at the observed exchange rates determined by the Central Bank of Chile in effect at each year-end of Ch\$ 507.10 per US\$ at December 31, 2009 and Ch\$ 636.45 per US\$1 at December 31, 2008.

The values of the Unidad de Fomento (UF) used to convert UF-denominated assets and liabilities to pesos (dollars) as of December 31, 2009 and 2008 were Ch\$ 20,942.88 (US\$ 41.30) and Ch\$ 21,452.57 (US\$ 33.71), respectively.

ii) Translation of non-U.S. dollar Financial Statements

In accordance with Chilean GAAP, the financial statements of foreign and domestic subsidiaries that do not maintain their accounting records in U.S. dollars are translated from the respective local currencies to U.S. dollars in accordance with Technical Bulletin No. 64 and No. 72 of the Chilean Association of Accountants ("BT 64-BT 72") as follows:

- a)** For those subsidiaries and affiliates located in Chile and which keep their accounting records in price-level adjusted Chilean pesos:
- Balance sheet accounts are translated to U.S. dollars at the year-end exchange rate without eliminating the effects of price-level restatement.
 - Income statement accounts are translated to U.S. dollars at the average exchange rate each month. The monetary correction account on the income statement, which is generated by the inclusion of price-level restatement on the non-monetary assets and liabilities and shareholders' equity, is translated to U.S. dollars at the average exchange rate for each month.

Translation gains and losses, as well as the price-level restatement to the balance sheet mentioned above, are included as an adjustment in shareholders' equity, in conformity with Circular No. 1,697 of the SVS.

b) The financial statements of those foreign subsidiaries that keep their accounting records in currencies other than the U.S. dollar have been translated at historical exchange rates as follows:

- Monetary assets and liabilities are translated at year-end exchange rates between the US dollar and the local currency.
- All non-monetary assets and liabilities and shareholders' equity are translated at historical exchange rates between the US dollar and the local currency.
- Income and expense accounts are translated at average exchange rates between the US dollar and the local currency.
- Any exchange differences are included in the results of operations for the period.

Foreign exchange differences for the years ended December 31, 2009 and 2008 generated net earnings (loss) of ThUS\$ (7,576) and ThUS\$ (15,897) respectively, which have been charged to the consolidated statements of income in each respective period.

The monetary assets and liabilities of foreign subsidiaries were translated into US dollars at the exchange rates per US dollar prevailing at December 31, as follows:

	2009	2008
	US\$	US\$
Brazilian Real	1.74	2.34
New Peruvian Sol	2.88	3.14
Argentine Peso	3.83	3.47
Japanese Yen	92.10	91.03
Euro	0.69	0.72
Mexican Peso	13.04	13.77
Australian Dollar	1.12	1.45
Pound Sterling	0.62	0.67
Ecuadorian Sucre	1.00	1.00
South African Rand	7.40	9.28

h) Time Deposits

Time deposits are recorded at cost plus accrued interest.

i) Marketable Securities

Marketable securities are recorded at the lower of cost plus accrued interest or market value.

j) Inventories and Materials

Inventories of finished products and products in process are stated at average production cost, which is presented net of provisions. Provisions have been made based on a technical study which covers the different variances which affect our products (density, humidity, and others).

Materials and supplies received are stated at average acquisition cost and inventories in transit are stated at cost incurred as of period-end.

The cost of inventories does not exceed its net realizable value.

k) Allowance for Doubtful Accounts

The Company records an allowance for doubtful accounts based on estimated probable losses.

l) Property, Plant and Equipment

Property, plant, equipment and property rights are recorded at acquisition cost, considering in general an average residual value of 5%.

In conformity with Technical Bulletin No. 31 and 33 of the Chilean Association of Accountants, the Company capitalizes interest cost associated with the financing of new assets during the construction period of such assets.

Maintenance costs of plant and equipment are charged to expenses as incurred.

The Company obtains property rights and mining concessions from the Chilean State. Other than minor filing fees, the property rights are usually obtained without initial cost, and once obtained, are retained by the Company as long as the annual fees are paid. Such fees, which are paid annually in March, are recorded as prepaid assets to be amortized over the following twelve months. Values attributable to these original mining concessions are recorded in property, plant and equipment.

m) Depreciation of Property, Plant and Equipment

Depreciation for the period is calculated according to the straight-line method based on the remaining technical useful lives of assets, estimated by Management.

n) Assets acquired through Financial Lease

Property, plant and equipment acquired through financial lease agreements are accounted for at the present value of the minimum

lease payments plus the purchase option based on the interest rate included in each contract. The Company does not legally own these assets and therefore cannot freely dispose of them.

o) Intangible Assets

Intangible assets are stated at cost plus acquisition expenses and are amortized over a period of up to a maximum of 40 years, in accordance with Technical Bulletin No. 55 of the Chilean Association of Accountants.

p) Mining Development Cost

Mining development costs are recorded in Other long-term Assets and are amortized utilizing the unit of production basis.

Prospecting expenses for mining claims where the product is low grade and not economically exploitable, are charged directly to income.

q) Investments in Related Companies

Investments in related companies over which the Company has significant influence, are included in Other Assets and are recorded using the equity method of accounting, in accordance with SVS Circulars Nos. 368 and 1,697 and Technical Bulletins Nos. 64 and 72 issued by the Chilean Association of Accountants. Accordingly, the Company's proportional share in the net income or loss of each investee is recognized in the non-operating income and expense classification in the consolidated statements of income on an accrual basis, after eliminating any unrealized profits from transactions with the related companies.

The translation adjustment to U.S. dollars of investments in domestic subsidiaries that maintain their accounting records and are controlled in Chilean pesos is recognized in other reserves within shareholders' equity. Direct and indirect investments in foreign subsidiaries or affiliates are controlled in U.S. dollars.

Investments in which the Company has less than 20% participation and the capacity to exert significant influence or control over the investment, because SQM forms part of the investee's Board of Directors, have been valued using the equity method.

r) Goodwill and Negative Goodwill

Goodwill is calculated as the excess of the purchase price of companies acquired over their net book value, whereas negative goodwill occurs when the net book value exceeds the purchase price of companies acquired. Goodwill and negative goodwill resulting from equity method investments are maintained in the same currency in which the investment was made and are amortized based on the estimated period of investment return, generally 20 years for goodwill and negative goodwill.

Beginning on January 1, 2004, goodwill and negative goodwill represent the difference between the acquisition cost of the investment in a related company and the fair value of this investment at the acquisition date, which is amortized with a charge or credit to income in the expected period of return of the investment, which does not exceed 20 years.

Modification of fair value, goodwill or negative goodwill are performed within a year from the date of acquisition.

s) Sellback Operations

These operations are recorded in Other Current Assets at the amount of the purchase. Starting at the purchase date, the respective interest is recorded in accordance with SVS Circular 768.

t) Income Taxes and Deferred Income Taxes

In conformity with current Chilean tax regulations, the Company recognizes the provision for corporate income tax expense and the income tax for the mining activity on an accrual basis.

Beginning January 1, 2000, the Company records deferred income taxes in accordance with Technical Bulletin Nos. 60, 69, 71 and 73 of the Chilean Association of Accountants, and with Circular No. 1,466 issued on January 27, 2000 by the SVS, recognizing the deferred tax effects of temporary differences between the financial and tax values of assets and liabilities, using the liability method.

u) Accrued Employee Severance

The Company calculates the liability for staff severance indemnities based on the present value of the accrued benefits for the actual years of service worked assuming average employee tenure of 24 years and a real annual discount rate of 8%.

v) Revenue Recognition

Operating revenues are recognized on the date of physical delivery of the products, in accordance with the conditions of the sale, in conformity with Technical Bulletin No. 70 of the Chilean Association of Accountants.

w) Derivative Contracts

The Company maintains derivative contracts to hedge against movements in foreign currencies, which are recorded in conformity with Technical Bulletin No. 57 of the Chilean Association of Accountants. Such contracts are recorded at fair value with net losses recognized on the accrual basis and gains recognized when realized.

x) Computer Software

Computational systems developed internally using the Company's personnel and materials are charged to income during the year in which the expenses are incurred. In accordance with Circular No. 1,819 dated November 14, 2006 of the SVS, computer systems acquired by the Company are recorded at cost.

y) Research and Development Expenses

Research and development cost are charged to the income statement in the period in which they are incurred. Property, plant and equipment that are acquired for use in research and development activities and determined to provide additional benefits to the Company are recorded in property, plant and equipment.

z) Cash and Cash Equivalents

Included in cash and cash equivalents are cash and bank balances included in the line "cash", time deposits, financial instruments classified as marketable securities and other short-term investments maturing within 90 days, in compliance with Technical Bulletin No. 50 issued by the Chilean Association of Accountants.

The Company defines cash flows from operating activities as all inflows and outflows of cash that are directly related to its operations and, in general, all cash flows not defined as being from investing or financing activities.

aa) Vacations

The cost of employee vacations is recognized in the financial statements on an accrual basis.

ab) Obligations with the Public (Bonds Payable)

Bonds are stated at the principal amount plus interest accrued. The difference between the carrying value and the placement value is capitalized and amortized in the period of expiration of these.

ac) Commercial Paper

Placements of commercial paper registered with the SVS Securities Registry under No. 47 are valued in non-indexed pesos plus accrued interest.

ad) Provisions for Mine Closure Costs

The Company has made a provision to cover those costs associated with mine closure and mining facilities and mitigation of environmental damage, which has been recorded at its present value. The amount determined is presented under accrued expenses in long-term liabilities.

ae) Deferred Income

Deferred income relate to the recognition of documented sales the delivery of which occurs subsequent to the balance sheet date.

af) Employee Benefits

Benefits agreed other than staff severance indemnities which the Company and its subsidiaries will have to pay to its employees by virtue of agreements entered recognized on an accrual basis.

NOTE 03. CHANGES IN ACCOUNTING PRINCIPLES

During the period ended December 31, 2009, there were no changes in the application of Chilean GAAP compared to the prior year, which could significantly affect the interpretation of these consolidated financial statements.

NOTE 04. MARKETABLE SECURITIES

As of December 31 marketable securities are detailed as follows:

	2009	2008
	ThUS\$	ThUS\$
Mutual Funds	174,742	165,689
TOTAL	174,742	165,689

As of December 31, 2009 and 2008, mutual funds related to investments made in 'Citifunds Institutional Liquid Reserve Limited' for ThUS\$ 59,224 (ThUS\$ 56,384 in 2008), in 'Merrill Lynch Institutional Liquidity Fund' for ThUS\$ 59,070 (ThUS\$ 55,760 in 2008) in JPM USDollar Money Market Fund for ThUS\$ 56,334 (ThUS\$ 53,545 in 2008) and in Citibank for ThUS\$ 114 (ThUS\$ 0,0 in 2008).

These investment are high-liquidity funds dedicated to invest basically in fixed income instruments in the U.S. market.

NOTE 05. SHORT-TERM AND LONG-TERM ACCOUNTS RECEIVABLE

a) Short term and long-term accounts receivable and other accounts receivable as of December 31, 2009 and 2008 are detailed as follows:

	Up to 90 days		Between 90 days and 1 year		Total Short-term (Net)	
	2009	2008	2009	2008	2009	2008
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Short-term						
Trade Accounts Receivable	205,516	190,398	51,257	88,698	256,773	279,096
Allowance for Doubtful Accounts	—	—	—	—	(13,055)	(8,935)
Notes Receivable	53,319	43,060	16,100	17,773	69,419	60,833
Allowance for Doubtful Accounts	—	—	—	—	(3,372)	(2,953)
ACCOUNTS RECEIVABLE, NET					309,765	328,041
Other Accounts Receivable	14,127	7,822	2,587	312	16,714	8,134
Allowance for Doubtful Accounts	—	—	—	—	(656)	(1,391)
OTHER ACCOUNTS RECEIVABLE, NET					16,058	6,743
LONG-TERM RECEIVABLES					4,209	767

b) Consolidated Short-term and Long-Term Receivables – by Geographic Location

	Latin America and the Caribbean		Asia and Oceania		Chile		Europe		North America, Mexico and Canada		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Total Short and Long-Term Accounts Receivable, Net												
Balance	28,616	77,530	4,730	23,751	128,470	108,416	137,853	84,637	30,363	41,217	330,032	335,551
% of Total.	8.67%	23.11%	1.43%	7.08%	38.93%	32.31%	41.77%	25.22%	9.20%	12.28%	100.00%	100.00%
Short-Term Accounts Receivable, Net												
Sub Total Short-Term	28,616	77,530	4,730	23,751	124,261	107,649	137,853	84,637	30,363	41,217	325,823	334,784
% of Total.	8.78%	23.16%	1.45%	7.09%	38.14%	32.15%	42.31%	25.28%	9.32%	12.32%	100.00%	100.00%
Net Short-Term Trade Accounts Receivable												
Balance	22,318	75,653	4,709	23,602	61,830	48,848	124,767	84,375	30,094	37,683	243,718	270,161
% of Total.	9.16%	28.00%	1.93%	8.74%	25.37%	18.08%	51.19%	31.23%	12.35%	13.95%	100.00%	100.00%
Net Short-Term Notes Receivable												
Balance	5,461	1,706	0	0	48,096	56,174	12,490	0	0	0	66,047	57,880
% of Total.	8.27%	2.95%	0.00%	0.00%	72.82%	97.05%	18.91%	0.00%	0.00%	0.00%	100.00%	100.00%
Net Short-Term Other Accounts Receivable												
Balance	837	171	21	149	14,335	2,627	596	262	269	3,534	16,058	6,743
% of Total.	5.21%	2.53%	0.13%	2.21%	89.27%	38.96%	3.71%	3.89%	1.68%	52.41%	100.00%	100.00%
Long-Term Accounts Receivable, Net												
Balance	0	0	0	0	4,209	767	0	0	0	0	4,209	767
% of Total.	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%

NOTE 06. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Balances with related companies are generated by commercial transactions which accrue no interest under normal conditions in force for this type of operations in respect to term and market price.

Expiration conditions for each case vary depending on the underlying transaction.

On April 21, 2008, Inversiones SQ S.A. and SQH S.A., have acquired from Yara Netherland B.V. 49% of the shares of the privately-held shareholders' company, Inversiones SQYA S.A. Beginning on the date referred to above, SQYA S.A. Yara is no longer a related company of Sociedad Química y Minera de Chile S.A.

a) Amounts included in balances with related parties as of December 31, 2009 and 2008 are as follows:

Accounts Receivable	Short-Term		Long-Term	
	2009	2008	2009	2008
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sales de Magnesio Ltda.	292	143	–	–
Soc. Inv. Pampa Calichera S.A.	8	8	–	–
Doktor Tarsa Tarim Sanayi AS	7,304	13,641	–	–
Nutrisi Holding N.V.	1,741	1,702	–	–
Ajay Europe S.A.R.L.	1,492	4,061	–	–
Ajay North America LLC	2,914	2,520	–	–
Abu Dhabi Fertilizer Industries WWL	3,546	6,579	–	2,000
NU3 B.V.	1,883	772	–	–
SQM Agro India	–	595	–	–
SQM East Med Turkey	–	1,075	–	–
Misr Specialty Fertilizers (MSF)	289	632	–	–
Kowa Company Ltd.	15,764	18,170	–	–
Minera Saskatchewan (PCS)	32,588	–	–	–
NU3 N.V. (Belgium)	–	1,129	–	–
SQM Thailand CO. LTD.	835	–	–	–
TOTAL	68,656	51,027	–	2,000

Accounts Payable	Short-Term		Long-Term	
	2009	2008	2009	2008
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Thailand Co. Ltd.	–	178	–	–
NU3 N.V. (Belgium)	94	–	–	–
SQM Vitas	2,883	–	–	–
Callegari Agricola S.A.	234	–	–	–
Coromandel Fertilizers Limited	681	–	–	–
TOTAL	3,892	178	–	–

There were no outstanding long-term accounts payable with related parties as of December 31, 2009 and 2008

b) During 2009 and 2008, principal transactions with related parties were as follows:

Company	Relationship	Type of Transaction	Amount of Transaction		Effect on Income (charge) credit	
			2009	2008	2009	2008
			ThUS\$	ThUS\$	ThUS\$	ThUS\$
Abu Dhabi Fertilizer Ind. WWL	Indirect	Sales of Products	7,385	9,302	2,053	2,849
	Indirect	Financial Income	54	127	54	127
Ajay Europe SARL	Indirect	Sales of Products	11,899	19,561	695	2,667
	Indirect	Financial Income	–	10	–	10
	Indirect	Dividends	–	118	–	–
Ajay North America LLC	Indirect	Sales of Products	13,839	28,676	610	9,970
	Indirect	Dividends	453	760	–	–
Kowa Company Ltd.	Shareholder	Sales of Products	59,233	100,633	15,321	41,066
	Shareholder	Sales of Services	185	–	–	–
Nu3 B.V.	Indirect	Sales of Products	–	14,384	–	2,425
	Indirect	Sales of Services	–	109	–	109
Nu3 N.V.	Indirect	Sales of Products	–	18,166	–	5,716
Doktor Tarsa Tarim Sanayi AS	Indirect	Sales of Products	11,030	15,590	1,134	6,492
SQM Agro India PVT LTD	Indirect	Sales of Products	–	598	–	210
MISR Speciality	Indirect	Sales of Products	170	733	9	320
	Indirect	Financial Income	–	8	–	8
Nutrisi Holding N.V.	Indirect	Financial Income	10,825	104	1,865	104
Sales de Magnesio Ltda.	Indirect	Sales of Products	908	920	828	334
	Indirect	Dividends	385	491	–	–
	Indirect	Sales of Services	270	–	–	–
SQM Eastemed Turkey	Indirect	Sales of Products	–	397	–	240
SQM Thailand Co. Ltd.	Indirect	Sales of Products	1,716	83	351	69
Minera Saskatchewan Ltda. (PCS)	Shareholder	Sales of Products	34,949	–	16,839	–
	Shareholder	Sales of Services	540	–	–	–
Nutrisi Holding B.V.	Indirect	Sales of Products	10,223	–	1,316	–
	Indirect	Sales of Services	106	–	–	–

NOTE 07. INVENTORIES

As of December 31, 2009, the net balance of inventory amounts to ThUS\$ 637,689 (ThUS\$ 540,727 in 2008) and is detailed as follows:

Net inventories are summarized as follows:

	2009	2008
	ThUS\$	ThUS\$
Finished Products	313,903	320,489
Work in Process	300,161	188,069
Supplies	23,625	32,169
TOTAL	637,689	540,727

NOTE 08. INCOME AND DEFERRED TAXES

a) At December 31, 2009 and 2008 the Company has the following consolidated balances for retained tax earnings, income not subject to taxes, tax loss carry-forwards and credit for shareholders:

	2009	2008
	ThUS\$	ThUS\$
Accumulated Tax Basis Retained Earnings with Tax Credit	668,670	813,716
Accumulated Tax Basis Retained Earnings without Tax Credit	107,832	132,773
Tax Loss Carry-forwards	(99,333)	16,949
Credit for Shareholders	136,874	166,554

The Company has recognized deferred income taxes for tax losses and the related valuation allowance, where applicable, in accordance with Technical Bulletin No. 60 issued by the Chilean Association of Accountants.

b) The deferred taxes as of December 31, 2009 and 2008 represented a net liability of ThUS\$ 51,143 and ThUS\$ 22,683 respectively, and consisted of:

2009

	Deferred Tax Asset		Deferred Tax Liability	
	Short-term	Long-term	Short-term	Long-term
Temporary Differences	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Allowance for Doubtful Accounts	1,976	1,732	–	–
Prepaid Income	166	–	–	–
Vacation Accrual	2,295	–	–	–
Unrealized Gain on Sale of Products	53,274	–	–	–
Provision for Obsolescence	–	3,433	–	–
Production Expenses	–	–	39,660	–
Accelerated Depreciation	–	–	–	81,099
Exploration Expenses	–	–	–	5,263
Capitalized Interest	–	–	–	11,222
Staff Severance Indemnities	–	–	–	2,756
Fair Value Recognition	–	2,852	–	–
Capitalized Expenses	–	–	–	2,015
Tax loss Carry-Forwards	–	18,206	–	–
Accrued Gain from Exchange Insurance	–	–	10,948	–
Employee Benefits	1,105	5,075	–	–
Deferred Tax Royalty	886	0	4,017	4,546
Accrued Interest	393	–	–	–
Other	4,538	13,237	1	1,485
Total Gross Deferred Taxes	64,633	44,535	54,626	108,386
Total Complementary Accounts	–	–	–	(11,364)
Valuation Allowance	(4,630)	(4,033)	–	–
TOTAL DEFERRED TAXES	60,003	40,502	54,626	97,022

2008

	Deferred Tax Asset		Deferred Tax Liability	
	Short-term	Long-term	Short-term	Long-term
Temporary Differences	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Allowance for Doubtful Accounts	1,029	897	–	–
Prepaid Income	1,711	–	–	–
Vacation Accrual	1,734	–	–	–
Unrealized Gain on Sale of Products	76,633	–	–	–
Provision for Obsolescence	–	3,940	–	–
Production Expenses	–	–	29,774	–
Accelerated Depreciation	–	–	–	72,211
Exploration Expenses	–	–	–	4,702
Capitalized Interest	–	–	–	9,252
Staff Severance Indemnities	–	–	–	1,935
Fair Value Recognition	–	3,153	–	–
Capitalized Expenses	–	–	–	826
Tax loss Carry-Forwards	–	4,362	–	–
Accrued Gain from Exchange Insurance	629	–	–	–
Employee Benefits	11	2,904	–	–
Deferred Tax Royalty	971	494	2,625	4,384
Accrued Interest	504	–	–	–
Other	4,785	11,623	–	370
Total Gross Deferred Taxes	88,007	27,373	32,399	93,680
Total Complementary Accounts	–	–	–	(13,515)
Valuation Allowance	(20,806)	(4,693)	–	–
TOTAL DEFERRED TAXES	67,201	22,680	32,399	80,165

c) Income tax expense is summarized as follows:

	2009	2008
	ThUS\$	ThUS\$
Tax Expense Adjustment (prior year)	(4,433)	576
Provision for Current Income Tax	(52,563)	(147,694)
Effect of Deferred Tax Assets and Liabilities	(56,198)	45,786
Tax Benefit for Tax Losses	13,803	(20,652)
Effect of Amortization of Complementary Accounts	(2,151)	(2,111)
Effect on Deferred Tax Assets and Liabilities due to Changes in Valuation Allowance	16,452	13,230
Other tax Charges and Credits	8,558	2,914
TOTAL INCOME TAX EXPENSE	(76,532)	(107,951)

NOTE 09. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment are summarized as follows:

	2009	2008
	ThUS\$	ThUS\$
Land		
Land	82,081	80,529
Mining Concessions	30,086	30,086
TOTAL	112,167	110,615
Buildings and Infrastructure		
Buildings	185,356	176,327
Installations	445,972	389,353
Construction-in-Progress	278,559	181,730
Other	294,268	230,135
TOTAL	1,204,155	977,545
Machinery and Equipment		
Machinery	636,335	602,490
Equipment	176,919	149,907
Project-in-Progress	71,137	30,682
Other	49,954	41,030
TOTAL	934,345	824,109
Other Property, Plant and Equipment		
Tools	11,615	10,808
Furniture and Office Equipment	15,910	16,009
Project-in-Progress	29,720	22,345
Other	12,270	12,673
TOTAL	69,515	61,835
	2009	2008
	ThUS\$	ThUS\$
Amounts relating to Technical Revaluation of Property, Plant and Equipment		
Land	7,839	7,839
Buildings and Infrastructure	41,439	41,439
Machinery and Equipment	12,048	12,048
Other Assets	53	53
TOTAL	61,379	61,379
TOTAL PROPERTY, PLANT AND EQUIPMENT	2,381,561	2,035,483
Less: Accumulated Depreciation		
Buildings and Infrastructure	(472,950)	(391,487)
Machinery and Equipment	(513,192)	(449,558)
Other Property, Plant and Equipment	(30,826)	(35,264)
Technical Appraisal	(40,188)	(39,254)
TOTAL ACCUMULATED DEPRECIATION	(1,057,156)	(915,563)
NET PROPERTY, PLANT AND EQUIPMENT	1,324,405	1,119,920

	2009	2008
Depreciation for the year ended December 31:	ThUS\$	ThUS\$
Buildings and Infrastructure	(77,642)	(53,152)
Machinery and Equipment	(69,278)	(53,104)
Other Property, Plant and Equipment	(3,867)	(3,180)
Technical Revaluation	(934)	(1,139)
TOTAL DEPRECIATION	(151,721)	(110,575)

The Company has capitalized assets obtained through leasing, which are included in other property, plant and equipment and are as follows:

	2009	2008
	ThUS\$	ThUS\$
Administrative Office Buildings	1,988	1,988
Accumulated Depreciation	(583)	(552)
TOTAL ASSETS IN LEASING	1,405	1,436

The administrative office buildings were acquired for 230 installments of UF 663.75 each and an annual, contractually established interest rate of 8.5%.

NOTE 10. INVESTMENTS IN RELATED PARTIES

I. Information on Foreign Investments

There are no plans for the foreign investments to pay dividends, as it is the Company's policy to reinvest those earnings.

The Company has not designated their foreign investments as net investment hedges.

II. Other Information

a) Transactions 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 for a 70% share.

*On October 9, 2009, the subsidiary Soquimich European Holdings formed a joint venture with Coromandel Fertilizars Limited called "Coromandel SQM"; each contributed capital of ThUS\$ 2,200 for a 50% share.

*On March 18, 2009, a shareholder agreement was signed to form Sichuan SQM-Migao Chemical Fertilizer Co. Ltda. The process of registering and obtaining permits was completed on September 1, 2009. SQM Industrial S.A. made its first capital contribution of ThUS\$ 3,000 on November 6, 2009 of a total of ThUS\$ 10,000 that each party will contribute. These additional contributions will be made during 2010.

*On December 17, 2009, Soquimich European Holdings B.V. acquired 51% of SQM Agro India Private Ltda. for ThUS\$ 50. With this acquisition, it now holds 100% of this company. In accordance with Technical Bulletin No. 72 from the Chilean Association of Accountants and SVS Circular No. 1,697, this investment was recorded at the book value of its equity, which does not differ significantly from its fair value determined as of the same date.

*On December 29, 2009, a joint venture agreement was signed with the Roullier Group for the company SQM Dubai-Fzco., decreasing our share from 100% to 50%.

On the same date, the company changed its name to SQM Vitas.

*This transaction generated a credit to income of ThUS\$ 3,019, which is presented in other non-operating income.

b) Transactions Executed in 2008

* On April 24, 2008, the subsidiary Agricolima S.A. was sold to Mr. Carlos Federico Valenzuela Cadena, Mr. Diego Valenzuela Cadena and Mr. Jesús Angel Morelos Montfort, creating a gain on sale of investment of ThUS\$ 1,387.

III. Investments with less than 20% Ownership

Investments in which the Company has less than 20% ownership and the capacity to exert significant influence or control over the investment, because SQM forms part of its Board of Directors, have been valued using the equity method.

Detail of Investments in Related Companies

Tax registration Number	Company	Country of Origin	Controlling currency	Number of Shares	Ownership interest		Equity of companies		Book value of investment		Net income (loss)		Equity participation in net income (loss)	
					2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
					%	%	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
0-E	Doktor Tarsa Tarim Sanayi AS	Turkey	Euros	–	50.00	50.00	16,894	22,424	8,492	11,212	3,678	12,669	8,492	11,212
0-E	Nutrisi Holding N.V.	Belgium	Euros	–	50.00	50.00	12,866	14,494	6,239	6,823	(2,120)	4,634	6,236	6,823
0-E	Abu Dhabi Fertilizer Industries WWL	U.A.E.	US\$	1,961	50.00	50.00	12,143	10,555	6,072	5,277	1,547	5,842	6,072	5,277
0-E	Ajay North America LLC	USA	US\$	–	49.00	49.00	15,669	12,482	6,653	4,892	4,097	2,067	7,678	6,116
0-E	Ajay Europe S.A.R.L.	France	Euros	36,700	50.00	50.00	10,974	10,033	3,921	4,282	1,449	1,625	5,487	5,017
0-E	Misr Speciality Fertilizers	Egypt	US\$	–	47.00	47.00	3,749	4,733	1,780	2,247	(882)	622	1,780	2,247
0-E	SQM Thailand Co. Ltd.	Thailand	US\$	–	40.00	40.00	3,694	3,535	1,478	1,414	430	1,016	1,478	1,414
77557430-5	Sales de Magnesio Ltda.	Chile	Pesos	–	50.00	50.00	656	946	328	473	354	697	328	473
0-E	SQM Eastmed Turkey	Turkey	Euros	–	50.00	50.00	402	437	201	219	(11)	270	201	219
0-E	Agro India Limitada	India	US\$	–	–	49.00	38	191	–	94	(213)	153	–	94
81767200-0	Asoc. Garantizadora Pensiones	Chile	Pesos	–	3.00	3.00	610	536	20	18	(45)	(5)	20	18
0-E	SQM Vitas	U.A.E.	Dirham	–	50.00	–	33,007	–	16,503	–	(4,598)	–	16,503	–
0-E	SQM Migao Fertilizer	China	US\$	–	50.00	–	8,467	–	2,988	–	(33)	–	2,988	–
0-E	Coromandel SQM India	India	US\$	–	50.00	–	1,060	–	530	–	–	–	530	–
TOTAL									55,205	36,951				

NOTE 11. GOODWILL AND NEGATIVE GOODWILL

As established in Technical Bulletin No. 72, issued by the Chilean Association of Accountants, ThUS\$ 205 (ThUS\$ 12 en 2008) has been adjusted to the negative goodwill account related to lawsuits with third parties paid, which as of the date of determination of negative goodwill did not meet the requirements to be treated as identifiable liabilities that could be recognized.

These relate to lawsuits with factoring companies which as of the acquisition date were identified with results favorable to the company.

Goodwill and negative goodwill and the related amortization are summarized as follows:

a) Goodwill

Tax Registration Number	Company	December 31, 2009		December 31, 2008	
		Amount amortized during the Period	Goodwill Balance	Amount amortized during the Period	Goodwill Balance
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
96864750-4	SQM Potassium S.A.	144	1,012	145	1,156
96801610-5	Comercial Hydro S.A.	170	565	208	735
79947100-0	SQM Industrial S.A.	1,113	16,691	1,113	17,804
0-E	SQM México S.A. de C.V.	56	669	56	724
0-E	Comercial Caiman Internacional S.A.	23	63	23	86
0-E	SQM Dubai- Fzco	101	1,579	101	1,681
0-E	Iodine Minera B.V.	569	9,146	569	9,715
TOTAL		2,176	29,725	2,215	31,901

b) Negative Goodwill

Tax Registration Number	Company	December 31, 2009		December 31, 2008	
		Amount Amortized during the period	Negative Goodwill Balance	Amount Amortized during the Period	Negative Goodwill Balance
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
78602530-3	Minera Nueva Victoria S.A.	–	(1,073)	–	(1,279)
TOTAL		–	(1,073)	–	(1,279)

NOTE 12. OTHER LONG - TERM ASSETS

Other long-term assets are summarized as follows:

		2009	2008
		ThUS\$	ThUS\$
Engine and Equipment spare-parts, Net	(1)	335	2,306
Mine Development Costs		26,832	24,892
Construction of Salar-Baquesano Road		930	1,050
Deferred Loan Issuance Costs	(2)	1,192	320
Cost of Issuance and Placement of Bonds	(3)	9,679	4,278
Other		4,050	1,580
TOTAL		43,018	34,426

(1) According to analysis conducted, at each year-end, this item includes non-current warehouse spare-parts and materials. In addition, an allowance for obsolescence has been made and included in this item.

(2) Relates to the portion to be accrued of negotiation costs of long-term loans.

(3) Refer to the explanation of these expenses in Note 22

NOTE 13. BANK DEBT

Short-term bank debt is detailed as follows:

Bank or Financial Institution	2009	2008
	ThUS\$	ThUS\$
Banco de Crédito e Inversiones	–	35,518
Banco Santander Santiago	–	20,075
HSBC Bank Chile	15,090	15,266
JP Morgan Chase Bank	–	20,317
BBVA Banco Bilbao Vizcaya Argentaria	–	40,524
BBVA Chile	31,138	–
Banco Estado	20,813	–
Other	3,327	1,655
TOTAL	70,368	133,355
Annual average interest rate	4.60%	7.16%

NOTE 14. BANK DEBT

a) Long-term Bank Debt is detailed as follows:

Bank or Financial Institution	2009	2008
	ThUS\$	ThUS\$
BBVA Banco Bilbao Vizcaya Argentaria (1)	100,053	100,204
Export Development Canada (2)	50,019	50,032
ING Capital LLC (3)	80,055	80,215
Caja de Ahorro y Monte de Piedad de Madrid	40,043	–
Banco Estado NY Branch	170,988	–
BBVA Bancomer	75,000	–
TOTAL	516,158	230,451
Less: Current portion	(151,158)	(451)
LONG-TERM PORTION	365,000	230,000

(1) U.S. dollar-denominated loan without guarantee, interest rate of Libor + 2.22% per annum, quarterly payment. The principal is due on March 3, 2010.

(2) U.S. dollar denominated loan without guarantee, interest rate of Libor + 1.5% per annum, quarterly payment. The principal is due on November 30, 2010.

(3) U.S. dollar-denominated loan without guarantee, interest rate of Libor + 2.62% per annum, semi-annually payment. The principal is due on November 28, 2011.

b) The maturity of long-term debt is as follows:

Years to Maturity	2009	2008
	ThUS\$	ThUS\$
Current Portion	151,158	451
1 to 2 years	110,000	150,000
2 to 3 years	115,000	80,000
3 to 5 years	140,000	–
TOTAL	516,158	230,451

NOTE 15. SHORT AND LONG –TERM OBLIGATIONS WITH THE PUBLIC (PROMISSORY NOTES AND BONDS PAYABLE)

Additional Information

1. - Bonds

As of December 31, 2009 and 2008, the short-term portion includes ThUS\$16,243 and ThUS\$7,929, respectively, related to short-term principal plus accrued interest at those dates. The long-term portion includes ThUS\$670,221 as of December 31, 2009 and ThUS\$285,940 as of December 31, 2008, related to principal installments for Series C bonds and Single Series bonds, series G bonds, series H bonds, serie J bonds, serie I bonds.

The following payments have been made as of December 31, 2009 and 2008:

Series "C" Bonds:

Series C bonds totaling UF 3,000,000 (ThUS\$ 100,991) with an interest rate of 4.00% per annum were placed on January 25, 2006.

As of December 31, 2009 and 2008, the following payments have been made and charged to the series C line of bonds:

Payments made	2009		2008	
	UF	ThUS\$	UF	ThUS\$
Principal	150,000.00	5,967	150,000.00	5,572
Interest	105,456.30	4,191	111,397.50	4,145

Single Series Bonds:

Single series bonds totaling ThUS\$ 200,000 with an interest rate of 6.125% per annum were placed on April 5, 2006. This placement was carried out under Rule 144 and regulation S of the U.S. Securities Act of 1933.

As of December 31, 2009 and 2008, the following payments have been made and charged to the single series line of bonds:

	2009	2008
	ThUS\$	ThUS\$
Interest payments	12,250	12,250

Series "G" and "H" Bonds:

On January 13, 2009, the Company placed two series of bonds on the Chilean market: Series H bonds for UF 4,000,000 (ThUS\$ 139,216) at a rate of 4.9% per annum, maturing in 21 years, with principal payments beginning in 2019 and series G bonds for ThUS\$ 21,000,000 (ThUS\$ 34,146) maturing in 5 years with a single principal payment upon maturity and interest of 7% per annum.

As of December 31, 2009 and 2008, the following payments have been made and charged to the series G and H lines of bonds:

	2009	2008
	ThUS\$	ThUS\$
Interest payments, series G	1,329	–
Interest payments, series H	3,727	–

Series "J" and "I" Bonds:

On May 8, 2009, the Company placed two series of bonds on the Chilean market: Series J bonds for ThCh\$ 52,000,000 (ThUS\$ 92,456) maturing in 5 years, with a single principal payment upon maturity and interest of 5.5% per annum, and series I bonds for UF 1,500,000 (ThUS\$ 56,051) maturing in 5 years with a single principal payment upon maturity and interest of 3.00% per annum.

As of December 31, 2009 and 2008, the following payments have been made and charged to the series J and I lines of bonds:

	2009	2008
	ThUS\$	ThUS\$
Interest payments, series J	2,583	–
Interest payments, series I	851	–

2. Commercial Paper (Promissory Notes)

On March 24, 2009, the Company placed promissory notes totaling ThCh\$ 15,000,000 (ThUS\$ 25,875) on 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, payment was made on the 2-A series.

On April 2, 2009, the Company placed promissory notes totaling ThCh\$ 15,000,000 (ThUS\$ 25,770) on 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		2009		2008	
		ThCh\$	ThUS\$	ThCh\$	ThUS\$
Principal payment, series 2-A		15,000,000	30,270	-	-
Principal payment, series 1-B		-	-	-	-

Instrument Registration Number	Series	Indexation Unit	Nominal Value	Maturity of Promissory Note or Credit Line	Interest Rate	Book Value		Placement in Chile or abroad
						12/31/2009	12/31/2008	
47	1-B	-	15,000,000,000	03/17/2010	3.6%	29,363	-	-
TOTAL						29,363	-	

No. of registration of the instrument	Series	Nominal Amount Placed Outstanding	Indexation unit	Interest rate	Final Maturity	Periodicity Interest Payments	Periodicity Principal Payments	Par Value		Placement Chile or abroad
								12/31/09 ThUS\$	12/31/08 ThUS\$	
Current portion of long-term bonds										
184	A	-	US\$	6.125%	04/15/2010	Bi-annual	Maturity	2,577	2,577	Abroad
446	C	150,000	UF	4.00%	06/01/2010	Bi-annual	Bi-annual	6,537	5,352	Chile
564	H	-	UF	4.9%	01/05/2010	Bi-annual	Bi-annual	3,891	-	Chile
563	G	-	\$	7.00%	01/05/2010	Bi-annual	Maturity	1,386	-	Chile
563	I	-	UF	3.00%	04/01/2010	Bi-annual	Maturity	461	-	Chile
563	J	-	\$	5.50%	04/01/2010	Bi-annual	Maturity	1,391	-	Chile
TOTAL CURRENT PORTION								16,243	7,929	

Long-term bonds										
184	A	200,000,000	US\$	6.125%	04/15/2016	Bi-annual	Maturity	200,000	200,000	Abroad
446	C	2,400,000	UF	4.00%	12/01/2026	Bi-annual	Bi-annual	99,119	85,940	Chile
563	G	21,000,000,000	\$	7.00%	01/05/2014	Bi-annual	Maturity	41,412	-	Chile
564	H	4,000,000	UF	4.90%	01/05/2030	Bi-annual	Bi-annual	165,197	-	Chile
563	I	1,500,000	UF	3.00%	04/01/2014	Bi-annual	Maturity	61,949	-	Chile
563	J	52,000,000,000	\$	5.50%	04/01/2014	Bi-annual	Maturity	102,544	-	Chile
TOTAL LONG-TERM								670,221	285,940	

NOTE 16. ACCRUED LIABILITIES

As of December 31, 2009 and 2008, accrued liabilities are summarized as follows:

	2009	2008
	ThUS\$	ThUS\$
Provision for Royalties Corfo	3,752	5,256
Provision for Employee Compensation and Legal Costs	590	715
Taxes and Monthly Income Tax Installment Payments	6,654	11,659
Vacation Accrual	13,897	10,518
Marketing Expenses	150	107
External Auditor Fees	1,347	477
Provision for plant suspension	6,500	–
Provision for retirement plan	2,500	–
Other Accruals	1,801	1,682
TOTAL CURRENT LIABILITIES	37,191	30,414

Long-term accrued liabilities are summarized as follows:

	2009	2008
	ThUS\$	ThUS\$
Staff Severance Indemnities	29,444	22,129
Incentive bonus provision (1)	20,082	12,000
Site Closing Provision	3,500	3,181
BALANCE AS OF DECEMBER 31	53,026	37,310

(1) These provisions correspond to stay bonuses for the Company's executives. The value of these bonuses is linked to the price of the Company's stock and is to be paid in cash between 2010 and 2011.

In accordance with note 2 af), these benefits have been recognized on an accrual basis.

NOTE 17. STAFF SEVERANCE INDEMNITIES

Staff severance indemnities are summarized as follows:

	2009	2008
	ThUS\$	ThUS\$
Opening Balance	22,129	20,679
Increases in obligation	5,897	8,332
Payments	(2,774)	(2,227)
Exchange difference	5,554	(4,796)
Other difference	(1,362)	141
BALANCE AS OF DECEMBER 31	29,444	22,129

NOTE 18. MINORITY INTEREST

Minority interest is summarized as follows:

	Equity		Net Income/(Loss)	
	2009	2008	2009	2008
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Soquimich Comercial S.A.	41,123	42,498	(1,180)	(2,669)
Ajay SQM Chile S.A.	4,292	4,159	(354)	(532)
SQM Nitratos México S.A. de C.V.	3	10	7	3
Fertilizantes Naturales S.A.	194	423	230	(300)
SQM Indonesia S.A.	1	(30)	(36)	13
Agrorama Callegari Ltda.	469	–	2	–
SQM Potasio S.A.	11	9	(3)	(7)
TOTAL	46,093	47,069	(1,334)	(3,492)

NOTE 19. SHAREHOLDER'S EQUITY

a) In consideration of the current distribution of shares, the Company has a controlling interest Group composed of Pampa Calichera S.A. and the Kowa Group by virtue of the Joint Action Agreement subscribed on December 21, 2006.

b) Other Information

The detail of Other Reserves is as follows:

Detail		For the year Ended December 31, 2009	As of December 31, 2009
		ThUS\$	ThUS\$
Technical Appraisal		–	151,345
Changes to other comprehensive income from Equity:			
Method Investments:			
Soquimich Comercial S.A.	(1)	–	13,287
Comercial Hydro S.A.	(1)	946	221
SQMC Internacional Ltda.	(1)	43	8
Proinsa Ltda.	(1)	32	6
Agrorama Callegari Ltda.	(1)	66	66
Isapre Norte Grande Ltda.	(1)	37	(8)
Inversiones Augusta S.A.	(1)	–	(761)
SQM Ecuador S.A.	(2)	–	(270)
Almacenes y Depósitos Ltda.	(1)	42	129
Asociación Garantizadora de Pensiones	(1)	–	(23)
Sales de Magnesio Ltda.	(1)	53	63
Sociedad de Servicios de Salud S.A.	(1)	15	29
SQM North America Corp.	(3)	1,129	(3,056)
SQM Dubai Fzco.	(1)	–	(12)
Ajay Europe SARL	(1)	–	343
Other Companies	(1)	–	717
TOTAL OTHER COMPREHENSIVE INCOME		2,363	162,084

(1) Corresponds to translation adjustments and price-level restatement. In accordance with SVS Circulars No. 368 and 1,697, this adjustment is based on equity variations of the subsidiaries and affiliates that apply price-level restatement to paid-in capital and to the effect generated by these items expressed in foreign currency.

(2) Corresponds to the translation adjustment produced by the application of a new law implemented by the Ecuadorian Government.

(3) Corresponds to differences in valuation of the pension plan of subsidiary SQM North America Corp.

c) Interim Dividends

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 beginning December 16, 2009. This dividend totals approximately ThUS\$ 100,000 and is equivalent to 40% of distributable net income for 2009, accumulated as of September 30, 2009. This dividend was charged to net income for the year and is payable 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 value of the observed dollar or the US dollar published in the Official Gazette on December 10, 2009.

At Board of Directors Meeting held on October 28, 2008 the directors agreed to distribute an interim dividend of US\$ 0.37994 per share as of November 21, 2008 for a total amount of ThUS\$ 100,000 and lower than 30% of distributable net income for commercial year 2008, accrued as of September 30, 2008. The above was charged to net income for that commercial year, payable to the shareholders of Sociedad Química y Minera de Chile S.A. registered in the respective registry on the 5th business day prior to November 21, 2008, in its equivalent in Chilean pesos based on the value of the observed dollar or US dollar published in the Official Gazette on Friday, November 14, 2008.

d) Final Dividends

In an Ordinary General Shareholders' Meeting held April 29, 2009, shareholders agreed to pay and distribute, in accordance with the respective dividend policy, an annual dividend of ThUS\$ 325,915, equivalent to 65% of distributable net income for 2008. However, the quantity of ThUS\$ 100,000 (US\$ 0.37994 per share), which was already paid as an interim dividend, was deducted from the final dividend amount. Therefore, the balance of ThUS\$ 225,914 (US\$ 0.85835 per share) was paid and distributed to shareholders registered on the fifth business day prior to payment.

Number of Shares

Series	N° Shares Subscribed	N° Shares Paid	N° Share With Preferential Voting Rights
A	142,819,552	142,819,552	142,819,552
B	120,376,972	120,376,972	120,376,972

Capital

Series	Capital Subscribed	Capital Paid
	ThUS\$	ThUS\$
A	134,750	134,750
B	342,636	342,636

Changes to Shareholder's Equity consisted of:

	Number of shares	Paid-in capital ThUS\$	Other reserves ThUS\$	Retained earnings ThUS\$	Interim dividends ThUS\$	Net income ThUS\$	Total ThUS\$
BALANCE JANUARY 1, 2008	263,196,524	477,386	163,442	361,587	-	180,021	1,182,436
Transfer december 31, 2007 net income to retained earnings	-	-	-	180,021	-	(180,021)	-
Declared dividends 2008	-	-	-	(117,014)	-	-	(117,014)
Other comprehensive income	-	-	(3,721)	-	-	-	(3,721)
Interim dividends	-	-	-	-	(100,000)	-	(100,000)
Net income	-	-	-	-	-	501,407	501,407
BALANCE AS OF DECEMBER 31, 2008	263,196,524	477,386	159,721	424,594	(100,000)	501,407	1,463,108
Transfer december 31, 2008 net income to retained earnings	-	-	-	501,407	-	(501,407)	-
Declared dividends 2009	-	-	-	(325,914)	100,000	-	(225,914)
Other comprehensive income	-	-	2,363	-	-	-	2,363
Interim dividends	-	-	-	-	(100,000)	-	(100,000)
Net income	-	-	-	-	-	327,056	327,056
BALANCE AS OF DECEMBER 31, 2009	263,196,524	477,386	162,084	600,087	(100,000)	327,056	1,466,613

NOTE 20. NON-OPERATING INCOME AND EXPENSES

As of december 31, 2009 and 2008, other non-operating income and expenses are detailed as follows:

a) Other income:	2009	2008
	ThUS\$	ThUS\$
Financial income	13,525	13,858
Equity participation in income of related companies	5,717	14,358
Amounts recovered from insurance	285	581
Discounts obtained	921	815
Reversal of third-party obligations	670	2,623
Leases of property, plant and equipment	1,133	1,092
Recovery of doubtful accounts	41	424
Sale of mining concessions	2,170	721
Sale of property, plant and equipment, materials and scrap metal	710	1,064
Fines charged to third parties	288	77
Sale of investments in related companies	–	1,387
Services provided	100	156
Indemnities received	60	146
Gain on sale of assets from SQM Lithium	–	2,342
Proceeds from not making capital contribution	3,019	–
Indemnity Minera Esperanza	10,356	–
Overestimate on staff severance indemnity provision	245	–
Other income	1,232	946
TOTAL	40,472	40,590

b) Other expenses:	2009	2008
	ThUS\$	ThUS\$
Equity participation loss of related companies	(1,256)	–
Amortization (goodwill)	(2,176)	(2,215)
Financial expenses (less)	(30,979)	(19,957)
Price-level restatement	194	149
Foreign currency translation	(7,770)	(16,046)
Plant suspension expenses	(416)	(1,256)
Training expenses and donations	(2,431)	(2,152)
Expenses for investment plan and adjusting property, plant and equipment to its realizable value	(12,348)	(9,261)
Amortization of intangible assets	(403)	(403)
Provision and sale of materials, spare parts and inputs	–	(4,200)
Provision for legal expenses and third-party indemnities	(451)	(975)
Indemnities to suppliers	(90)	(237)
Provision for plant suspension	(12,847)	(1,189)
Non-recoverable income taxes	(612)	(424)
Fines paid	(262)	(42)
Advisory services	(49)	(84)
Asset retirement plant	(2,500)	–
Cost of dismissal process	(1,696)	–
Other expenses	(1,366)	(1,604)
TOTAL	(77,458)	(59,896)

NOTE 21. PRICE-LEVEL RESTATEMENT

Amounts charged or credited to income relating to price-level restatement are summarized as follows:

	(Charge) Credit to income from operations	
	2009	2008
	ThUS\$	ThUS\$
Inventory	45	–
Property, Plant and Equipment	(7)	44
Other Assets and Liabilities	(10)	707
Shareholders' Equity	166	(602)
NET PRICE-LEVEL RESTATEMENT	194	149

NOTE 22. SHARE AND DEBT INSSUANCE AND PLACEMENT EXPENSES

Bond issuance and placement expenses are recorded within other long-term assets, except for the portion to be amortized within a year, which is presented in other current assets. These expenses are amortized using the straight-line method based on maturity. Amortization is presented within financial expenses.

As of December 31, 2009 and 2008, these expenses are detailed as follows:

Concept	Other Assets		Amortization	
	Short-term	Long-term		
	2009 ThUS\$	2008 ThUS\$	2009 ThUS\$	2008 ThUS\$
Placement expenses, single series	293	1,536	293	293
Placement expenses, series C	277	2,172	294	310
Placement expenses, series G	136	409	136	–
Placement expenses, series H	133	2,636	139	–
Placement expenses, series J	552	1,131	415	–
Placement expenses, series I	348	1,795	262	–
TOTAL	1,739	9,679	1,539	603

NOTE 23. CASH FLOW STATEMENT

The following items are included in other investment income and exceed 10% of investment income:

	2009	2008
	ThUS\$	ThUS\$
Sale of Mining Concessions	2,170	721
TOTAL	2,170	721

NOTE 24. DERIVATIVES INSTRUMENTS

Derivative instruments are recorded at their fair value at year-end. Changes in fair value are recognized in income with the liability recorded in other current liabilities. Losses from options relate to fees paid by the Company to enter into such contracts. As of December 31, 2009 the Company's derivative instruments are as follows:

Type of derivative	Notional or covered amount	Expiration	Description of the contract type	Position purchase / sale	(Liability) asset amount	Income (loss) recorded	(Not) recorded
	ThUS\$				ThUS\$	ThUS\$	ThUS\$
Swap	87,236	4th Quarter of 2026	Interest Rate	S	105,313	17,997	(1,167)
Swap	33,673	1st Quarter of 2014	Interest Rate	S	41,412	8,243	(368)
Swap	42,822	1st Quarter of 2013	Interest Rate	S	51,624	8,763	327
Swap	43,116	1st Quarter of 2013	Interest Rate	S	51,624	8,483	(256)
Swap	60,422	1st Quarter of 2013	Interest Rate	S	61,949	1,334	(741)
Swap	56,041	1st Quarter of 2014	Interest Rate	S	61,949	5,690	(2,699)
Swap	46,220	1st Quarter of 2014	Interest Rate	S	51,272	5,223	(2,378)
Swap	46,220	1st Quarter of 2014	Interest Rate	S	51,272	5,226	(2,338)
US dollar Forward	4,000	1st Quarter of 2010	Exchange Rate	S	4,118	(118)	-
US dollar Forward	5,000	1st Quarter of 2010	Exchange Rate	S	5,147	(147)	-
US dollar Forward	3,000	1st Quarter of 2010	Exchange Rate	S	3,059	(59)	-
US dollar Forward	10,000	1st Quarter of 2010	Exchange Rate	S	10,118	(118)	-
US dollar Forward	4,000	1st Quarter of 2010	Exchange Rate	S	4,111	(111)	-
US dollar Forward	6,000	1st Quarter of 2010	Exchange Rate	S	5,993	7	-
US dollar Forward	4,000	1st Quarter of 2010	Exchange Rate	S	4,113	(113)	-
US dollar Forward	2,000	1st Quarter of 2010	Exchange Rate	S	2,017	(17)	-
US dollar Forward	4,000	1st Quarter of 2010	Exchange Rate	S	4,011	(11)	-
US dollar Forward	8,000	1st Quarter of 2010	Exchange Rate	S	8,025	(25)	-
US dollar Forward	6,944	1st Quarter of 2010	Interest Rate	S	6,198	746	-
US dollar Forward	2,870	1st Quarter of 2010	Interest Rate	S	2,585	285	-
US dollar Forward	16,918	1st Quarter of 2010	Interest Rate	S	15,103	1,816	-
European Operations	8,879	1st Quarter of 2010	Exchange Rate	P	9,039	160	-
European Operations	5,216	1st Quarter of 2010	Exchange Rate	P	5,347	131	-
European Operations	7,265	1st Quarter of 2010	Exchange Rate	P	7,266	1	-
European Operations	8,599	1st Quarter of 2010	Exchange Rate	P	8,599	-	-
European Operations	8,500	1st Quarter of 2010	Exchange Rate	P	8,498	(1)	-
European Operations	5,352	1st Quarter of 2010	Exchange Rate	P	5,352	-	-
European Operations	9,157	1st Quarter of 2010	Exchange Rate	P	9,058	(98)	-
European Operations	1,987	1st Quarter of 2010	Exchange Rate	P	1,947	(41)	-
European Operations	5,287	1st Quarter of 2010	Exchange Rate	P	5,189	(98)	-
US dollar Forward							
/European Operations	6,879	2nd Quarter of 2014	Exchange Rate	P	6,459	420	-
European Operations	59,571	1st Quarter of 2010	Exchange Rate	P	59,571	-	-
US dollar Forward	10,108	1st Quarter of 2010	Time Deposits	P	9,729	(379)	-
US dollar Forward	15,198	1st Quarter of 2010	Time Deposits	P	14,764	(433)	-
US dollar Forward	8,585	1st Quarter of 2010	Time Deposits	P	8,382	(203)	-
US dollar Forward	10,048	1st Quarter of 2010	Time Deposits	P	10,341	293	-
US dollar Forward	10,101	1st Quarter of 2010	Time Deposits	P	9,998	(104)	-
US dollar Forward	20,139	1st Quarter of 2010	Time Deposits	P	20,640	501	-
US dollar Forward	15,168	1st Quarter of 2010	Time Deposits	P	15,478	310	-
US dollar Forward	5,059	1st Quarter of 2010	Time Deposits	P	5,142	82	-
US dollar Forward	5,062	1st Quarter of 2010	Time Deposits	P	5,202	140	-
US dollar Forward	20,179	1st Quarter of 2010	Time Deposits	P	20,816	637	-
US dollar Forward	10,266	1st Quarter of 2010	Time Deposits	P	10,618	352	-
US dollar Forward	4,577	1st Quarter of 2010	Time Deposits	P	4,744	167	-
US dollar Forward	10,206	1st Quarter of 2010	Time Deposits	P	10,585	379	-
US dollar Forward	5,064	1st Quarter of 2010	Time Deposits	P	5,248	184	-
US dollar Forward	6,077	1st Quarter of 2010	Time Deposits	P	6,328	250	-
US dollar Forward	10,114	1st Quarter of 2010	Time Deposits	P	10,415	301	-
US dollar Forward	20,254	1st Quarter of 2010	Time Deposits	P	20,977	723	-
US dollar Forward	10,130	1st Quarter of 2010	Time Deposits	P	10,431	302	-
US dollar Forward	10,235	1st Quarter of 2010	Time Deposits	P	10,586	351	-
US dollar Forward	10,148	1st Quarter of 2010	Time Deposits	P	10,497	348	-
US dollar Forward	7,053	1st Quarter of 2010	Time Deposits	P	7,080	27	-
US dollar Forward	10,070	1st Quarter of 2010	Time Deposits	P	10,109	39	-
US dollar Forward	10,070	1st Quarter of 2010	Time Deposits	P	10,128	59	-
US dollar Forward	10,070	1st Quarter of 2010	Time Deposits	P	10,128	59	-
US dollar Forward	15,172	2nd Quarter of 2010	Time Deposits	P	15,257	85	-
US dollar Forward	36,300	1st Quarter of 2010	Interest Rate	P	37,489	(1,819)	-
US dollar Forward	13,900	2nd Quarter of 2010	Interest Rate	P	14,819	(919)	-
US dollar Forward	500	3rd Quarter of 2010	Interest Rate	P	547	(47)	-

NOTE 25. COMMITMENTS AND CONTINGENCIES

I. Contingencies:

(a) Material lawsuits or other legal actions of which the Company is party to:

1. Plaintiff: Compañía de Salitre y Yodo Soledad S.A.
 Defendant: Sociedad Química y Minera de Chile S.A.
 Date of lawsuit: December 1994
 Court: Civil Court of Pozo Almonte
 Cause: Partial annulment of mining property, Cesard 1 to 29
 Instance: Evidence provided
 Nominal amount: ThUS\$211

2. Plaintiff: Compañía Productora de Yodo y Sales S.A.
 Defendant: SQM S.A.
 Date of lawsuit: November 1999
 Court: Civil Court of Pozo Almonte
 Cause: Partial annulment of mining property, Paz II 1 to 25
 Instance: Evidence provided
 Nominal amount: ThUS\$162

3. Plaintiff: Compañía Productora de Yodo y Sales S.A.
 Defendant: SQM S.A.
 Date of lawsuit: November 1999
 Court: Civil Court of Pozo Almonte
 Cause: Partial annulment of mining property, Paz III 1 to 25
 Instance: Evidence provided
 Nominal amount: ThUS\$204

4. Plaintiff: Angélica Allende and their sons Iván Molina and Cristóbal Molina
 Defendant: Ingeniería, Construcción y Servicios SMR Limitada and jointly and severally SQM Nitratos S.A. and its insurance companies.
 Date of lawsuit: May 2008
 Court: Arbitration Court of Antofagasta
 Cause: Work accident
 Instance: Evidence
 Nominal amount: ThUS\$670

5. Plaintiff: Nancy Erika Urra Muñoz
 Defendant: Fresia Flores Zamorano, Duratec-Vinilit S.A. and SQM S.A. and its insurance companies.
 Date of lawsuit: December 2008
 Court: 1st Civil Court of Santiago
 Cause: Work accident
 Instance: Response
 Nominal amount: ThUS\$550

6. Plaintiff: Adriana Santa Aldina Limitada
 Defendant: SQM Perú S.A.
 Date of lawsuit: June 2009
 Court: Civil Court of Pisco - Perú
 Cause: Seek compensation for damages for alleged breach of the terms and conditions of product distribution contract
 Instance: Response
 Nominal amount: ThUS\$6,000

7. Plaintiff: Eduardo Fajardo Núñez, Ana María Canales Poblete, Raquel Beltrán Parra, Eduardo Fajardo Beltrán y Martina Fajardo Beltrán
 Defendant: SQM Salar S.A. and us insurers.
 Date of lawsuit: November 2009
 Court: 20th Civil Court of Santiago
 Cause: Work accident
 Instance: Demand response
 Nominal amount: ThUS\$1,880

II. SQM S.A. and its subsidiaries have been participating and probably will continue to participate habitually as plaintiffs or defendants in certain judicial proceedings that have been and will be filed and are subject to the decisions of the Ordinary Courts of Justice. Those proceedings, which are regulated by the applicable legal provision, mainly seek to exercise or oppose certain actions or exceptions related to certain mining concessions constituted or in the process of being constituted and do not and will not essentially affect the development of SQM S.A. and its subsidiaries.

III. Soquimich Comercial S.A. has been participating and probably will continue to participate habitually as a plaintiff in certain judicial proceedings through which it seeks mainly to collect and receive the amounts owed to it in the total approximate amount of ThUS \$900.

IV. SQM S.A. and its subsidiaries have tried and currently continue to try to obtain payment of certain amounts still owed to them for their regular activities. Those amounts will continue to be judicially and non-judicially demanded by the plaintiffs and the actions exercised in relation to them are currently in full force.

V. SQM S.A. and its subsidiaries have not been legally notified of other complaints other than those mentioned in paragraph I above and which pursue the voidance of certain mining properties purchased by SQM S.A. and its subsidiaries and whose proportional purchase price, in respect to the part affected by the respective overlap, exceeds the nominal and approximate amount of ThUS\$150 or which seek to obtain payment of certain amounts allegedly owed from exercising their own activities and which exceed the nominal individual amount of approximately ThUS\$150.

II. Restrictions:

Bank loans taken out by, and obligations with the public (bonds and promissory notes) issued by, SQM S.A. and its subsidiaries contain restrictions similar to those of other comparable loans and obligations existing when this debt was entered into. These restrictions involve maximum indebtedness, minimum equity, ratios of net financial debt to EBITDA and obligations to maintain certain assets that guarantee a particular minimum production capacity per business line. Other than these restrictions, SQM S.A. is not exposed to any other management restrictions or limits to financial ratios in contracts or agreements with creditors.

III. Commitments:

Subsidiary SQM Salar S.A. has signed a rental contract with CORFO which establishes that such subsidiary, will pay to CORFO, for the exploitation of certain mining properties owned by CORFO and for the products resulting from such exploitation, the annual rent stated in the aforementioned contract, the amount of which is calculated on the basis of the sales of each type of product. The contract is in force until 2030 and rent began being paid in 1996 reflecting in income a value of ThUS\$17,747 in 2009 (ThUS\$17,712 in 2008).

IV. Indirect Guarantees

The guarantees that do not have a pending payment balance reflect, indirectly that the respective guarantees are in force and approved by the Company's Board of Directors and that they have not been used by the corresponding subsidiary.

As of December 31, 2009 and 2008 the Company has the following indirect guarantees outstanding:

Beneficiary	Debtor		Balances Outstanding	
	Name	Relationship	2009	2008
			ThUS\$	ThUS\$
BBVA Banco Bilbao Vizcaya Argentaria	Royal Seed Trading Corp. A.V.V.	Subsidiary	100,053	100,204
ING Capital LLC	Royal Seed Trading Corp. A.V.V.	Subsidiary	80,055	80,215
Export Development Canada	SQM Investment Corporation N.V.	Subsidiary	50,019	50,032
BBVA Bancomer S.A.	Royal Seed Trading Corp. A.V.V.	Subsidiary	75,000	—

NOTE 26. SURETIES OBTAINED FORM THIRD PARTIES

The main solidary pledges provided to guarantee to Soquimich Comercial S.A. fulfillment of the obligations in the commercial mandate agreements for distribution and sale of fertilizers are as follows:

Company Name	ThUS\$
Llanos y Wammes Soc. Com. Ltda.	2,037
Fertglobal Chile Ltda. y Bramelli	3,352
Tattersall S.A.	1,134

NOTE 27. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCY

	2009	2008
Assets	ThUS\$	ThUS\$
Chilean pesos	339,755	106,015
US Dollars	2,632,877	2,307,684
Euros	83,184	76,679
Japanese Yen	1,204	1,404
Brazilian Real	329	195
Mexican pesos	1,790	3,525
UF	70,829	26,851
South African Rand	33,565	12,298
Dirhams	22,575	15,744
Other Currencies	17,026	16,820
Current Liabilities		
Chilean pesos	150,473	121,664
US Dollars	306,855	295,843
Euros	69,363	12,052
Japanese Yen	46	77
Brazilian Real	1,632	1,562
Mexican pesos	938	934
UF	11,412	10,830
South African Rand	4,697	714
Dirhams	–	391
Other Currencies	58	1,839
Long-term Liabilities		
Chilean pesos	193,760	18,640
US Dollars	624,231	505,448
Japanese Yen	326	294
UF	326,452	86,337
Other Currencies	–	10
Mexican Pesos	185	403

NOTE 28. SANCTIONS

During 2009 and 2008, the SVS and others did not apply sanctions to the Company, its directors or managers.

NOTE 29. SUBSEQUENT EVENTS

On February 23, 2010, the SVS was informed that the Board of Directors of Sociedad Química y Minera de Chile S.A. held an extraordinary meeting on February 22, 2010 and agreed by unanimous vote of those directors in attendance to cease production at the mines El Toco and Pampa Blanca.

The Board of Directors decided to suspend operations based on the fact that worldwide demand for nitrates and iodine had been strongly impacted by the global financial crisis that began during the fourth quarter of 2008, thus decreasing sales volumes over the last 15 months and increasing SQM's inventory of nitrates and iodine.

As a result of this suspension, SQM's total nitrate production for 2010 should decrease slightly over the prior year. Due to the suspension of the El Toco mine, sodium nitrate production will decrease. This reduction will be partially compensated by a new sodium nitrate plant located in Coya Sur set to begin operations during the second half of 2010.

With respect to iodine production, the Company estimates a reduction of approximately 20% over 2008 production volumes.

The Board of Directors considered that even if demand for nitrates and iodine were to exceed currently forecasted figures, the Company's existing inventory levels and available installed production capacity, including the mines at Pampa Blanca and El Toco, would allow it to respond quickly and efficiently to this increased demand.

Property, plant and equipment from the El Toco and Pampa Blanca facilities have a carrying value, net of depreciation, of ThUS\$ 82,204 as of December 31, 2009. As a result of suspending operations, the Company estimates that these assets are not impaired based on an analysis of future cash flows.

Management is not aware of any other significant events that occurred between December 31, 2009 and the date of issuance of these consolidated financial statements (February 25, 2010) that may significantly affect them.

NOTE 30. ENVIRONMENTAL PROJECTS

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 its principles indicated in its Sustainable Development Policy.

The Company operates using an environmental management system (EMS) that enables it to continuously improve its environmental development by effectively applying its Sustainable Development Policy.

Disbursements made by the Company and its subsidiaries as of December 31, 2009 related to investments in production processes, verification and control of compliance with ordinances and laws relative to industrial processes and facilities amount to ThUS\$9,324 and are detailed as follows:

Projects	2009	Future Disbursements
	ThUS\$	ThUS\$
Enablement of Money Exchange and Bathrooms	1,369	232
Environmental Evaluation	3,163	568
Handling of Household and Industrial Waste	983	138
Handling of Dangerous Substances	444	1,107
Salar (Salt deposit) Environmental follow-up Plan	370	452
Environmental Studies	42	70
Improvements in M. Elena – Streets Camp	689	–
PV Environmental Improvements	1,029	463
Environmental Management	1,235*	1,239**
TOTAL	9,324	4,269

(*) Corresponds to the 2009 Expenses

(**)Corresponds to the 2010 Budget

Operations which use caliche as raw material are developed desert geographical areas with climatic conditions favorable for drying solids and evaporating liquids using solar energy. Operations for the open-pit extraction of minerals, due to their low waste to mineral ratio, generate remaining deposits which slightly alter the environment. During the extraction process and subsequent crushing of ore, particle emissions occur, which is normal for this type of operations.

In communities near Maria Elena, particulate matter exceeds standards for MP10 and thus affects air quality. The Company has implemented a series of measures that have led to noteworthy progress in air quality in Maria Elena, both in the context of the community's Decontamination Plan and in compliance with the Company's own Sustainable Development Policy. In October 2005, the Company obtained environmental approval for its project "Technological Changes at Maria Elena". This project helped reduce particulate matter emissions as required by environmental standards. The project, in operation since January 2009, permanently decommissioned the old crushing plant in Maria Elena on July 5, 2008, which resulted in improved air quality.

In addition, for all its operations, 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 for 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 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 Pontificia Universidad Católica and the School of Agricultural Science of Universidad de Chile.

Furthermore, the Company is performing significant activities for the recording of Pre-Columbian and historical 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 María Elena and the Nueva Victoria plant. 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 for maintaining positive relationships with the surrounding community, as well as to participate in community 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, and development, and in order to do so, its acts both individually and in conjunction with both private and public entities.

NOTE 31. DEFERRED INCOME

During the periods ended December 31, 2009 and 2008, the Company maintains unearned income related to the recognition of sales invoices the delivery of which will occur subsequent to the close of the financial statements. The detail is as follows:

	2009	2008
	ThUS\$	ThUS\$
Deferred Income	16,536	31,722
TOTAL	16,536	31,722

NOTE 32. TIME DEPOSITS

As of december 31, 2009 and 2008, time deposits are detailed follows:

	Type of deposit	Currency of origin	Interest rate	Investment date	Expiration date	Capital in	Accrued interest in	Balance present year in	Balance previous year in
Bank of the Investment						ThUS\$	ThUS\$	ThUS\$	ThUS\$
Corpbanca	Fixed Term	Ch\$	0.07%	11-04-2009	01-04-2010	10,472	14	10,486	20,045
Banco Crédito e Inversiones	Fixed Term	Ch\$	0.06%	11-05-2009	01-05-2010	15,612	17	15,629	31,136
Banco Crédito e Inversiones	Fixed Term	Ch\$	0.06%	11-06-2009	01-07-2010	8,776	10	8,786	–
Banco Santander - Santiago	Fixed Term	Ch\$	0.05%	11-09-2009	01-21-2010	10,193	9	10,202	44,452
Banco de Chile	Fixed Term	Ch\$	0.07%	11-17-2009	01-18-2010	9,742	9	9,751	–
Banco de Chile	Fixed Term	Ch\$	0.08%	11-23-2009	02-01-2010	19,602	20	19,622	10,022
Banco de Chile	Fixed Term	Ch\$	0.09%	11-23-2009	02-22-2010	4,908	6	4,914	–
Corpbanca	Fixed Term	Ch\$	0.10%	11-23-2009	02-22-2010	19,483	25	19,508	–
Banco de Chile	Fixed Term	Ch\$	0.08%	11-23-2009	03-23-2010	19,469	20	19,489	–
Corpbanca	Fixed Term	Ch\$	0.12%	11-23-2009	03-23-2010	9,781	15	9,796	–
Banco Santander - Santiago	Fixed Term	Ch\$	0.08%	11-23-2009	03-23-2010	9,781	10	9,791	–
Corpbanca	Fixed Term	Ch\$	0.11%	11-27-2009	03-16-2010	4,861	6	4,867	–
Corpbanca	Fixed Term	Ch\$	0.11%	11-27-2009	03-16-2010	5,804	7	5,811	–
Banco de Chile	Fixed Term	Ch\$	0.07%	12-03-2009	02-10-2010	14,835	10	14,845	–
Banco de Chile	Fixed Term	Ch\$	0.06%	12-04-2009	02-15-2010	4,970	3	4,973	–
Banco Crédito e Inversiones	Fixed Term	Ch\$	0.09%	12-23-2009	03-30-2010	7,005	2	7,007	–
Banco Crédito e Inversiones	Fixed Term	Ch\$	0.09%	12-23-2009	03-30-2010	10,002	2	10,004	–
Banco Crédito e Inversiones	Fixed Term	Ch\$	0.09%	12-24-2009	03-30-2010	9,982	2	9,984	–
Banco de Chile	Fixed Term	Ch\$	0.09%	12-28-2009	04-08-2010	15,042	1	15,043	–
Banco Crédito e Inversiones	Fixed Term	Ch\$	0.03%	12-30-2009	01-07-2010	10,452	–	10,452	–
Banco de Chile	Fixed Term	US\$	1.85%	12-22-2009	01-28-2010	15,000	7	15,007	–
Banco Santander – Santiago	Fixed Term	US\$	1.35%	12-28-2009	01-26-2010	10,300	1	10,301	–
Banco Santander – Santiago	Fixed Term	UF	3.59%	11-24-2009	03-24-2010	9,707	36	9,743	–
Banco Santander – Santiago	Fixed Term	UF	3.59%	11-24-2009	03-24-2010	9,790	36	9,826	–
Banco Santander – Santiago	Fixed Term	UF	3.85%	11-26-2009	03-09-2010	9,735	36	9,771	–
Banco de Chile	Fixed Term	UF	3.70%	11-25-2009	02-24-2010	9,837	36	9,873	–
Banco de Chile	Fixed Term	UF	3.85%	11-26-2009	03-09-2010	4,370	16	4,386	–
Citibank N.A.	Overnight	US\$	0.05%	12-31-2009	01-04-2010	1,765	–	1,765	–
Deutsche Bank Chile S.A.	Fixed Term	US\$	0.50%	12-30-2009	01-14-2010	5,000	–	5,000	–
Banco Santander – Santiago	Fixed Term	US\$	1.20%	12-30-2009	01-29-2010	10,000	–	10,000	–
Citibank N.A.	Overnight	US\$	0.05%	12-31-2009	01-04-2010	200	–	200	–
Banco de Chile	Fixed Term	US\$	1.85%	12-23-2009	02-22-2010	5,000	2	5,002	–
Banco Santander – Santiago	Fixed Term	US\$	1.62%	12-24-2009	02-22-2010	9,500	3	9,503	–
Banco Santander – Santiago	Fixed Term	US\$	1.20%	12-30-2009	01-29-2010	10,000	–	10,000	–
Deutsche Bank Chile S.A.	Fixed Term	US\$	0.50%	12-30-2009	01-14-2010	10,000	–	10,000	–
Citibank N.A.	Overnight	US\$	0.05%	12-31-2009	01-04-2010	157	–	157	824
BBVA Banco Bilbao Vizcaya									
Argentaria	Fixed Term	US\$	–	–	–	–	–	–	16,103
HSBC Bank Chile	Fixed Term	US\$	–	–	–	–	–	–	5,013
Banco Itau	Fixed Term	US\$	–	–	–	–	–	–	9,018
TOTAL						351,115	363	351,478	136,613

NOTE 33. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

As is public knowledge, Chile is committed to developing a convergence plan to fully adopt International Financial Reporting Standards (IFRS). In conformity with standards issued on this matter by the Chilean Association of Accountants and SVS Circular No. 427 from December 28, 2007, the Company and its subsidiaries will adopt these standards beginning January 1, 2010. As a result, the Company's equity balances as of January 1, 2010 will be impacted, which will in turn affect the determination of net income in future years. Also, in 2010, for comparison purposes, the 2009 financial statements must be presented in accordance with the new standards. Therefore they might differ from these consolidated financial statements.



■ Unconsolidated Financial Statements

REPORT OF INDEPENDENT AUDITORS

(Translation of a report originally issued in Spanish)



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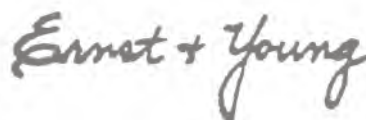
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To the Shareholders and Directors of
Sociedad Química y Minera de Chile S.A.:

1. We have audited the accompanying balance sheets of Sociedad Química y Minera de Chile S.A. ("the Company") as of December 31, 2009 and 2008 and the related statements of income and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these statements based on our audits.
2. 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.
3. These financial statements have been prepared to reflect the individual financial position of Sociedad Química y Minera de Chile S.A., on the basis of the criteria described in Note 2, before the line-by-line consolidation of the financial statements of the subsidiaries detailed in Note 6. Therefore, for their adequate interpretation, these individual financial statements must be read and analyzed in conjunction with the consolidated financial statements of Sociedad Química y Minera de Chile S.A. and its subsidiaries, which are required by generally accepted accounting principles in Chile. This report is presented solely for the information of and use by the board of directors and management of Sociedad Química y Minera de Chile S.A. and the Superintendency of Securities and Insurance.
4. In our opinion, these individual financial statements present fairly, in all material respects, the financial position of Sociedad Química y Minera de Chile S.A. as of December 31, 2009 and 2008, and the results of its operations and cash flows for the years then ended, in accordance with the principles described in Note 2.
5. As indicated in Note 25, as of January 1, 2010 the Company will adopt International Financial Reporting Standards (IFRS) as their generally accepted accounting principles.



Juan Francisco Martínez A.
RUT: 10.729.937-8



ERNST & YOUNG LTDA.
RUT: 77.802.430-6

Santiago, Chile
February 25, 2010

UNCONSOLIDATED BALANCE SHEETS

	Notes	As of December 31,	
		2009	2008
ASSETS		ThUS\$	ThUS\$
Current assets			
Cash		92	58
Time deposits	24	301,615	71,694
Marketable securities		5,387	19,553
Accounts receivable, net		37	256
Other accounts receivable, net		3,075	165
Accounts receivable from related companies	4	865,503	610,578
Inventories		65,129	10,164
Recoverable taxes		20,463	7,780
Prepaid expenses		1,183	2,237
Deferred income taxes	5	31,426	56,522
Other current assets		69,620	675
Total current assets		1,363,530	779,682
Property, plant, and equipment, net		157,699	146,601
Other Assets			
Investments in related companies	6	1,098,437	1,053,148
Goodwill	7	16,691	17,804
Negative goodwill, net	7	(1,055)	(1,260)
Intangible assets, net		1,565	1,968
Long-term accounts receivable from related companies	4	198,878	186,350
Long-term accounts receivable		2,619	52
Other long-term assets		25,075	19,489
Total Other Assets		1,342,210	1,277,551
TOTAL ASSETS		2,863,439	2,203,834

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

UNCONSOLIDATED BALANCE SHEETS

	Notes	As of December 31,	
		2009	2008
LIABILITIES AND SHAREHOLDERS' EQUITY		ThUS\$	ThUS\$
Current liabilities			
Short-term bank debt	8	52,982	81,013
Current portion of bonds payable	10	45,606	7,929
Dividends payable		792	601
Accounts payable		9,804	8,950
Other accounts payable		300	226
Notes and accounts payable to related companies	4	351,015	302,688
Accrued liabilities	11	3,623	3,323
Withholdings		13,365	12,562
Income taxes		353	5,407
Deferred income		1,253	2,536
Other current liabilities		525	3,316
Total current liabilities		479,618	428,551
Long-term liabilities			
Long – term bank debt	9	210,000	–
Long-term obligations with the public (Bonds)	10	670,221	285,940
Other accounts payable		186	397
Long-term accrued liabilities	11 - 12	25,740	15,359
Deferred income taxes	5	11,061	10,479
Total long-term liabilities		917,208	312,175
Shareholders' equity			
Paid-in capital	13	477,386	477,386
Other reserves	13	162,084	159,721
Retained earnings	13	827,143	826,001
Total shareholders' equity		1,466,613	1,463,108
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,863,439	2,203,834

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

■ UNCONSOLIDATED STATEMENTS OF INCOME

	Notes	For the years ended December 31,	
		2009	2008
		ThUS\$	ThUS\$
OPERATING INCOME			
Sales		195,694	319,348
Cost of sales		(172,781)	(294,651)
Gross margin		22,913	24,697
Selling and administrative expenses		(24,088)	(25,042)
Operating income		(1,175)	(345)
Non-operating income			
Non-operating income		422,243	501,971
Non-operating expenses		(76,252)	(37,587)
Non-operating income, net		345,991	464,384
Income before income taxes		344,816	464,039
Income tax expense	5	(17,760)	37,368
NET INCOME		327,056	501,407

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

■ CONSOLIDATED STATEMENTS OF CASH FLOWS

		For the years ended December 31,	
	Notes	2009	2008
		ThUS\$	ThUS\$
Cash flows from operating activities:			
Net income		327,056	501,407
Charges (credits) to income not representing cash flows			
Depreciation expense		15,082	13,208
Amortization of intangible assets		403	403
Write-offs and accruals		1,702	775
Gain on equity investments in related companies		(339,080)	(446,220)
Loss on equity investments in related companies		677	477
Amortization of goodwill	7	1,113	1,113
Loss on sales of property, plant and equipment		–	(698)
Other credits to income not representing cash flows		(68,002)	(69,133)
Other charges to income not representing cash flows		89,206	43,526
Foreign currency translation, net	14	(2,646)	(18,400)
Net changes in operating assets and liabilities:			
Trade Accounts Receivable		7,032	(114,025)
(Increase) decrease in trade accounts receivable		(54,965)	32,360
Increase in inventories		37,215	(13,929)
Increase (decrease) accounts payable in related companies		50,372	230,204
Decrease in interest payable		10,319	1,608
(Decrease) increase in net income taxes payable		(10,155)	(4,618)
(Decrease) in other accounts payable		(10,767)	(7,425)
Increase (decrease) in VAT and taxes payable		866	(1,721)
Net cash provided from operating activities		55,428	148,912
Cash flows from financing activities			
Proceeds from bank financing		300,000	100,000
Obligation with the public		372,347	–
Payments of obligation with the public		(8,555)	–
Payment of dividends		(336,646)	(210,748)
Payment of bank financing		(120,000)	(20,222)
Payment of obligations with the public		(35,402)	(5,573)
Net cash provided from (used in) financial activities		171,744	(136,543)
Cash flows provided from investing activities			
Sales of property, plant and equipment		–	1,165
Other income	16	2,042	721
Additions to property, plant and equipment		(29,230)	(15,645)
Capitalized interest		(1,298)	(576)
Investments in financial instruments		(15,043)	–
Other disbursements investment		-	(36)
Net cash used in investing activities		(43,529)	(14,371)
Net cash flows for the year		183,643	(2,002)
Effect of inflation on cash and cash equivalents		17,103	889
Net change in cash and cash equivalents		200,746	(1,113)
Beginning balance of cash and cash equivalents		91,305	92,418
ENDING BALANCE OF CASH AND CASH EQUIVALENTS		292,051	91,305

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

■ NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

NOTE 01. COMPANY BACKGROUND

Sociedad Química y Minera de Chile S.A. (the "Company") was registered with the Chilean Superintendency of Securities and Insurance ("SVS") on March 18, 1983.

NOTE 02. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Accounting period and basis of preparation

These financial statements have been prepared as of December 31, 2009 and 2008 and for the years then ended.

The financial statements have been prepared in accordance with accounting principles generally accepted in Chile ("Chilean GAAP") and specific criteria required by the SVS. Certain accounting practices applied by the Company that conform to Chilean GAAP may not conform to generally accepted accounting principles in the United States ("US GAAP"). For the convenience of the reader, the financial statements and their accompanying notes have been translated from Spanish to English.

These financial statements were prepared in order to analyze the Company as a stand-alone entity, therefore, all of the asset, liability and income accounts of its subsidiaries have been recorded in one line as investments in related companies. This accounting treatment does not affect net income. Consequentially, these financial statements should be read in conjunction with the consolidated financial statements.

b) Reporting currency

The financial statements of the Company are prepared in U.S. dollars. As a significant portion of the Company's operations are transacted in U.S. dollars, the U.S. dollar is considered the currency of the primary economic environment in which the Company operates.

c) Reclassifications

For comparison purposes, certain reclassifications have been made to the 2008 financial statements.

d) Translation of non-U.S. dollar assets, liabilities and financial statements

i) Domestic subsidiaries and affiliates

Monetary assets and liabilities denominated in Chilean pesos and other currencies have been translated to U.S. dollars at the observed exchange rates determined by the Central Bank of Chile as of each year-end, which were Ch\$507.10 in 2009 and Ch\$636.45 in 2008.

The value of the UF as of December 31, 2009 and 2008 was Ch\$20,942.88 (US\$41.30) and Ch\$21,452.57 (US\$33.71), respectively.

ii) Foreign subsidiaries and affiliates

In accordance with Chilean GAAP, the financial statements of foreign subsidiaries that do not maintain their accounting records in U.S. dollars are translated from the respective local currencies to U.S. dollars in accordance with Technical Bulletin No. 64 and 72 of the Chilean Association of Accountants ("BT 64 and BT 72").

The monetary assets and liabilities of foreign subsidiaries were translated into U.S. dollars at the exchange rates per US\$prevailing as of December 31, as follows:

	2009	2008
	US\$	US\$
Brazilian Real	1.74	2.34
Euro	0.69	0.72
South African Rand	7.40	9.28
Pound Sterling	0.62	0.67

e) Time deposits

Time deposits are recorded at cost plus accrued interest.

f) Marketable securities

Marketable securities are recorded at the lower of cost plus accrued interest or market value.

g) Inventories and materials

Inventories of finished products and works in process are valued at average production cost.

Materials and supplies received are stated at average acquisition and inventories in transit are stated at cost incurred at the end of the period.

The cost of inventories does not exceed its net realizable value.

h) Allowance for doubtful accounts

The Company records an allowance for doubtful accounts based on estimated probable losses.

i) Property, plant, equipment.

Property, plant, equipment and property rights are recorded at acquisition cost, considering in general an average residual value of 5%, except for certain assets that were restated in accordance with a technical appraisal in 1989. Depreciation expense has been calculated using the straight-line method based on the estimated useful lives of the assets and is charged directly to expenses.

Property, plant and equipment acquired through financial lease agreements are accounted for at the present value of the minimum lease payments plus the purchase option based on the interest rate included in each contract. The Company does not legally own these assets and therefore cannot freely dispose of them.

In conformity with Technical Bulletin No. 31 and 33 of the Chilean Association of Accountants, the Company capitalizes interest cost associated with the financing of new assets during the construction period of such assets.

Maintenance costs of plant and equipment are charged to expenses as incurred.

The Company obtains property rights and mining concessions from the Chilean state. Other than minor filing fees, the property rights are usually obtained without initial cost, and once obtained, are retained by the Company as long as the annual fees are paid. Such fees, which are paid annually in March, are recorded as prepaid assets to be amortized over the following twelve months. Values attributable to these original mining concessions received are being amortized on a straight-line basis over 50 years and are recorded in property, plant and equipment.

j) Intangible assets

Intangible assets are stated at cost plus acquisition expenses and are amortized over a maximum period of 40 years, in accordance with Technical Bulletin No. 55 of the Chilean Association of Accountants.

k) Mining development cost

Mining development costs are recorded in other long-term assets and are amortized utilizing the unit of production basis.

Prospecting expenses for mining claims where the product is low grade and not economically exploitable, are charged directly to income.

l) Investments in related companies

Investments in related companies over which the Company has significant influence, are included in other assets and are recorded using the equity method of accounting, in accordance with SVS Circulars Nos. 368 and 1,697 and Technical Bulletins Nos. 64 and 72 issued by the Chilean Association of Accountants. Accordingly, the Company's proportional share in the net income or loss of each investee is recognized in the non-operating income and expense classification in the statements of income on an accrual basis, after eliminating any unrealized profits from transactions with the related companies.

The translation adjustment to U.S. dollars of investments in domestic subsidiaries that maintain their accounting records and are controlled in Chilean pesos is recognized in other reserves within shareholders' equity. Direct and indirect investments in foreign subsidiaries or affiliates are controlled in U.S. dollars.

Investments in which the Company has less than 20% participation and the capacity to exert significant influence or control over the investment, because SQM forms part of its Board of Directors, have been valued using the equity method.

m) Goodwill and negative goodwill

Goodwill is calculated as the excess of the purchase price of companies acquired over their net book value, whereas negative goodwill occurs when net book value exceeds the purchase price of companies acquired. Goodwill and negative goodwill resulting from equity method investments are maintained in the same currency in which the investment was made and are amortized based on the estimated period of investment return, generally 20 years for goodwill and negative goodwill.

Beginning on January 1, 2004, goodwill and negative goodwill represents the difference between the acquisition cost of the investment in a related company.

And the fair value of this investment at the acquisition date, which is amortized with a charge or credit to income in the expected period of return of the investment, which does not exceed 20 years.

Modification of fair value, goodwill or negative goodwill are performed within a year from the date of acquisition.

n) Saleback operations

These operations are registered in Other Current Assets at the amount of the purchase. Starting at the purchase date, the respective interest is recorded in accordance with SVS Circular 768.

o) Income taxes and deferred income taxes

In conformity with current Chilean tax regulations, the company recognizes the provision for corporate income tax expenses and the income tax for the mining activity on an accrual basis.

Prior to 2000, income taxes were charged to results in the same period in which the income and expenses were recorded and were calculated in accordance with tax laws in Chile and other jurisdictions in which the Company operated.

Under Chilean law, the Parent Company and its subsidiaries are required to file separate tax declarations.

Beginning January 1, 2000, the Company records deferred income taxes in accordance with Technical Bulletin Nos. 60, 69, 71 and 73 of the Chilean Association of Accountants, and with Circular No. 1466 issued on January 27, 2000 by the SVS, recognizing the deferred tax effects of temporary differences between the financial and tax values of assets and liabilities, using the liability method. The effect of the temporary differences as of December 31, 1999 was recorded in complementary assets and liabilities accounts, which are recognized in the statement of operation over estimated period in which they reverse.

p) Accrued employee severance

The Company calculates the liability for staff severance indemnities based on the present value of the accrued benefits for the actual years of service worked assuming average employee tenure of 24 years and using a real annual discount rate of 8%.

q) Vacations

The cost of employee vacations is recognized in the financial statements on an accrual basis.

r) Revenue recognition

Income from the operation of the line of business of the Company and its Subsidiaries, is recorded as of the date of physical delivery of the products in accordance with the sales conditions stated in Technical Bulletin No. 70 issued by the Chilean Association of Accountants.

s) Derivative Contracts

The Company maintains derivative contracts to hedge against movements in foreign currencies, which are recorded in conformity with Chilean Technical Bulletin No. 57 of the Chilean Association of Accountants. Such contracts are recorded at fair value with net losses recognized on the accrual basis and gains recognized when realized.

t) Computer software

Computational systems developed internally using the Company's personnel and materials are charged to income during the year in which the expenses are incurred. In accordance with Circular No. 1,819 dated November 14, 2006 of the SVS, computer systems acquired by the Company are recorded at cost.

u) Research and development expenses

Research and development costs are charged to the income statement in the period in which they are incurred. Property, plant and equipment that are acquired for use in research and development activities and determined to provide additional benefits to the Company are recorded in property, plant and equipment.

v) Cash and cash equivalents

Included in cash and cash equivalents are cash and bank balances included in cash, time deposits, financial instruments classified as marketable securities and other short-term investments maturing within 90 days, in compliance with Technical Bulletin No. 50 issued by the Chilean Association of Accountants.

The Company has considered as operating cash movements, all positive or negative cash flows directly related to its line of business and in general all cash flows that are not defined as from investment or financing.

w) Obligations with the public (Bonds payable)

Bonds are stated at the principal amount plus interest accrued. The difference between the carrying value and the placement value is capitalized and amortized in the period of expiration of these.

x) Deferred income

Deferred income relate to the recognition of documented sales the delivery of which occurs subsequent to the closing date of the financial statements.

y) Employee benefits

Benefits agreed other than staff severance indemnities which the Company and its subsidiaries will have to pay to its employees by virtue of agreements entered recognized on an accrual basis.

z) Commercial paper

Placements of commercial paper registered with the SVS Securities Registry under No. 47 are valued in non-indexed pesos plus accrued interest.

NOTE 03. CHANGES IN ACCOUNTING PRINCIPLES

During the period ended December 31, 2009, the Company there were no changes in the application of generally accepted accounting principles in Chile compared to the prior year which could significantly affect the interpretation of these consolidated financial statements.

NOTE 04. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Transactions with related companies in which SQM S.A. maintains direct or indirect participation have no effect on income given that unrealized gains and losses from related companies are recognized directly or indirectly in full through the Proportional equity value method.

Transactions with subsidiaries are conducted under terms and conditions similar to those offered to third parties.

Conditions are those normally in force for this type of operations in respect to term and market price. Expiration conditions for each case vary depending on the transaction which generated them.

Operations with the following subsidiaries are accrued at an annual interest rate of 7.0% by the aging of balances: SQM Nitratos S.A., SQM Industrial S.A., SIT S.A., SQM Salar S.A., Exploraciones Mineras S.A., Minera Nueva Victoria S.A. and SQM Potasio S.A. The remaining subsidiaries accrue no interest.

a) Amounts included in balances with related parties as of December 31, 2009 and 2008 are as follows:

Accounts receivable	Short-term		Long-term	
	2009	2008	2009	2008
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Ajay SQM Chile S.A.	3,136	5,268	—	—
Servicios Integrales de Transito y Transferencias S.A.	130,538	88,487	—	—
SQM Potasio S.A.	—	—	198,878	186,350
SQM Salar S.A.	213,527	185,221	—	—
SQM Nitratos S.A.	406,865	229,594	—	—
Soquimich Comercial S.A.	—	27,932	—	—
SQM Comercial de Mexico S.A. de C.V.	2,476	2,474	—	—
SQM North America Corporation	22,896	31,494	—	—
SQM Europe N.V.	75,963	26,633	—	—
Nitratos Naturais do Chile Ltd.	1,399	1,043	—	—
SQM Lithium Specialties LLP	1,265	1,264	—	—
SQMC Holding Corporation	356	321	—	—
SQM Oceania Pty Limited	—	1,217	—	—
Royal Seed Trading corporation A.V.V.	8	8	—	—
SQM Investment Corp.	—	2,516	—	—
SQM Oceania Pty	1,616	—	—	—
SQM Ecuador S.A.	—	43	—	—
Kowa Company Ltd.	5,458	7,063	—	—
TOTAL	865,503	610,578	198,878	186,350

Accounts payable	Short-term	
	2009	2008
	ThUS\$	ThUS\$
Almacenes y Depósitos Ltda.	383	306
SQM Industrial S.A.	283,699	240,443
Minera Nueva Victoria S.A.	58,597	56,016
Isapre Norte Grande Ltda.	304	264
Soc. Prestadora de Servicios Salud Cruz del Norte S.A.	376	293
Nítrate Corporation of Chile Ltd.	5,076	5,076
SQM Brasil Ltda.	87	87
Exploraciones Mineras S.A.	20	47
SQM Investment Corporation N.V.	1,742	—
Soquimich Comercial S.A.	543	—
SQM Corporation N.V.	118	118
SQM Japan Co. Ltd.	70	38
TOTAL	351,015	302,688

There were no outstanding long-term accounts payable with related parties as of December 31, 2009 and 2008.

b) During 2009 and 2008, principal transactions with related parties were as follows:

Company	Type of transaction	Amount of transaction		Impact on income (charges) credits	
		2009	2008	2009	2008
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Potasio S.A.	Interest in current account	13,046	12,192	–	–
	Dividends received	34,999	122,727	–	–
Soquimich Comercial S.A.	Services rendered	41	32	–	–
SQM Nitratos S.A.	Services rendered	11,999	15,609	–	–
	Interest in current account	24,036	9,267	–	–
	Sale of PP&E	93	–	–	–
	Dividends received	110,000	90,000	–	–
Ajay SQM Chile S.A.	Sales of products	30,563	34,200	3,068	1,360
	Dividends received	229	–	–	–
	Purchase of products	22,044	20,743	–	–
Servicios Integrales de Tránsito y Transferencias S.A.	Interest in current account	7,572	4,825	–	–
	Sale of PP&E	–	1	–	–
SQM Salar S.A.	Interest in current account	15,825	4,359	–	–
	Purchase of PP&E	663	–	–	–
	Sale of PP&E	88	362	–	–
	Dividends received	–	27,270	–	–
	Services rendered	128	289	–	–
SQM Europe N.V.	Sale of products	82,855	96,589	–	–
SQM North America Corporation	Sale of products	64,447	100,510	–	–
	Interest in current account	403	865	–	–
SQM Industrial S.A.	Services rendered	11,654	8,077	–	–
	Dividends received	97,257	–	–	–
	Services received	381	–	–	–
	Purchase of products	165,929	–	–	–
	Purchase of property, plant and equipment	2,277	3,529	–	–
	Sale of PP&E	770	348	–	–
	Interest in current account	30,232	7,534	–	–
Exploraciones Mineras S.A.	Services rendered	32	47	–	–
	Interest in current account	2	1	–	–
Minera Nueva Victoria S.A.	Interest in current account	4,589	3,734	–	–
	Services rendered	86	–	–	–
	Sale of PP&E	37	–	–	–
	Services received	1,267	–	–	–
Kowa Company Ltd.	Sale of products	21,260	25,395	760	2,046
Isapre Norte Grande Ltd.	Services received	149	–	–	–
Soc. De Servicios de Salud Cruz del Norte S.A.	Services received	96	–	–	–
Sales de Magnesio	Services rendered	270	–	–	–
SQM Japon Co Ltd.	Services received	438	–	–	–
SQMC Holding Corporation	Services rendered	35	84	–	–

NOTE 05. CURRENT AND DEFERRED INCOME TAXES

As of December 31, 2009 and 2008, the Company has the following balances for retained tax earnings and credit for shareholders:

	2009	2008
	ThUS\$	ThUS\$
Accumulated tax basis retained earnings with tax credit	271,256	404,488
Credit for shareholders	51,704	79,486

2009

Temporary differences	Deferred tax asset		Deferred tax liability	
	Short-term	Long-term	Short-term	Long-term
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Leased Assets	–	–	–	84
Allowance for doubtful accounts	–	68	–	–
Vacation accrual	344	–	–	–
Deferred income	56	–	–	–
Production expenses	–	–	2,259	–
Accelerated depreciation	–	–	–	9,700
Staff severance indemnities	–	–	–	717
Other	115	4,392	–	57
Unrealized gain of sale of products	44,485	–	–	–
Gains and losses from derivative transactions	–	–	11,315	54
Exploration expenses	–	–	–	2,704
Long-term financing costs	–	–	–	2,015
Capitalized interest	–	–	–	1,226
Total gross deferred taxes	45,000	4,460	13,574	16,557
complementary accounts	–	–	–	(1,036)
TOTAL DEFERRED TAXES	45,000	4,460	13,574	15,521

2008

Temporary differences	Deferred tax asset		Deferred tax liability	
	Short-term	Long-term	Short-term	Long-term
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Allowance for doubtful accounts	–	68	–	–
Deferred income	99	–	–	–
Vacation Accrual	248	–	–	–
Accelerated depreciation	–	–	–	9,144
Staff severance indemnities	–	–	–	530
Other	190	2,720	–	89
Production Expenses	–	–	318	–
Unrealized gain of sale of products	55,827	–	–	–
Gains and losses from derivative transactions	476	–	–	60
Exploration expenses	–	–	–	2,638
Long-term financing costs	–	–	–	827
Capitalized interest	–	–	–	1,185
Total gross deferred taxes	56,840	2,788	318	14,473
complementary accounts	–	–	–	(1,206)
Total deferred taxes	56,840	2,788	318	13,267

b) Income tax credit (expense) is summarized as follows:

	2009	2008
	ThUS\$	ThUS\$
Provision for current income tax	(353)	(10,153)
Effect of assets and liabilities of deferred taxes, net	(25,508)	47,493
Adjustment for tax expense (previous year)	972	233
Tax benefit for tax losses	7,299	–
Effect of amortization of complementary accounts	(170)	(205)
TOTAL INCOME TAX CREDIT (EXPENSE)	(17,760)	37,368

NOTE 06. INVESTMENTS IN RELATED PARTIES

a) Information on foreign investments

There are no plans for the foreign investments to pay dividends, as it is the Company's policy to reinvest those earnings.

The Company has not designated their foreign investments as net investment hedges.

b) Transactions 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 for a 70% share.

*On October 9, 2009, the subsidiary Soquimich European Holdings formed a joint venture with Coromandel Fertilizars Limited called "Coromandel SQM"; each contributed capital of ThUS\$ 2,200 for a 50% share.

*On March 18, 2009, a shareholder agreement was signed to form Sichuan SQM-Migao Chemical Fertilizer Co. Ltda. The process of registering and obtaining permits was completed on September 1, 2009. SQM Industrial S.A. made its first capital contribution of ThUS\$ 3,000 on November 6, 2009 of a total of ThUS\$ 10,000 that each party will contribute. These additional contributions will be made during 2010.

*On December 17, 2009, Soquimich European Holdings B.V. acquired 51% of SQM Agro India Private Ltda. for ThUS\$ 50. With this acquisition, it now holds 100% of this company. In accordance with Technical Bulletin No. 72 from the Chilean Association of Accountants and SVS Circular No. 1,697, this investment was recorded at the book value of its equity, which does not differ significantly from its fair value determined as of the same date.

*On December 29, 2009, a joint venture agreement was signed with the Roullier Group for the company SQM Dubay-Fzco., decreasing our share from 100% to 50%. On the same date, the company changed its name to SQM Vitas. This transaction generated a credit to income of ThUS\$ 3,019, which is presented in other non-operating income.

* During December of 2009, SQM Potasio S.A. distributed dividends for a total amount of ThUS\$ 35,000 to its shareholders SQM S.A. (99.997386%) and Inversiones Pascuala (0.002614%).

* During December of 2009, SQM Nitratos S.A. distributed dividends for a total amount of ThUS\$ 110,000 to its shareholders SQM S.A. (99.9999978%) and SQM Potasio S.A. (0.00000022%).

* During December of 2009, SQM Industrial S.A. distributed dividends for a total amount of ThUS\$ 98,192 to its shareholders SQM S.A. (99.047043%) and SQM Potasio S.A. (0.952957%), charging retained earnings (ThUS\$ 14,730), and interim dividends (ThUS\$ 83,461) related to future earnings.

c) Transactions executed in 2008

* On April 24, 2008, the subsidiary Agricolima S.A. was sold to Mr. Carlos Federico Valenzuela Cadena, Mr. Diego Valenzuela Cadena and Mr. Jesús Angel Morelos Montfort, creating a gain on sale of investment of ThUS\$ 1,387.

d) Investments with less than 20% Ownership

Investments in which the Company has less than 20% ownership and the capacity to exert significant influence or control over the investment, because SQM forms part of its Board of Directors, have been valued using the equity method.

e) Detail of investments in related companies

Tax registration Number	Company	Country of Origin	Controlling currency of the currency	Number of Shares	Ownership interest		Equity of companies		Book value of investment		Net income (loss) for the period	
					2009	2008	2009	2008	2009	2008	2009	2008
					%	%	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
79947100-0	SQM Industrial S.A.	Chile	US\$	510,695,965	99.99	99.99	657,047	736,302	596,619	700,854	18,825	208,866
96651060-9	SQM Potasio S.A.	Chile	-	153,015,608	99.99	99.99	407,810	342,378	308,696	213,234	100,293	261,427
78602530-3	Minera Nueva Victoria S.A.	Chile	-	7,021,169	99.00	99.00	119,658	116,055	117,311	113,632	3,809	2,462
79626800-k	SQM Salar S.A.	Chile	-	69,084,000	18.18	18.18	536,207	375,986	97,482	42,179	160,158	286,884
96592190-7	SQM Nitratos S.A.	Chile	-	45,827,672	99.99	99.99	62,798	126,974	(37,564)	(27,051)	45,824	168,165
0-E	SQM North America Corp.	U.S.A.	US\$	430	40.00	40.00	23,128	25,586	9,251	1,998	(761)	(1,188)
0-E	RS Agro Chemical Trading A.V.V.	Aruba	US\$	59	98.33	98.33	5,232	5,236	5,145	5,149	(4)	(1)
96592180-k	Ajay SQM Chile S.A.	Chile	-	486,310,041	51.00	51.00	8,760	8,487	891	2,275	722	1,087
0-E	SQM Investment Corporation N.V.	Dutch Antilles	US\$	5	1.00	1.00	20,785	42,674	208	427	(21,889)	23,374
0-E	SQM Vitas	U.A.E.	DIRHAMS	-	0.00	0.00	33,007	-	165	-	(4,598)	-
0-E	SQM Europe N.V.	Europa	US\$	-	0.00	0.00	9,846	3,090	85	26	6,755	3,824
76425380-9	Exploraciones Mineras S.A.	Chile	-	1	0.00	0.00	28,183	28,366	76	76	(183)	(345)
81767200-0	Asociación Garantizadora de Pensiones	Chile	-	-	3.31	3.31	610	536	20	18	(45)	(5)
0-E	Royal Seed Trading Corp	Aruba	US\$	-	1.67	1.67	998	(779)	17	-	1,777	(4,112)
0-E	SQM Japan Co. Ltd.	Japan	US\$	2	1.00	1.00	1,155	1,145	12	11	10	318
0-E	SQMC Holding Corporation L.L.P.	U.S.A.	US\$	3	0.00	0.00	8,763	7,136	9	7	1,632	834
0-E	SQMC de México S.A. de C.V.	México	US\$	-	1.00	1.00	619	10,708	6	107	(10,090)	5,397
79876080-7	Almacenes y Depósitos Ltda.	Chile	-	-	1.00	1.00	429	344	4	3	7	(29)
0-E	SQM Dubai - FZCO	UAE	DIRHAMS	1	1.00	1.00	0.00	18,117	-	181	-	9,963
79906120-1	Isapre Cruz del Norte Ltda.	Chile	-	-	1.00	1.00	387	301	4	3	18	22
0-E	SQM Perú S.A.	Perú	US\$	340	0.00	0.00	(621)	1,962	-	19	(2,583)	2,766
79770780-5	Servicios Integrales de Tránsito y Transferencias S.A.	Chile	-	1	0.003	0.003	12,606	12,255	-	-	351	(1,226)
0-E	SQI Corporation N.V.	Estados Unidos	US\$	1	0.00	0.00	(24)	(22)	-	-	(2)	1
0-E	SQM Corporation N.V.	Antillaa Holand	US\$	1	0.00	0.00	34,119	33,325	-	-	954	19,278
0-E	SQM Brasil Ltda.	Brasil	US\$	-	2.00	0.00	(827)	(696)	-	-	(131)	217
TOTAL									1,098,437	1,053,148		

NOTE 07. GOODWILL AND NEGATIVE GOODWILL

As established in Technical Bulletin No. 72, issued by the Chilean Association of Accountants, ThUS\$ 205 2009 (ThUS\$ 12 2008) has been adjusted to the negative goodwill account related to lawsuits with third parties paid, which as of the date of determination of negative goodwill did not meet the requirements to be treated as identifiable liabilities that could be recognized.

These relate to lawsuits with factoring companies which as of the acquisition date were identified with results favorable to our company.

Goodwill, negative goodwill and the related amortization is summarized as follows:

a) Goodwill

Tax Registration Number	Company	December 31, 2009		December 31, 2008	
		Amount amortized during the period	Goodwill balance	Amount amortized during the period	Goodwill balance
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
79947100-0	SQM Industrial S.A.	1,113	16,691	1,113	17,804
TOTAL		1,113	16,691	1,113	17,804

b) Negative Goodwill

Tax Registration Number	Company	December 31, 2009		December 31, 2008	
		Amount amortized during the period	Negative Goodwill balance	Amount amortized during the period	Negative Goodwill balance
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
78602530-3	Minera Nueva Victoria S.A.	–	(1,055)	–	(1,260)
TOTAL		–	(1,055)	–	(1,260)

NOTE 08. BANK DEBT

a) Short-term bank debt:

Bank or financial institution	2009	2008
	ThUS\$	ThUS\$
Banco Crédito e Inversiones	–	20,172
BBVA Banco Bilbao Vizcaya Argentaria	31,138	40,524
Banco del Estado	20,813	–
JP Morgan Chase Bank	–	20,317
TOTAL	51,951	81,013
Annual average interest rate	4.5599%	6.7342%

b) Current portion of long-term bank debt:

Bank or financial institution	2009	2008
	ThUS\$	ThUS\$
Banco Estado NY Branch	332	–
Caja de Ahorro y Monte De Piedad	43	–
Banco Estado NY Branch	656	–
TOTAL	1,031	–
Annual average interest rate	2.84%	–

NOTE 09. LONG-TERM BANK DEBT

a) Long-term bank debt is detailed as follows:

Bank or financial institution	2009	2008
	ThUS\$	ThUS\$
Banco Estado NY Branch	30,332	–
Caja de Ahorro y Monte De Piedad	40,043	–
Banco del Estado New York BR	140,656	–
TOTAL	211,031	–
Les: Current portion	(1,031)	–
LONG-TERM PORTION	210,000	–

b) The Maturity of Long-Term debt is as follows:

Year to Maturity	2009	2008
	ThUS\$	ThUS\$
Current portion	1,031	–
1 To 2 Year	30,000	–
2 To 3 Year	40,000	–
3 To 5 Year	140,000	–
TOTAL	211,031	–

NOTE 10. SHORT AND LONG-TERM OBLIGATIONS WITH THE PUBLIC (PROMISSORY NOTES AND BONDS PAYABLE)

1. Additional Information

On January 25, 2006, the Company made a placement of Series C bonds for an amount of UF 3,000,000 at an annual rate of 4.00%. This placement achieved collection equivalent to 100% of par value.

The following payments have been made as of December 31, 2009 and 2008:

	2009		2008	
	UF	MUS\$	UF	MUS\$
Principal Payments	150,000.00	5,967	150,000.00	5,572
Interest Payments	105,456.30	4,191	111,397.50	4,145

As of December 31, 2009 and 2008, the short-term portion includes ThUS\$16,243 and ThUS\$7,929, respectively, related to short-term principal plus accrued interest at those dates. The long-term portion includes ThUS\$670,221 as of December 31, 2009 and ThUS\$285,940 as of December 31, 2008, related to principal installments for Series C bonds and Single Series bonds.

Single Series Bonds:

Single series bonds totaling ThUS\$ 200,000 with an interest rate of 6.125% per annum were placed on April 5, 2006. This placement was carried out under Rule 144 and regulation S of the U.S. Securities Act of 1933.

As of December 31, 2009 and 2008, the following payments have been made and charged to the single series line of bonds:

	2009	2008
	ThUS\$	ThUS\$
Interest payments	12,250	12,250

Series "G" and "H" Bonds:

On January 13, 2009, the Company placed two series of bonds on the Chilean market: Series H bonds for UF 4,000,000 (ThUS\$ 139,216) at a rate of 4.9% per annum, maturing in 21 years, with principal payments beginning in 2019 and series G bonds for ThUS\$ 21,000,000 (ThUS\$ 34,146) maturing in 5 years with a single principal payment upon maturity and interest of 7% per annum.

As of December 31, 2009 and 2008, the following payments have been made and charged to the series G and H lines of bonds:

	2009	2008
	ThUS\$	ThUS\$
Interest payments, series G	1,329	–
Interest payments, series H	3,727	–

Series "J" and "I" Bonds:

On May 8, 2009, the Company placed two series of bonds on the Chilean market: Series J bonds for ThCh\$ 52,000,000 (ThUS\$ 92,456) maturing in 5 years, with a single principal payment upon maturity and interest of 5.5% per annum, and series I bonds for UF 1,500,000 (ThUS\$ 56,051) maturing in 5 years with a single principal payment upon maturity and interest of 3.00% per annum.

As of December 31, 2009 and 2008, the following payments have been made and charged to the series J and I lines of bonds:

	2009	2008
	ThUS\$	ThUS\$
Interest payments, series J	2,583	–
Interest payments, series I	851	–

2. Commercial Paper (Promissory Notes)

On March 24, 2009, the Company placed promissory notes totaling ThCh\$ 15,000,000 (ThUS\$ 25,875) on 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, payment was made on the 2-A series.

On April 2, 2009, the Company placed promissory notes totaling ThCh\$ 15,000,000 (ThUS\$ 25,770) on 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		2009		2008	
		ThCh\$	ThUS\$	ThCh\$	ThUS\$
Principal payment, series 2-A		15,000,000	30,270	–	–
Principal payment, series 1-B		–	–	–	–

Instrument Registration Number	Series	Indexation Unit	Nominal Value	Maturity of Promissory Note or Credit Line	Interest Rate	Book Value		Placement in Chile or abroad
						12/31/2009	12/31/2008	
47	1-B	–	15,000,000,000	03/17/2010	3.6%	29,363	–	–
TOTAL						29,363	–	

No. of registration of the instrument	Series	Nominal Amount Placed Outstanding	Indexation unit	Interest rate	Final Maturity	Periodicity		Par Value		Placement Chile or abroad
						Interest Payments	Principal Payments	12/31/09	12/31/08	
								ThUS\$	ThUS\$	
Current portion of long-term bonds										
184	A	–	US\$	6.125%	04/15/2010	Bi-annual	Maturity	2,577	2,577	Abroad
446	C	150,000	UF	4.00%	06/01/2010	Bi-annual	Bi-annual	6,537	5,352	Chile
564	H	–	UF	4.90%	01/05/2010	Bi-annual	Bi-annual	3,891	–	Chile
563	G	–	\$	7.00%	01/05/2010	Bi-annual	Maturity	1,386	–	Chile
563	I	–	UF	3.00%	04/01/2010	Bi-annual	Maturity	461	–	Chile
563	J	–	\$	5.50%	04/01/2010	Bi-annual	Maturity	1,391	–	Chile
TOTAL CURRENT PORTION								16,243	7,929	

Long-term bonds

184	A	200,000,000	US\$	6.125%	04/15/2016	Bi-annual	Maturity	200,000	200,000	Abroad
446	C	2,400,000	UF	4.00%	12/01/2026	Bi-annual	Bi-annual	99,119	85,940	Chile
563	G	21,000,000,000	\$	7.00%	01/05/2014	Bi-annual	Maturity	41,412	–	Chile
564	H	4,000,000	UF	4.90%	01/05/2030	Bi-annual	Bi-annual	165,197	–	Chile
563	I	1,500,000	UF	3.00%	04/01/2014	Bi-annual	Maturity	61,949	–	Chile
563	J	52,000,000,000	\$	5.50%	04/01/2014	Bi-annual	Maturity	102,544	–	Chile
TOTAL LONG-TERM								670,221	285,940	

NOTE 11. ACCRUED LIABILITIES

As of December 31, 2009 and 2008 short-term accrued liabilities are detailed as follows:

	2009	2008
	ThUS\$	ThUS\$
Taxes and monthly tax provisional payments	150	922
Vacation accrual	2,022	1,458
Provision for employee compensation and legal costs	527	577
Other accruals	924	366
TOTAL ACCRUED LIABILITIES	3,623	3,323

As of December 31, 2009 and 2008 long-term accrued liabilities are detailed as follows:

	2009	2008
	ThUS\$	ThUS\$
Staff severance indemnities (i)	5,629	3,327
Provision for investment in subsidiary	29	32
Incentive bonus provision (1)	20,082	12,000
TOTAL ACCRUED LIABILITIES	25,740	15,359

These provisions correspond to a withholding bonus for company executives. The value of this bonus is connected to the price of the Company's shares and is payable between 2010 and 2011. According to what is stated in Note 2 w), this benefit has been recognized in the accounting on an accrual basis.

NOTE 12. STAFF SEVERANCE INDEMNITIES.

(i) Staff severance indemnities are summarized as follows:

	2009	2008
	ThUS\$	ThUS\$
Opening balance	3,327	2,954
Increases (decreases) in obligation	1,589	1,342
Payments	(321)	(133)
Exchange difference	1,034	(836)
BALANCE AS OF DECEMBER 31	5,629	3,327

NOTE 13. SHAREHOLDERS' EQUITY

a) Changes to shareholders' equity are detailed as follows:

	Number of shares	Paid-in capital	Other reserves	Accumulated deficit from subsidiary in development stage	Retained earnings	Interim dividends	Net income	Total
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
BALANCE JANUARY 1, 2008	263,196,524	477,386	163,442	-	361,587	-	180,020	1,182,436
Transfer December 31, 2007 net income to retained earnings	-	-	-	-	180,020	-	(180,020)	-
Declared dividends 2008	-	-	-	-	(117,013)	-	-	(117,013)
Other comprehensive income	-	-	(3,721)	-	-	-	-	(3,721)
Interim dividends	-	-	-	-	-	(100,000)	-	(100,000)
Net income	-	-	-	-	-	-	501,407	501,407
BALANCE AS OF DECEMBER 31, 2008	263,196,524	477,386	159,721	-	424,594	(100,000)	501,407	1,463,108
Transfer December 31, 2008 net income to retained earnings	-	-	-	-	501,407	-	(501,407)	-
Declared dividends 2009	-	-	-	-	(325,914)	100,000	-	(225,914)
Other comprehensive income	-	-	2,363	-	-	-	-	2,363
Interim dividends	-	-	-	-	-	(100,000)	-	(100,000)
Net income	-	-	-	-	-	-	327,056	327,056
BALANCE AS OF DECEMBER 31, 2009	263,196,524	477,386	162,084	-	600,087	(100,000)	327,056	1,466,613

b) In consideration of the current distribution of shares, the Company has a controlling interest Group composed of Pampa Calichera S.A. and the Kowa Group by virtue of the Joint Action Agreement subscribed on December 21, 2006

c) Other information

The detail of other reserves is as follows:

Detail		For the year ended December 31, 2009	As of December 31, 2008
		ThUS\$	ThUS\$
Technical appraisal		-	151,345
Changes to other comprehensive income from equity method investments:			
Soquimich Comercial S.A.	(1)	-	13,287
Comercial Hydro S.A.	(1)	946	221
SQMC Internacional Ltda.	(1)	43	8
Proinsa Ltda.	(1)	32	6
Isapre Norte Grande Ltda.	(1)	37	(8)
Agrorama Callegari Ltda.	(1)	66	66
Inversiones Augusta S.A.	(1)	-	(761)
SQM Ecuador S.A.	(2)	-	(270)
Almacenes y Depósitos Ltda.	(1)	42	129
Asociación Garantizadora de Pensiones	(1)	-	(23)
Sales de Magnesio Ltda.	(1)	53	63
Sociedad de Servicios de Salud S.A.	(1)	15	29
SQM North America Corp.	(3)	1,129	(3,056)
SQM Dubai Fzco.	(1)	-	(12)
Ajay Europe SARL	(1)	-	343
Other Companies	(1)	-	717
TOTAL OTHER COMPREHENSIVE INCOME		2,363	162,084

(1) Corresponds to translation adjustments and price-level restatement.

(2) Corresponds with the translation adjustment produced by the application of a new law implemented by the Ecuadorian Government

(3) Corresponds to a change in the valuation of the Company's under-funded pension plan.

d) Interim Dividends

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 beginning December 16, 2009. This dividend totals approximately ThUS\$ 100,000 and is equivalent to 40% of distributable net income for 2009, accumulated as of September 30, 2009. This dividend was charged to net income for the year and is payable 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 value of the observed dollar or the US dollar published in the Official Gazette on December 10, 2009.

e) Final Dividends

In an Ordinary General Shareholders' Meeting held April 29, 2009, shareholders agreed to pay and distribute, in accordance with the respective dividend policy, an annual dividend of ThUS\$ 325,915, equivalent to 65% of distributable net income for 2008. However, the quantity of ThUS\$ 100,000 (US\$ 0.37994 per share), which was already paid as an interim dividend, was deducted from the final dividend amount. Therefore, the balance of ThUS\$ 225,915 (US\$ 0.85835 per share) was paid and distributed to shareholders registered on the fifth business day prior to payment.

NOTE 14. SHARE AND DEBT ISSUANCE AND PLACEMENT EXPENSES

Bond issuance and placement expenses are recorded within other long-term assets, except for the portion to be amortized within a year, which is presented in other current assets. These expenses are amortized using the straight-line method based on maturity. Amortization is presented within financial expenses.

As of December 31, 2009 and 2008, these expenses are detailed as follows:

Concept	Other Assets		Amortization	
	Short-term	Long-term	2009	2008
	2009	2008	2009	2008
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Placement expenses, single series	293	1,536	293	293
Placement expenses, series C	277	2,172	294	310
Placement expenses, series G	136	409	136	–
Placement expenses, series H	133	2,636	139	–
Placement expenses, series J	552	1,131	415	–
Placement expenses, series I	348	1,795	262	–
TOTAL	1,739	9,679	1,539	603

NOTE 15. CASH FLOW STATEMENT

Amounts included in other investing income that are greater than 10% of investing income are detailed as follows:

	2009	2008
	ThUS\$	ThUS\$
Sale of mining concessions	2,170	721
Payments of employee loans	(128)	–
TOTAL	2,042	721

NOTE 16. DERIVATIVES INSTRUMENTS

Derivative instruments are recorded at their fair value at year-end. Changes in fair value are recognized in income with the liability recorded in other current liabilities. Losses from options relate to fees paid by the Company to enter into such contracts. As of December 31, 2008 the Company's derivative instruments are as follows:

Type of derivative	Notional or covered amount	Expiration	Description of the contract type	Position purchase / sale	(Liability) asset amount	Income (loss) recorded	(Not) recorded
	ThUS\$				ThUS\$	ThUS\$	ThUS\$
Swap	87,236	4th Quarter of 2026	Bonds payable	S	16,830	17,997	(1,167)
Swap	33,673	1st Quarter of 2014	Bonds payable	S	7,875	8,243	(368)
Swap	42,822	1st Quarter of 2013	Bonds payable	S	9,090	8,763	327
Swap	43,116	1st Quarter of 2013	Bonds payable	S	8,227	8,483	(256)
Swap	60,422	1st Quarter of 2013	Bonds payable	S	593	1,334	(741)
Swap	56,041	1st Quarter of 2014	Bonds payable	S	2,991	5,690	(2,699)
Swap	46,220	1st Quarter of 2014	Bonds payable	S	2,845	5,223	(2,378)
Swap	46,220	1st Quarter of 2014	Bonds payable	S	2,887	5,226	(2,338)
Forward	4,000	1st Quarter of 2010	Exchange rate	S	118	(118)	-
Forward	5,000	1st Quarter of 2010	Exchange rate	S	147	(147)	-
Forward	3,000	1st Quarter of 2010	Exchange rate	S	59	(59)	-
Forward	10,000	1st Quarter of 2010	Exchange rate	S	118	(118)	-
Forward	4,000	1st Quarter of 2010	Exchange rate	S	111	(111)	-
Forward	6,000	1st Quarter of 2010	Exchange rate	S	7	7	-
Forward	4,000	1st Quarter of 2010	Exchange rate	S	113	(113)	-
Forward	2,000	1st Quarter of 2010	Exchange rate	S	17	(17)	-
Forward	4,000	1st Quarter of 2010	Exchange rate	S	11	(11)	-
Forward	8,000	1st Quarter of 2010	Exchange rate	S	25	(25)	-
Forward	6,944	1st Quarter of 2010	Bonds payable	S	746	746	-
Forward	2,870	1st Quarter of 2010	Bonds payable	S	285	285	-
Forward	16,918	1st Quarter of 2010	Bonds payable	S	1,816	1,816	-
Forward	10,108	1st Quarter of 2010	Time deposit	P	379	(379)	-
Forward	15,198	1st Quarter of 2010	Time deposit	P	433	(433)	-
Forward	8,585	1st Quarter of 2010	Time deposit	P	203	(203)	-
Forward	10,048	1st Quarter of 2010	Time deposit	P	293	293	-
Forward	10,101	1st Quarter of 2010	Time deposit	P	104	(104)	-
Forward	20,139	1st Quarter of 2010	Time deposit	P	501	501	-
Forward	6,077	1st Quarter of 2010	Time deposit	P	250	250	-
Forward	10,114	1st Quarter of 2010	Time deposit	P	301	301	-
Forward	20,254	1st Quarter of 2010	Time deposit	P	723	723	-
Forward	10,130	1st Quarter of 2010	Time deposit	P	302	302	-
Forward	10,235	1st Quarter of 2010	Time deposit	P	351	351	-
Forward	10,148	1st Quarter of 2010	Time deposit	P	348	348	-
Forward	7,053	1st Quarter of 2010	Time deposit	P	27	27	-
Forward	10,070	1st Quarter of 2010	Time deposit	P	39	39	-
Forward	10,070	1st Quarter of 2010	Time deposit	P	59	59	-
Forward	10,070	1st Quarter of 2010	Time deposit	P	59	59	-
Forward	15,172	2nd Quarter of 2010	Time deposit	P	85	85	-
Forward	15,168	1st Quarter of 2010	Time deposit	P	310	310	-
Forward	5,059	1st Quarter of 2010	Time deposit	P	82	82	-
Forward	5,062	1st Quarter of 2010	Time deposit	P	140	140	-
Forward	20,179	1st Quarter of 2010	Time deposit	P	637	637	-
Forward	10,266	1st Quarter of 2010	Time deposit	P	352	352	-
Forward	4,577	1st Quarter of 2010	Time deposit	P	167	167	-
Forward	10,206	1st Quarter of 2010	Time deposit	P	379	379	-
Forward	5,064	1st Quarter of 2010	Time deposit	P	184	184	-

NOTE 17. COMMITMENTS AND CONTINGENCIES

I. Contingencies:

(a) I. Material lawsuits or other legal actions of which the Company is party to:

1. Plaintiff: Compañía Salitre y Yodo Soledad S.A.
 Defendant: Sociedad Química y Minera de Chile S.A.
 Date of lawsuit: December 1994
 Court: Civil Court of Pozo Almonte
 Cause: Partial annulment of mining property, Cesard 1 to 29
 Instance: Evidence provided
 Nominal amount: ThUS\$ 211

2. Plaintiff: Compañía Productora de Yodo y Sales S.A.
 Defendant: SQM S.A.
 Date of lawsuit: November 1999
 Court: Civil Court of Pozo Almonte
 Cause: Partial annulment of mining property, Paz II 1 to 25
 Instance: Evidence provided
 Nominal amount: ThUS\$ 162

3. Plaintiff: Compañía Productora de Yodo y Sales S.A.
 Defendant: SQM S.A.
 Date of lawsuit: November 1999
 Court: Civil Court of Pozo Almonte
 Cause: Partial annulment of mining property, Paz III 1 to 25
 Instance: Evidence provided
 Nominal amount: ThUS\$ 204

4. Plaintiff: Agraria Santa Aldina Limitada
 Defendant: S.Q.M. Perú S.A.
 Date of lawsuit: June 2009
 Court: Civil Court of Pisco - Perú
 Cause: Seek compensation for damages for alleged breach of the terms and conditions of product distribution contract.
 Instance: Response
 Nominal amount: ThUS\$ 6,000

5. Plaintiff: Angélica Allende and their sons Iván Molina and Cristóbal Molina
 Defendant: Ingeniería, Construcción y Servicios SMR Limitada and jointly And severally SQM Nitratos S.A. and its insurance companies
 Date of lawsuit: May 2008
 Court: Work court of Antofagasta
 Cause: Work accident
 Instance: Response
 Nominal amount: ThUS\$ 670

6. Plaintiff: Nancy Erika Urra Muñoz.
 Defendant: Fresia Flores Zamorano, Duratec-Vinilit S.A. y SQM S.A. and its Insurance companies
 Date of lawsuit: December 2008
 Court: 1st Civil Court of Santiago
 Cause: Work accident
 Instance: Response
 Nominal amount: ThUS\$ 550

7. Plaintiff: Eduardo Fajardo Nuñez, Ana María Canales Poblete, Raquel Beltrán Parra, Eduardo Fajardo Beltrán y Martina Fajardo Beltrán
 Defendant: S.Q.M. Salar S.A. y sus aseguradores
 Date of lawsuit: November 2009
 Court: 20th Civil Court of Santiago
 Cause: Work accident
 Instance: Demand response
 Nominal amount: ThUS\$ 1,880

II. SQM S.A. and its subsidiaries have been participating and probably will continue to participate habitually as plaintiffs or defendants in certain judicial proceedings that have been and will be filed and are subject to the decisions of the Ordinary Courts of Justice. Those proceedings, which are regulated by the applicable legal provision, mainly seek to exercise or oppose certain actions or exceptions related to certain mining concessions constituted or in the process of being constituted and do not and will not essentially affect the development of SQM S.A. and its subsidiaries.

III. Soquimich Comercial S.A. has been participating and probably will continue to participate habitually as a plaintiff in certain judicial proceedings through which it seeks mainly to collect and receive the amounts owed to it in the total approximate amount of ThUS\$900.

IV. SQM S.A. and its subsidiaries have tried and currently continue to try to obtain payment of certain amounts still owed to them for their regular activities. Those amounts will continue to be judicially and non-judicially demanded by the plaintiffs and the actions exercised in relation to them are currently in full force.

V. SQM S.A. and its subsidiaries have not been legally notified of other complaints other than those mentioned in paragraph I above and which pursue the voidance of certain mining properties purchased by SQM S.A. and its subsidiaries and whose proportional purchase price, in respect to the part affected by the respective overlap, exceeds the nominal and approximate amount of ThUS\$150 or which seek to obtain payment of certain amounts allegedly owed from exercising their own activities and which exceed the nominal individual amount of approximately ThUS\$150.

b) Restrictions:

The bank loans of SQM S.A. and its subsidiaries contain restrictions similar to those of loans of the same nature that have been in force from time to time and which, among others, are related to maximum debt and minimum shareholders' equity. Except for the above, SQM S.A. is not exposed to other restrictions in its management or to financial indicator limits by contracts or covenants with creditors.

c) Commitments:

Subsidiary SQM Salar S.A. has signed a rental contract with CORFO which establishes that such subsidiary, will pay to CORFO, for the exploitation of certain mining properties owned by CORFO and for the products resulting from such exploitation, the annual rent stated in the aforementioned contract, the amount of which is calculated on the basis of the sales of each type of product. The contract is in force until 2030 and rent began being paid in 1996 reflecting in income a value of ThUS\$17,747 in 2009 (ThUS\$17,712 in 2008).

II. Indirect Guarantees

The guarantees that do not have a pending payment balance reflect, indirectly that the respective guarantees are in force and approved by the Company's Board of Directors and that they have not been used by the corresponding subsidiary.

Third Party Guarantees

As of December 31, 2009 and 2008 the Company has the following indirect guarantees outstanding:

Beneficiary	Debtor		Balances outstanding	
	Name	Relationship	2009	2008
			ThUS\$	ThUS\$
BBVA Banco Bilbao Vizcaya Argentaria	Royal Seed Trading Corp. A.V.V.	Subsidiary	100,053	100,204
ING Capital LLC	Royal Seed Trading Corp. A.V.V.	Subsidiary	80,055	80,215
Export Development Canada	SQM Investment Corporation N.V.	Subsidiary	50,019	50,032
BBVA Bancomer S.A.	Royal Seed Trading Corp. A.V.V.	Subsidiary	75,000	–

NOTE 18. SURETIES OBTAINED FROM THIRD PARTIES

The main solidary pledges provided to guarantee to Soquimich Comercial S.A. fulfillment of the obligations in the commercial mandate agreements for distribution and sale of fertilizers are as follows:

Company Name	ThUS\$
Llanos y Wammes Soc. Com. Ltda.	2,037
Fertglobal Chile Ltda. y Bramelli	3,352
Tattersall S.A	1,134

NOTE 19. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCY

	2009	2008
	ThUS\$	ThUS\$
Assets		
Chilean pesos	298,842	26,891
US dollars	2,434,592	2,146,678
UF	52,605	2,400
Euros	76,001	26,641
Brazilian Real	1,399	1,043
Dirham	–	181
Current liabilities		
Chilean pesos	49,365	19,105
US dollars	413,983	398,218
UF	11,188	6,119
Euros	5	2
Other currencies	5,077	5,107
Long-term liabilities		
US dollars	441,173	222,511
Chilean pesos	149,585	3,327
UF	326,450	86,337

NOTE 20. SANCTIONS

During 2009 and 2008, the SVS did not apply sanctions to the Company, its directors or managers.

NOTE 21. SUBSEQUENT EVENTS

On February 23, 2010, the SVS was informed that the Board of Directors of Sociedad Química y Minera de Chile S.A. held an extraordinary meeting on February 22, 2010 and agreed by unanimous vote of those directors in attendance to cease production at the mines El Toco and Pampa Blanca.

The Board of Directors decided to suspend operations based on the fact that worldwide demand for nitrates and iodine had been strongly impacted by the global financial crisis that began during the fourth quarter of 2008, thus decreasing sales volumes over the last 15 months and increasing SQM's inventory of nitrates and iodine.

As a result of this suspension, SQM's total nitrate production for 2010 should decrease slightly over the prior year. Due to the suspension of the El Toco mine, sodium nitrate production will decrease. This reduction will be partially compensated by a new sodium nitrate plant located in Coya Sur set to begin operations during the second half of 2010.

With respect to iodine production, the Company estimates a reduction of approximately 20% over 2008 production volumes.

The Board of Directors considered that even if demand for nitrates and iodine were to exceed currently forecasted figures, the Company's existing inventory levels and available installed production capacity, including the mines at Pampa Blanca and El Toco, would allow it to respond quickly and efficiently to this increased demand.

Property, plant and equipment from the El Toco and Pampa Blanca facilities have a carrying value, net of depreciation, of ThUS\$ 82,204 as of December 31, 2009. As a result of suspending operations, the Company estimates that these assets are not impaired based on an analysis of future cash flows.

Management is not aware of any other significant subsequent events that have occurred after December 31, 2009 and that may affect the Company's financial position or the interpretation of these financial statements, (February 25, 2010).

NOTE 22. ENVIRONMENTAL PROJECTS

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 its principles indicated in its Sustainable Development Policy.

SQM is currently operating under an Environmental Management System (EMS), which has allowed strengthening its environmental performance through the effective application of the Company's Sustainable Development Policy.

Disbursements made by the Company as of December 31, 2009 related to investments in production processes, verification and control of compliance with ordinances and laws relative to industrial processes and facilities amount to ThUS\$ 9,324 and are detailed as follows:

Projects	2009	Future Disbursements
	ThUS\$	ThUS\$
Enablement of Money Exchange and Bathrooms	1,369	232
Environmental Evaluation	3,163	568
Handling of Household and Industrial Waste	983	138
Handling of Dangerous Substances	444	1,107
Salar (Salt deposit) Environmental follow-up Plan	370	452
Environmental Studies	42	70
Improvements in M. Elena – Streets Camp	689	–
PV Environmental Improvements	1,029	463
Environmental Management	1,235*	1,239**
TOTAL	9,324	4,269

(*) Corresponds to the 2009 Expenses

(**) Corresponds to the 2010 Budget

Operations which use caliche as raw material are developed desert geographical areas with climatic conditions favorable for drying solids and evaporating liquids using solar energy. Operations for the open-pit extraction of minerals, due to their low waste to mineral ratio, generate remaining deposits which slightly alter the environment. During the extraction process and subsequent crushing of ore, particle emissions occur, which is normal for this type of operations.

In communities near Maria Elena, particulate matter exceeds standards for MP10 and thus affects air quality. The Company has implemented a series of measures that have led to noteworthy progress in air quality in Maria Elena, both in the context of the community's Decontamination Plan and in compliance with the Company's own Sustainable Development Policy. In October 2005, the Company obtained environmental approval for its project "Technological Changes at Maria Elena". This project helped reduce particulate matter emissions as required by environmental standards. The project, in operation since January 2009, permanently decommissioned the old crushing plant in Maria Elena on July 5, 2008, which resulted in improved air quality.

In addition, for all its operations, 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 for 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 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 Pontificia Universidad Católica and the School of Agricultural Science of Universidad de Chile.

Furthermore, the Company is performing significant activities for the recording of Pre-Columbian and historical 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 María Elena and the Nueva Victoria plant. 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 for maintaining positive relationships with the surrounding community, as well as to participate in community 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, and development, and in order to do so, its acts both individually and in conjunction with both private and public entities.

NOTE 23. SIGNIFICANT EVENTS

1. On January 13, 2009 the Superintendency of Securities and Insurance was informed that Sociedad Química y Minera de Chile S.A. has successfully placed two series of bonds in the domestic market. The first for ThUF 4,000 was placed with a term of 21 years, with amortization of principal starting in 2019 and at an annual interest rate of UF plus 5.05%. The second, for ThCh\$ 21,000,000 was placed with a term of 5 years, with a single amortization upon expiry of that term and an annual interest rate of 7.5% in nominal pesos.

The resources obtained of close to ThUS\$ 173,000, will be used by SQM to finance their investment plan and refinance certain liabilities.

2. On April 6, 2009, the Superintendency of Securities and Insurance was informed that the Board of Directors of Sociedad Química y Minera de Chile (SQM), at the meeting held on April 6 of this year unanimously agreed to recommend payment of a final dividend of US\$1.23829 per share at the next Ordinary Shareholders' Meeting out of distributable net income obtained during the 2008 commercial year. The amount of US\$0.37994 which was already paid as an interim dividend must be discounted and the balance in the amount of US\$0.85835 per share, will be paid and distributed to the shareholders of SQM that are registered in the respective registry on the fifth business day prior to the date on which it will be paid.

That proposal, once approved by the next Ordinary Shareholder's Meeting of the Company which will be held on April 29, 2009, will allow it to effectively pay and distribute, in accordance with the respective dividends policy, an annual dividend equivalent to 65% of distributable net income obtained during the 2008 commercial year.

3. On April 30, 2009, the Superintendency of Securities and Insurance was informed that the Board of Directors of Sociedad Química y Minera de Chile (SQM), at a meeting held on April 28 of this year agreed to authorize the signing of a supply agreement in virtue of which SQM Salar S.A., subsidiary of Sociedad Química y Minera de Chile (SQM), will sell to PCS Sales (USA) Inc., subsidiary of Potash Corporation of Saskatchewan Inc., majority shareholder of SQM, an approximate amount of between 150 thousand and 250 thousand annual tons of potassium chloride to be commercialized by PCS in Japan, India and the People's Republic of China, for the period from May 1, 2009 to May 1, 2012 and under similar terms and conditions to those prevailing in the market at the relevant moment.

4. On May 8, 2009, the Superintendency of Securities and Insurance was informed that on May 8, 2009, Sociedad Química y Minera de Chile S.A.(SQM) has successfully placed two series of bonds in the Chilean market. Series I was placed in the amount of UF 1,500,000 for a 5-year term, with single amortization at maturity and a 3.67% annual interest rate. Series J was placed in the amount of Th\$52,000,000 for a 5-year term, also with single amortization at maturity and a 6.14% annual interest rate in nominal pesos.

The funds obtained with this issuance, of close to ThUS\$148,000, will be used by SQM to refinance the company's short and long-term liabilities and its investment plan.

5. On July 15, 2009, the Board of Directors of Soquimich Comercial S.A. (SQMC) met in an extraordinary meeting held on July 14, 2009 and agreed to concur in the formation of a subsidiary in which SQMC will have a 70% participation and closely held corporation Callegari Agrícola S.A. will have a 30% participation.

This new company, which will be called "Comercial Agrorama Callegari Limitada", and which will have the synthetic name of "Agrorama Callegari Ltda." will have capital of Ch\$800 million and its main line of business will be commercialization and distribution of fertilizers, pesticides and agricultural products or supplies. The duration of this new subsidiary of SQMC will be 5 years as of July 14, 2009, with tacit and automatic renewal for 5-year periods

6. On November 17, 2009, the SVS was informed that at a meeting of the Board of Directors of Sociedad Química y Minera de Chile (SQM) on that same date, the directors unanimously agreed to pay and distribute an interim dividend, as referred to in the "SQM Fiscal Year 2009 Dividend Policy", as communicated at the Ordinary General Shareholders' Meeting held April 29, 2009. This interim dividend of US\$ 0.37994 per share, equivalent to an approximate total of ThUS\$ 100,000, was payable beginning December 16, 2009 and corresponds to 40% of 2009 distributable net income accumulated as of September 30, 2009. It will be charged to 2009 net income and is payable to those shareholders registered in SQM's Shareholders' Registry on the fifth business day prior to December 16, 2009 in its equivalent in Chilean pesos based on the observed dollar or US dollar value published in the Official Gazette on December 10, 2009.

7. On December 31, 2009, the SVS was informed that the Board of Directors of Sociedad Química y Minera de Chile S.A. (SQM), in a meeting held December 15, 2009, had unanimously agreed to approve SQM's General Transitory Policy on Ordinary Customary Transactions.

For SQM S.A., customary transactions include:

Transactions with subsidiaries and affiliates to sell, purchase or supply raw materials, subproducts and products.

Transactions with subsidiaries and affiliates to contract and provide any type of services.

Leases or other transactions with subsidiaries and affiliates that do not transfer ownership relating to real estate, mining concessions and water rights.

Transactions with banks and financial institutions that are related parties.

Transactions to contract marine freight services carried out on the spot market with related parties.

Financial transactions with subsidiaries and affiliates (under any name or even unnamed) relating to management of its assets, liabilities and financial resources.

NOTE 24. TIME DEPOSITS

Bank of the Investment	Kind of deposit	Currency of origin	Interest rate	Investment date	Expiration date	Capital in ThUS\$	Accrued interest in ThUS\$	Balance present year in ThUS\$	Balance previous year in ThUS\$
Corpbanca	Fixed Term	Ch\$	0.07%	11-04-2009	01-04-2010	10,472	14	10,486	–
Banco Crédito e Inversiones	Fixed Term	Ch\$	0.06%	11-05-2009	01-05-2010	15,612	17	15,629	11,015
Banco Crédito e Inversiones	Fixed Term	Ch\$	0.06%	11-06-2009	01-07-2010	8,776	10	8,786	–
Banco Santander – Santiago	Fixed Term	Ch\$	0.05%	11-09-2009	01-21-2010	10,193	9	10,202	44,451
Banco de Chile	Fixed Term	Ch\$	0.07%	11-17-2009	01-18-2010	9,742	9	9,751	–
Banco de Chile	Fixed Term	Ch\$	0.08%	11-23-2009	02-01-2010	19,602	20	19,622	–
Banco de Chile	Fixed Term	Ch\$	0.09%	11-23-2009	02-22-2010	4,908	6	4,914	–
Corpbanca	Fixed Term	Ch\$	0.10%	11-23-2009	02-22-2010	19,483	25	19,508	–
Banco de Chile	Fixed Term	Ch\$	0.08%	11-23-2009	03-23-2010	19,468	20	19,488	–
Corpbanca	Fixed Term	Ch\$	0.12%	11-23-2009	03-23-2010	9,781	15	9,796	–
Banco Santander – Santiago	Fixed Term	Ch\$	0.08%	11-23-2009	03-23-2010	9,781	10	9,791	–
Corpbanca	Fixed Term	Ch\$	0.11%	11-27-2009	03-16-2010	4,861	6	4,867	–
Corpbanca	Fixed Term	Ch\$	0.11%	11-27-2009	03-16-2010	5,804	7	5,811	–
Banco de Chile	Fixed Term	Ch\$	0.07%	12-03-2009	02-10-2010	14,835	10	14,845	–
Banco de Chile	Fixed Term	Ch\$	0.06%	12-04-2009	02-15-2010	4,970	3	4,973	–
Banco Crédito e Inversiones	Fixed Term	Ch\$	0.09%	12-23-2009	03-30-2010	7,005	2	7,007	–
Banco Crédito e Inversiones	Fixed Term	Ch\$	0.09%	12-23-2009	03-30-2010	10,002	2	10,004	–
Banco Crédito e Inversiones	Fixed Term	Ch\$	0.09%	12-24-2009	03-30-2010	9,982	2	9,984	–
Banco Crédito e Inversiones	Fixed Term	Ch\$	0.09%	12-24-2009	03-30-2010	9,982	2	9,984	–
Banco de Chile	Fixed Term	Ch\$	0.09%	12-28-2009	04-08-2010	15,042	1	15,043	–
Banco Crédito e Inversiones	Fixed Term	Ch\$	0.03%	12-30-2009	01-07-2010	10,452	–	10,452	–
Banco de Chile	Fixed Term	US\$	1.85%	12-22-2009	01-28-2010	15,000	7	15,007	–
Banco Santander – Santiago	Fixed Term	US\$	1.35%	12-28-2009	01-26-2010	10,300	1	10,301	–
Banco Santander – Santiago	Fixed Term	UF	3.59%	11-24-2009	03-24-2010	9,707	36	9,743	–
Banco Santander – Santiago	Fixed Term	UF	3.59%	11-24-2009	03-24-2010	9,790	36	9,826	–
Banco Santander – Santiago	Fixed Term	UF	3.85%	11-26-2009	03-09-2010	9,735	36	9,771	–
Banco de Chile	Fixed Term	UF	3.70%	11-25-2009	02-24-2010	9,837	36	9,873	–
Banco de Chile	Fixed Term	UF	3.85%	11-26-2009	03-09-2010	4,370	16	4,386	–
Citibank N.A.	Overnight	US\$	0.05%	12-31-2009	04-01-2010	1,765	–	1,765	205
BBVA Banco Bilbao Vizcaya Argentaria	Fixed Term	US\$	–	–	–	–	–	–	16,022
TOTAL						301,257	358	301,615	71,693

NOTE 25. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

As is public knowledge, Chile is committed to developing a convergence plan to fully adopt International Financial Reporting Standards (IFRS). In conformity with standards issued on this matter by the Chilean Association of Accountants and SVS Circular No. 427 from December 28, 2007, the Company and its subsidiaries will adopt these standards beginning January 1, 2010. As a result, the Company's equity balances as of January 1, 2010 will be impacted, which will in turn affect the determination of net income in future years. Also, in 2010, for comparison purposes, the 2009 financial statements must be presented in accordance with the new standards. Therefore they might differ from these consolidated financial statements.

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, 2009.

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, 2009. We found these accounts to be in accordance with their balances.



Oriana Lazo M.



Mauricio Quiroz J.



■ Condensed Financial Statements

CONDENSED BALANCE SHEET

	SQM Industrial S.A. As of Dec. 31		SQM Potasio S.A. As of Dec. 31		Minera Nueva Victoria As of Dec. 31	
	2009	2008	2009	2008	2009	2008
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Assets						
Cash	54,975	106,514	181,322	125,018	–	–
Receivables	292,233	261,078	26,246	69,475	37	42
Related Companies	112,496	128,438	457,059	388,940	65,426	62,349
Inventory	643,924	714,377	177,234	183,496	333	347
Other current assets	40,118	38,905	26,279	2,856	246	481
TOTAL CURRENT ASSETS	1,143,746	1,249,312	868,140	769,785	66,042	63,219
Property	6,089	4,538	7,438	7,438	14,300	14,300
Construction and infrastructure	525,812	389,647	482,948	419,613	5,106	4,362
Machinery and equipment	412,398	386,459	311,168	250,883	1,933	1,595
Other property, plant and equipment	79,622	82,705	27,133	17,131	158	27
Depreciation (less)	(503,478)	(440,069)	(302,805)	(251,768)	(4,533)	(3,770)
TOTAL FIXED ASSETS	520,443	423,280	525,882	443,297	16,964	16,514
OTHER ASSETS	66,544	52,025	19,321	17,693	5,084	7,202
TOTAL ASSETS	1,730,733	1,724,617	1,413,343	1,230,775	88,090	86,935
Liabilities						
Related Companies	790,136	722,859	307,157	241,525	–	601
Other current liabilities	207,035	188,091	212,670	129,813	1,928	2,354
TOTAL CURRENT LIABILITIES	997,171	910,950	519,827	371,338	1,928	2,955
Related companies	1,781	1,781	198,878	186,350	–	–
Provisions	22,131	18,033	1,215	950	16	9
Other long-term liabilities	2,201	7,729	187,875	260,878	–	1,413
TOTAL LONG TERM LIABILITIES	26,113	27,543	387,968	448,178	16	1,422
MINORITY INTEREST	51,109	52,224	97,738	68,897	76	76
SHAREHOLDERS EQUITY	656,340	733,900	407,810	342,362	86,070	82,482
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,730,733	1,724,617	1,413,343	1,230,775	88,090	86,935

CONDENSED INCOME STATEMENT

	SQM Industrial S.A. For the years ended Dec. 31		SQM Potasio S.A. For the years ended Dec. 31		Minera Nueva Victoria For the years ended Dec. 31	
	2009	2008	2009	2008	2009	2008
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenues	1,395,080	1,611,285	584,252	746,942	1,895	163
Cost of Sales	(1,276,819)	(1,306,357)	(397,996)	(311,817)	(3,005)	(2,436)
OPERATING MARGIN	118,261	304,928	186,256	435,125	(1,110)	(2,273)
Selling and administrative expenses	(49,638)	(54,318)	(4,201)	(6,577)	(1)	(7)
OPERATING INCOME	68,623	250,610	182,055	428,548	(1,111)	(2,280)
Non-operating income	36,600	30,324	23,765	20,594	5,874	5,710
Non-operating expenses	(84,500)	(43,283)	(31,594)	(55,669)	(463)	(283)
NET INCOME BEFORE TAXES	20,723	237,651	174,226	393,473	4,300	3,147
Income tax	(1,195)	(26,137)	(45,105)	(79,668)	(712)	(698)
Minority Interest	(703)	(2,648)	(28,828)	(52,378)	–	1
Amortization of negative goodwill	–	–	–	–	–	–
NET INCOME	18,825	208,866	100,293	261,427	3,588	2,450

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. The financial statements of these companies are prepared in accordance with generally accepted accounting principles as issued by the Chilean Accounting Association and the standards and instructions issued by the Superintendency of Securities and Insurance ("SVS"). In the event of any discrepancies between the two, the standards and instructions of the SVS shall prevail.
2. The financial statements are prepared in U.S. dollars, and the currencies of origin are converted to dollars at the exchange rate as of the closing date of each year.
3. Property, plant and equipment are valued at cost, and depreciation for the period is calculated using the straight-line method over the remaining useful lives of the goods, as estimated by Management.
4. Inventories of finished products and products in process are valued at average production cost, net of provisions. Provisions are recorded on the basis of a technical study that takes into account the different variables that affect inventories in storage, such as density and moisture.

Materials and inputs received are valued at average acquisition cost, and items in transit are valued at the cost incurred as of period-end.

The cost of inventories does not exceed their net realizable value.

5. Investments in related companies have been valued using the equity method, and unrealized results between subsidiaries have been eliminated and recognized in income on an accrual basis.

The undersigned declare themselves responsible for the information contained in these financial statements and the related explanatory notes, and they assume the corresponding legal responsibility.

6. Adoption of International Financial Reporting Standards

As is public knowledge, Chile is committed to developing a convergence plan to fully adopt International Financial Reporting Standards (IFRS). In conformity with standards issued on this matter by the Chilean Association of Accountants and SVS Circular No. 427 from December 28, 2007, the Company and its subsidiaries will adopt these standards beginning January 1, 2010. As a result, the Company's equity balances as of January 1, 2010 will be impacted, which will in turn affect the determination of net income in future years. Also, in 2010, for comparison purposes, the 2009 financial statements must be presented in accordance with the new standards. Therefore they might differ from these consolidated financial statements.



Macarena Briseño Correa
Controller



Patricio Contesse González
Chief Executive Officer



■ Additional Information

FINANCIAL INFORMATION

a) Financial Indicators

Liquidity	12/31/2009	12/31/2008
Current Ratio	3.20	3.00
Acid Test Ratio	1.72	1.59
Indebtedness	12/31/2009	12/31/2008
	%	%
Indebtedness Ratio	115.26	72.25
Short-term Debt/Total Debt	32.27	42.18
Long-term Debt/Total Debt	67.73	57.82
Interest Coverage Ratio (times)	13.63	31.01
Assets and Turnover	12/31/2009	12/31/2008
	%	%
Total Assets (MUS\$)	3,203,134	2,567,215
Inventory Turnover	1.55	2.28
Inventory Permanency	232	158

b) Operating Results by Region*

As of December 31, 2009

	Chile	LatAm & Caribbean	Europe	USA	Asia & others	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sales	255,435	152,329	466,954	325,102	237,071	1,436,891
Cost of Sales	236,817	103,099	259,083	174,519	142,570	916,088

As of December 31, 2008

	Chile	LatAm & Caribbean	Europe	USA	Asia & others	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sales	364,497	297,770	443,794	358,584	309,474	1,774,119
Cost of Sales	260,879	210,975	250,473	194,273	139,654	1,056,254

(*) 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) Operating Results

	12/31/2009	12/31/2008
	ThUS\$	ThUS\$
Operating Income	411,908	632,156
Financial Expenses	(30,979)	(19,957)
Non-operating Loss	(36,986)	(19,306)
E.B.I.T.D.A.E.I.	576,925	732,437
Net Income after taxes	327,056	501,407

d) Returns

	12/31/2009	12/31/2008
	%	%
Return on Equity	22.33	37.91
Return on Assets	11.34	22.02
Return on Operating Assets (1)	16.52	29.44
Earnings per share (US\$)	1.24	1.91
Dividend Yield – Series A (2)	3.31	2.80
Dividend Yield – Series B	3.67	2.92

(1) Calculation of operating assets

	12/31/2009	12/31/2008
	ThUS\$	ThUS\$
Total Assets	3,203,134	2,567,215
Less:		
Other short-term receivables	(16,058)	(6,743)
Other long-term receivables	(4,209)	(767)
Recoverable taxes	(68,903)	(37,081)
Deferred income taxes	(5,377)	(34,802)
Other current non-operating assets	(72,825)	(2,102)
Investments in related companies	(55,205)	(36,951)
Goodwill	(29,725)	(31,901)
Negative goodwill	1,073	1,279
Other long-term non-operating assets	(14,369)	(5,524)
TOTAL OPERATING ASSETS	2,937,536	2,412,623

(2) The dividend yield (per share) is calculated by dividing the dividend 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

During the period the Company generated positive net cash flows from operating activities in the amount of ThUS\$371,354 (ThUS\$457,314 in 2008), negative net cash flows from financing activities ThUS\$ 202,491 (negative cash flows of ThUS\$ 38,404 in 2008) and negative net cash flows from investing activities of ThUS\$ 372,960 (ThUS\$ 278,807 in 2008) detailed as follows:

Cash Flows from Operating Activities:

	31/12/2009	31/12/2009
	ThUS\$	ThUS\$
Net income	327,056	501,407
Proceeds from sale of assets	(228)	(4,180)
Depreciation	151,721	110,575
Other credits to income (less)	(18,180)	(19,486)
Other charges to income	223,199	269,655
Changes in assets that affect cash flow	(143,388)	(376,206)
Changes in liabilities that affect cash flow	(170,160)	(27,943)
Gain (loss) on minority interest	1,334	3,492
NET CASH PROVIDED BY OPERATING ACTIVITIES	371,354	457,314

Cash Flows from Financing Activities:

	31/12/2009	31/12/2009
	ThUS\$	ThUS\$
Proceeds from bank financing	411,527	280,000
Proceeds from bond financing	372,347	–
Repayment of bank financing	(190,333)	(100,000)
Payment of dividends	(345,647)	(212,831)
Repayment of obligations with the public	(35,402)	(5,573)
Payment of expenses for the issuance and placement of bonds payable	(8,093)	–
Other expenses for financing	(1,908)	–
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	202,491	(38,404)

Cash Flows from Investing Activities:

	31/12/2009	31/12/2009
	ThUS\$	ThUS\$
Sale of property, plant and equipment	1,810	25,969
Sale of permanent investments	–	1,688
Sales of other investments	20,121	–
Other investing income	2,170	721
Additions to property, plant and equipment	(357,007)	(275,893)
Capitalized interest	(19,231)	(10,723)
Permanent investments	(3,580)	–
Investment in financial instruments	(15,043)	(20,121)
Other disbursements	(2,200)	(448)
NET CASH USED IN INVESTING ACTIVITIES	(372,960)	(278,807)

MANAGEMENT AND DIRECTORS' COMPENSATION

a) Summary of Director's Compensation January-December 2009

Directors	SQM S.A.		SQMC S.A.		Total
	Meeting (Ch\$)	Committee (Ch\$)	Meeting (Ch\$)	Committee (Ch\$)	(Ch\$)
Julio Ponce Lerou	1,588,815,774	–	75,552,288	–	1,664,368,062
Hernan Büchi Buc	226,568,058	11,306,784	–	–	237,874,842
Eduardo Novoa Castellon	228,925,981	13,664,707	–	–	242,590,688
Kendrick Taylor Wallace	226,806,182	–	–	–	226,806,182
Wayne Brownlee	226,806,182	–	–	–	226,806,182
José María Eyzaguirre Baeza	227,878,811	–	–	–	227,878,811
Daniel Yarur Elsaca	227,878,811	12,617,537	–	–	240,496,348
Wolf Von Appen Behrman	233,145,873	–	–	–	233,145,873
TOTAL	3,186,825,672	37,589,028	75,552,288	–	3,299,966,988

b) During 2009, the Board of Directors incurred the following expenses:

Expense	US\$
Travel, rental, services, general expenses	60,000
TOTAL	60,000

c) Management Compensation

Year	Number of Executives	Total Ch\$
2008	92	10,091,115,695
2009	105	12,981,501,688

d) Human Resources

As of December 31, 2009, SQM and its subsidiaries had 4,387 employees distributed as follows:

Employee Type	Holding	Other Subsidiaries	Total
Executive	18	73	91
Foreigners	15	211	226
Professionals	100	822	922
Technicians and operators	277	2,871	3,148
TOTAL	410	3,977	4,387

DIRECTORS COMMITTEE, ACTIVITIES AND CONSULTING EXPENSES

As of December 31, 2009, 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 and some of the activities carried out during the year 2009 were related to:

- a) Analysis of un-audited financial reports.
- b) Analysis of audited financial reports.
- c) Analysis of reports submitted by external auditors, account inspectors and rating agencies, and formulation of proposals to the Board of Directors recommending external auditors, account inspectors and rating agencies that could be designated by the respective Annual General Shareholders Meeting.
- d) Analysis of functions, objectives and working programs of the Internal Audit Department.
- e) Analysis of the Company's Senior Executives' remuneration and compensation plans.
- f) Analysis of the records relating to the transactions referred to in articles 44 and 89 of Law of Corporation.
- g) Analysis of matters related to the "Sarbanes-Oxley Act" of the U.S.A., especially regarding Section 404.
- h) Analysis of matters related to the norms "IFRS" and "PCAOB" of the U.S.A.
- i) Analysis of Internal Control Report.

The Directors Committee examined the following records in connection with operations related to section 44 of Law No. 18.046:

During its sessions held on April 28, 2009 and December 15, 2009, the Directors Committee analyzed certain matters relating to (a) sea freight contracts between the "SQM Group" and the "Ultramar Group" (linked to Mr. Wolf von Appen, Director of SQM S.A.) (b) service contracts relating to purchasing plane tickets and reserving hotels through Travel Security S.A. (also linked to Mr. Wolf von Appen) (c) paying suppliers, financial investments, credit contracts and other related matters with BCI bank (linked to Mr. Daniel Yarur, Director of SQM S.A.) (d) paying suppliers, financial investments, credit contracts and other related matters with Banco de Chile (linked to Mr. Hernán Büchi, Director of SQM S.A.) and (e) the supply contract of potassium chloride with PCS Sales (USA) Inc. (linked to Mr. Wayne Brownlee, Director of SQM S.A.) recommended the execution of the contracts or operations.

On April 29, 2009, the Annual General Shareholders Meeting of SQM agreed to pay a monthly remuneration of 50UF to each member of the Directors Committee, regardless of the number of sessions held by the Committee during the period between May 2009 and April 2010, both months included. This remuneration is also independent from what the Committee members obtain as members of the Company's Board of Directors. In this same meeting, an operational budget for the Directors Committee of 1.800UF was approved.

During 2009, the Directors Committee did not incur any consulting expenses.

Considering the effective shareholder structure as of December 31, 2009, and the legal dispositions applicable as of December 31, 2009, the majority of the members of the Directors Committee are independent.

DIVIDENDS

Dividend Policy

SQM S.A. dividend policy for the year 2009, as approved by shareholders at the General Shareholders Meeting held on April 29, 2009, considers the distribution of 65% of the distributable net income for the 2009 business year to the Company's shareholders.

On March 16, 2010, the Board of Directors of SQM proposed modifying this policy lowering this percentage to 50%. This proposal is subject to approval by shareholders at the next Annual Shareholders Meeting to be held on April 29, 2010.

Distributable Income

The distributable income of the Company reported for the period ended December 31, 2009, is detailed as follows:

	ThUS\$
Net	327,056
Amortization	—
Distributable	327,056

Dividends

Each series A share and series B share is entitled to participate equally in any dividends declare on the outstanding capital stock of SQM.

During the last three years, the Company has distributed the following dividends:

Year of distribution	US\$/Share
2007	0.349
2008	0.445
2008 (interim)	0.380
2009	0.858
2009 (interim)	0.380

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 2009 were as follows (price in Chilean pesos):

Name	Purchase	Sale	Series	Price (Ch\$)	Date	Amount traded \$
Soc. de Inversiones y Comercial Casas Viejas S.A.		2,000	B	17,000	01/28/09	34,000,000
Soc. de Inversiones y Comercial Casas Viejas S.A.		1,000	B	18,150	02/06/09	18,150,000
Soc. de Inversiones y Comercial Casas Viejas S.A.		500	B	18,150	02/09/09	9,075,000
Soc. de Inversiones y Comercial Casas Viejas S.A.		506	B	18,100	04/14/09	9,158,600
Inversiones e Inmobiliaria Futaleufu Limitada		4,032	B	20,690	09/28/09	83,422,080
Inversiones Cordillera Limitada		197,996	B	21,459	09/30/09	4,248,796,164
Inversiones Cordillera Limitada		153,022	B	20,849	10/01/09	3,190,355,678
Inversiones Cordillera Limitada		46,470	B	20,500	10/02/09	952,635,000
Sociedad de Inversiones Pampa Calichera S.A.		1,600,000	B	20,680	10/16/09	33,088,000,000
Sociedad de Inversiones Pampa Calichera S.A.		723,000	B	21,170	10/23/09	15,305,628,030
Sociedad de Inversiones Pampa Calichera S.A.	108,574		B	19,473	10/28/09	2,114,307,103
Sociedad de Inversiones Pampa Calichera S.A.		190,814	B	19,076	11/26/09	3,639,967,864
Sociedad de Inversiones Pampa Calichera S.A.		200,000	B	18,970	12/01/09	3,794,000,000
Sociedad de Inversiones Pampa Calichera S.A.		19,833	B	19,000	12/04/09	376,827,000
Sociedad de Inversiones Pampa Calichera S.A.		1,300,000	B	19,198	12/04/09	24,957,400,000
Sociedad de Inversiones Pampa Calichera S.A.		60,000	B	19,200	12/14/09	1,152,000,000
Sociedad de Inversiones Pampa Calichera S.A.		100,000	B	19,750	12/15/09	1,975,000,000
Sociedad de Inversiones Pampa Calichera S.A.		378,090	B	19,300	12/15/09	7,297,137,000
Sociedad de Inversiones Pampa Calichera S.A.		50,000	B	19,540	12/15/09	977,000,000
Inversiones El Bolder Ltda.	49,692		A	21,000	12/16/09	1,043,532,000
Inversiones El Bolder Ltda.		49,692	B	19,470	12/17/09	967,503,240
Inversiones El Bolder Ltda.		25,000	B	19,694	12/17/09	492,350,000
Inversiones El Bolder Ltda.	25,000		A	20,750	12/18/09	518,750,000
Sociedad de Inversiones Pampa Calichera S.A.		324,140	B	19,600	12/22/09	6,353,144,000
Inv. Global Mining Chile Ltda.		3,750,371	A	20,750	12/22/09	77,820,198,250
Ramos Rodríguez, Ricardo		3,000	B	19,426	12/23/09	58,278,000
Inv. Global Mining Chile Ltda.		55,000	A	21,350	12/24/09	1,174,250,000
Contesse González, Patricio		30,000	B	19,302	12/29/09	579,046,200

b) SQM's share price and sales volumes

	Santiago Stock Exchange					
	Average price (Ch\$)		Number of shares traded		Amounted traded (millions of Ch\$)	
	SQM A	SQM B	SQM A	SQM B	SQM A	SQM B
2007						
I trim	7,292.2	7,283.8	6,240,280	22,774,884	46,631	165,898
II trim	8,712.2	8,496.3	1,055,931	14,599,754	9,302	123,423
III trim	10,175.7	8,353.9	6,265,551	17,855,231	63,903	148,318
IV trim	12,100.0	8,984.1	109,751	18,810,032	1,328	171,456
2008						
I trim	12,186.4	8,498.6	18,631	17,111,510	227	145,423
II trim	18,505.6	16,782.9	489,031	34,826,646	9,050	584,492
III trim	20,456.9	18,338.7	35,971	31,488,969	736	577,467
IV trim	16,112.1	13,555.1	87,812	63,515,696	1,415	860,964
2009						
I trim	18,127.0	16,634.7	53,427	39,206,493	968	652,189
II trim	20,494.7	19,079.3	155,530	45,759,647	3,188	873,062
III trim	21,629.0	19,777.9	62,074	35,486,403	1,343	701,846
IV trim	21,254.5	19,840.9	92,017	48,182,071	1,956	955,975

	New York Stock Exchange					
	Average price (US\$)		Number of shares traded		Amounted traded (millions of US\$)	
	SQM A	SQM B	SQM A	SQM B	SQM A	SQM B
2007						
I trim	14.00	13.48	32,000	27,689,230	0.45	373
II trim	16.44	16.14	159,000	22,698,000	2.61	366
III trim	20.66	16.04	202,000	28,931,000	4.17	464
IV trim	22.84	17.99	55,000	35,429,510	1.26	638
2008*						
I trim	25.41	18.52	162,000	40,761,670	0.41	755
II trim	–	35.20	–	89,265,245	–	3,142
III trim	–	35.46	–	96,494,844	–	3,422
IV trim	–	21.34	–	88,658,325	–	1,892
2009						
I trim	–	27.50	–	63,465,240	–	1,745
II trim	–	33.72	–	63,362,906	–	2,136
III trim	–	36.37	–	59,121,732	–	2,150
IV trim	–	38.33	–	52,601,005	–	2,016

*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.

OTHER GENERAL INFORMATION

Investment Policy

The General Shareholders Meeting held on April 29, 2009 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, 2009 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 2.2% 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 7% 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	Coppec 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 2.2% of the Company's consolidated sales, and the 10 largest clients represented no more than 16% of consolidated sales in 2009.

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

Considering the different businesses in which SQM participates, the Company is subject to certain risks. The Company's policy is to minimize these risks while maintaining the operating flexibility that its business requires. The main risks are:

- 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.

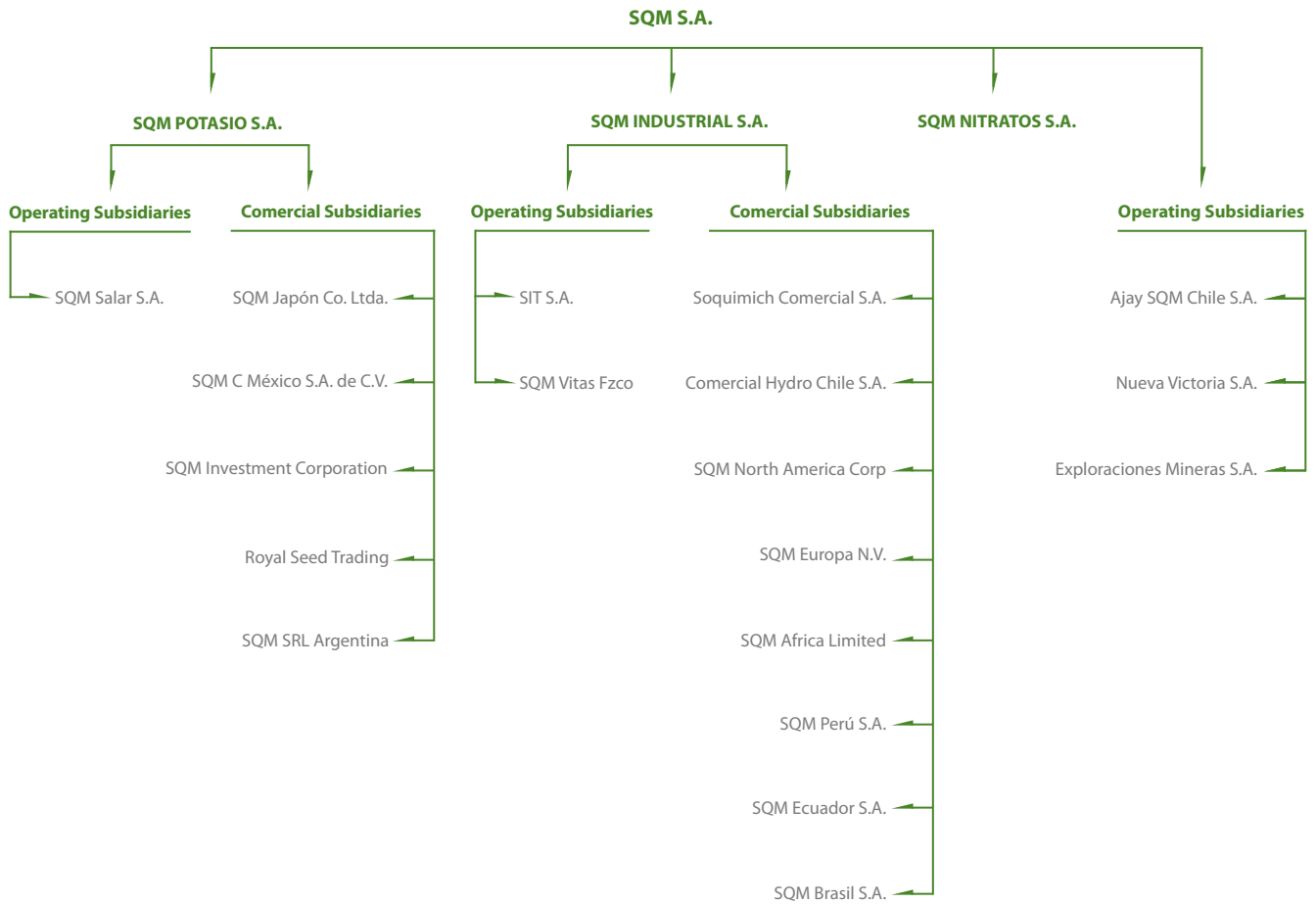
Participation of Major Shareholders

SQM has been informed that the Canadian company Potash Corporation of Saskatchewan Inc. ("PCS") indirectly controls 100% of the shares of Inversiones el Bordo 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 30.15% 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 84.24% of the total shares of Sociedad de Inversiones Oro Blanco S.A., that Sociedad de Inversiones Oro Blanco S.A. controls 93.08% of the total shares of Sociedad de Inversiones Pampa Calichera S.A. and that Sociedad de Inversiones Pampa Calichera S.A. and its subsidiary Inversiones Global Mining (Chile) Ltda. ultimately control 30.15% 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 2.07% of the total shares of SQM– subscribed on December 21, 2006 a Joint Performance Agreement that allows them to control 32.22% of the total shares of SQM. As a result of this Agreement, the "Group" led by Mr. Julio Ponce L. indirectly controls 32.22% of the total shares of SQM S.A. and is, therefore, the Controller of SQM S.A.

CORPORATE STRUCTURE



SIGNIFICANT EVENTS

1. On January 13, 2009, the SVS was informed that Sociedad Química y Minera de Chile S.A. had successfully placed two series of bonds on the Chilean market: The first series was placed for UF 4,000,000 at a rate of UF plus 5.05% per annum, maturing in 21 years, with principal payments beginning in 2019. The second series was placed for ThCh\$ 21,000 at a rate in nominal pesos of 7.5% per annum, maturing in 5 years, with a sole principal payment upon maturity.

SQM will use the funds obtained (close to ThUS\$ 173,000) to finance its investment plan and refinance certain liabilities.

2. On April 6, 2009, the SVS was informed that at a meeting of the Board of Directors of Sociedad Química y Minera de Chile (SQM), the directors unanimously agreed to propose, at the next Ordinary General Shareholders' Meeting, payment of a final dividend of US\$ 1.23829 per share charged to 2008 distributable net income. However, US\$ 0.37994 per share must be deducted from the final dividend as this amount was already paid as an interim dividend. The resulting balance of US\$ 0.85835 per share will be paid and distributed to SQM shareholders registered in the respective shareholders' registry on the fifth business day prior to payment.

Once these amounts are approved at the next Ordinary General Shareholders' Meeting, to be held in April 2009, the Company will be able to pay and distribute, in conformity with its respective dividend policy, an annual dividend equivalent to 65% of distributable net income obtained during 2008.

3. On April 30, 2009, the SVS was informed that at a meeting of the Board of Directors of Sociedad Química y Minera de Chile (SQM) held April 28, 2009, the directors agreed to authorize signing of a supply agreement by which SQM Salar S.A., subsidiary of Sociedad Química y Minera de Chile (SQM), will sell PCS Sales (USA) Inc., subsidiary of Potash Corporation of Saskatchewan Inc. (SQM's majority shareholder) between 25,000 and 150,000 tons of potassium chloride per year that will be sold by PCS in Japan, India and China. These sales may occur from May 1, 2009 to May 1, 2010, under terms and conditions identical to those observed in the market at that time.

4. On May 8, 2009, the SVS was informed that Sociedad Química y Minera de Chile S.A. (SQM) had successfully placed two series of bonds on the Chilean market: The series I bonds were placed for UF 1,500,000 at a rate of 3.67% per annum, maturing in 5 years, with a sole principal payment upon maturity. The series J bonds were placed for ThCh\$ 52,000,000 at a rate in nominal pesos of 6.14% per annum, maturing in 5 years, with a sole principal payment upon maturity.

SQM will use the funds obtained (approximately ThUS\$ 148,000) to refinance its short and long-term liabilities and to finance its investment plan.

5. On July 15, 2009, the SVS was informed that the Board of Directors of Soquimich Comercial S.A. (SQMC), at an extraordinary meeting held July 14, 2009, agreed to form a subsidiary in which SQMC would have a 70% share and the privately-held corporation Callegari Agrícola S.A. would hold the remaining 30%.

This new company, known as "Comercial Agrorama Callegari Limitada" or "Agrorama Callegari Ltda.", with Ch\$ 800 million in capital, will sell and distribute fertilizers, pesticides and agricultural products or inputs. It will have a legal duration of 5 years beginning July 14, 2009, which is tacitly and automatically renewable for additional periods of 5 years each.

6. On November 17, 2009, the SVS was informed that at a meeting of the Board of Directors of Sociedad Química y Minera de Chile (SQM) on that same date, the directors unanimously agreed to pay and distribute an interim dividend, as referred to in the "SQM Fiscal Year 2009 Dividend Policy", as communicated at the Ordinary General Shareholders' Meeting held April 29, 2009. This interim dividend of US\$ 0.37994 per share, equivalent to an approximate total of ThUS\$ 100,000, was payable beginning December 16, 2009 and corresponds to 40% of 2009 distributable net income accumulated as of September 30, 2009. It will be charged to 2009 net income and is payable to those shareholders registered in SQM's Shareholders' Registry on the fifth business day prior to December 16, 2009 in its equivalent in Chilean pesos based on the observed dollar or US dollar value published in the Official Gazette on December 10, 2009.

7. On December 31, 2009, the SVS was informed that the Board of Directors of Sociedad Química y Minera de Chile S.A. (SQM), in a meeting held December 15, 2009, had unanimously agreed to approve SQM's General Transitory Policy on Ordinary Customary Transactions.

For SQM S.A., customary transactions include:

Transactions with subsidiaries and affiliates to sell, purchase or supply raw materials, subproducts and products.

Transactions with subsidiaries and affiliates to contract and provide any type of services.

Leases or other transactions with subsidiaries and affiliates that do not transfer ownership relating to real estate, mining concessions and water rights.

Transactions with banks and financial institutions that are related parties.

Transactions to contract marine freight services carried out on the spot market with related parties.

Financial transactions with subsidiaries and affiliates (under any name or even unnamed) relating to management of its assets, liabilities and financial resources.



■ Subsidiaries and Affiliates

LOCAL SUBSIDIARIES AND AFILLIATES

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 Contesse G.*
Relationship to HQ:	Wholly owned. Maintains market current account and rental of industrial facilities through headquarters.
Address:	El Trovador 4285
Phone:	(2) 425 2000
Fax:	(2) 425 2268

SERVICIOS INTEGRALES DE TRANSITOS Y TRANSFERENCIAS S.A.:

Capital:	US\$ 9,873,573
Ownership:	99.99966% SQM Industrial S.A. 0.00034% SQM S.A.
Corporate Purpose:	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

SOQUIMICH COMERCIAL S.A.:

Capital:	US\$ 62,802,246
Ownership:	60.6383212% SQM Industrial S.A. 0.0000004% SQM S.A. 39.3616784% Other, non-related parties
Corporate Purpose:	Sale and distribution of fertilizers.
Directors:	Julio Ponce L.* Eugenio Ponce L. Radomiro Tomic E. Patricio de Solminihac Patricio Contesse *
CEO:	Juan Carlos Barrera
Relationship to HQ:	Ricardo Ramos R. Claudio Morales
Address:	Basically wholly-owned. El Trovador 4285
Phone:	(2) 425 2525
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

SQM SALAR S.A.:

Capital:	US\$ 38,000,000
Ownership:	81.82% SQM Potasio S.A. 18.18% SQM S.A.
Corporate Purpose:	Exploitation and 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
Fono:	(2) 425 2000
Fax:	(2) 425 2268

INSTITUCION DE SALUD PREVISIONAL NORTE GRANDE LTDA.:

Capital:	US\$ 426,263
Ownership:	99% SQM Industrial S.A. 1% SQM S.A.
Corporate Purpose:	Management of health matters for SQM S.A. and its subsidiaries.
CEO:	Bárbara Blümel
Relationship to HQ:	Basically wholly-owned.
Address:	Aníbal Pinto N° 3228, Antofagasta.
Phone:	(55) 412621
Fax:	(55) 412632

ALMACENES Y DEPOSITOS 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
Phone:	(2) 425 2000
Fax:	(2) 425 2268

(*) 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
Phone:	(2) 425 2000
Fax:	(2) 425 2268

PROINSA LTDA.:

Capital:	US\$ 82,870
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
Phone:	(2) 425 2525
Fax:	(2) 425 2268

SQMC INTERNACIONAL LTDA.:

Capital:	US\$ 1,143,090
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
Phone:	(2) 425 2525
Fax:	(2) 425 2268

COMERCIAL HYDRO S.A.:

Capital:	US\$ 4,551,464
Ownership:	99.9999% SQMC S.A. 0.0001% SQMC Internacional Ltda.
Corporate Purpose:	Import and sale of fertilizers.
CEO:	Claudio Morales
Relationship to HQ:	Basically wholly-owned.
Address:	El Trovador 4285
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
Phone:	(2) 425 2525
Fax:	(2) 425 2268

SALES DE MAGNESIO LTDA.:

Capital:	US\$ 224,808
Ownership:	50% SQM Salar S.A. 50% Other, non-related parties.
Corporate Purpose:	Sale of magnesium salts.
Gerente Responsable:	José Tomás Ovalle
Relationship to HQ:	Basically wholly-owned.
Address:	Sector La Negra Lotes 1 y 2 Antofagasta
Address Comercial:	El Trovador 4285
Phone:	(2) 425 2428
Fax:	(2) 425 2434

MINERA 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

EXPLORACIONES MINERAS S.A.:

Capital:	US\$ 30,100,000
Ownership:	0.269103% SQM S.A. 99.73089% Minera Nueva Victoria S.A.
Corporate Purpose:	Exploitation of other mines and quarries
Directors:	Patricio de Solminihac T. Ricardo Ramos R. Patricio Contesse G.* Patricio Contesse G.*
CEO:	Patricio Contesse G.*
Relationship to HQ:	Basically wholly-owned.
Address:	Los Militares 4290 Las Condes, Santiago
Phone:	(2) 425 2000

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

Capital:	US\$ 114,021
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
Phone:	(2) 425 2000
Fax:	(2) 425 2068

(*) Director or CEO of SQM S.A.

FOREIGN SUBSIDIARIES AND AFILIATES

SQM COMERCIAL DE MEXICO 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 Bugambillas CP 45645. Tlajomulco de Zúñiga, Jalisco, México
Phone:	(52-33) 35401100
Fax:	(52-33) 35401101

SOQUIMICH S.R.L. 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 PERU S.A.:

Capital:	US\$ 17,427
Ownership:	0.98% SQM S.A. 99.02% SQM Industrial S.A.
CEO:	Enrique Olivares Carlini
Directors:	Jaime Contesse G. Claudio Morales G. José Labarca M.
Corporate Purpose:	Sale of agricultural and industrial inputs.
Relationship to HQ:	Basically wholly-owned.
Address:	Avenida Camino Real N° 348 of 702, San Isidro, Lima Perú.
Phone:	(511) 6112121
Fax:	(511) 6112122

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, Bélgica
Phone:	(32 3) 2039700
Fax:	(32 3) 2312782

SQM NORTH AMERICA CORPORATION:

Capital:	US\$ 30,140,100
Ownership:	51% SQM Industrial S.A. 40% SQM 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

SQM BRASIL PRODUÇÃO E COMERCIALIZAÇÃO DE PRODUTOS QUÍMICOS E SERVIÇOS LTDA.:

Capital:	US\$ 1,790,000
Ownership:	97.21% SQM Industrial S.A. 2.79% SQM S.A.
Corporate Purpose:	Sale of chemical products and fertilizers, provision of advisory services, representation of other domestic or foreign companies, agency services for the distribution of chemical products and fertilizers.
Representative:	Martim de Almeida Sampaio
Relationship to HQ:	Basically wholly-owned.
Address:	Al. Tocantins 75, 6° Andar, Edif. West Gate, Alphaville, Barueri, CEP 06455- 020, Sao Paulo, Brasil
Phone:	(55-11) 4133.7208
Fax:	(55-11) 4133.7205

(*) Director or CEO of SQM S.A.

NITRATOS NATURAIS DO CHILE COMÉRCIO 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.
Representative:	Abogados Sampaio Advogados S/C Ltda.
Relationship to HQ:	Basically wholly-owned.
Representative:	Martim de Almeida Sampaio
Address:	Al. Tocantins 75, 6° Andar, Edif. West Gate, Alphaville, Barueri, CEP 06455- 020, Sao Paulo, Brasil
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:	Patricio Vargas Muñoz
Relationship to HQ:	Basically wholly-owned.
Address:	Av. José Orrantía y Ave. Juan Tanca Marengo Edificio Executive Center Piso 2 Oficina 211
Phone:	(593-4) 2158639
Fax:	(593-4) 2158639 ext 11

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 in 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. 0.01587% SQM S.A.
Corporate Purpose:	Investment in 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

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 Magnament Services N.V.
Relationship to HQ:	Basically wholly-owned.
Address:	Caya Ernesto O.Petronia 17, Oranjestad, Aruba.
Fax:	297-8-26548

ROYAL SEED TRADING A.V.V.:

Capital:	US\$ 6,000
Ownership:	1.67% SQM S.A. 98.33% SQM Potasio S.A.
Corporate Purpose:	Investment and sale of real estate and other property.
CEO:	CMS Corporate Magnament Services N.V.
Relationship to HQ:	Basically wholly-owned.
Address:	Caya Ernesto O.Petronia 17, Oranjestad, Aruba.
Fax:	297-8-26548

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

Capital:	US\$ 6,612
Ownership:	99.998% SQM Industrial S.A. 0.002% SQM North America Corporation.
Corporate Purpose:	Provision of services
Gerente Responsable:	Bernard Descazeaux Aribit
Relationship to HQ:	Basically wholly-owned.
Address:	Calle Industria Eléctrica s/n, Lote 30, Manzana A Parque Industrial Bugambillas CP 45645, Tlajomulco de Zúñiga, Jalisco, México
Phone:	(52-33) 35401100
Fax:	(52-33) 35401101

(*) Director or CEO of SQM S.A.

SQM AFRICA (PTY) LTD.:

Capital:	US\$ 102,351
Ownership:	100% Soquimich European Holdings B.V.
Corporate Purpose:	Sale of specialty plant nutrients and industrial products in the Sub-Sahara region
Directors:	Frank Biot Peter van Collie Alvaro Araya
Address:	Tramore House, 3 Waterford Office Park, Waterford Drive, 2191 Fourways, Johannesburg, Sudáfrica
Phone:	(27 11) 6588640
Fax:	(27 11) 6581101

NORTH AMERICAN TRADING CO.:

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

SOQUIMICH EUROPEAN HOLDING B.V.:

Capital:	US\$ 11,422,647
Ownership:	100% SQM Corporation N.V.
Corporate Purpose:	Holding company
Directors:	Frank Biot Patrick Vanbeneden Alvaro Araya Paul van Duuren
Address:	Localellikade 1 Parnassustoren 1076 AZ Amsterdam, Holanda
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.
Corporate Purpose:	Sale of products in Asia/ Oceania and marketing
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, Tokio Japan 107-0062
Phone:	81 3 5778 3311
Fax:	81 3 5778 3312

(*) Director or CEO of SQM S.A.

SQM NITRATOS MEXICO S.A.:

Capital:	US\$ 5,636
Ownership:	51% SQM Nitratos S.A. 49% Other, non-related parties
Corporate Purpose:	Provision of services
CEO:	Bernard Decazeaux Arabit.
Relationship to HQ:	Basically wholly-owned.
Address:	Calle Industria Eléctrica s/n, Lote 30, Manzana A Parque Industrial Bugambillas CP 45645, Tlajomulco de Zúñiga, Jalisco, México
Phone:	(52-33) 35401100
Fax:	(52-33) 35401101

SQM OCEANIA PTY:

Capital:	US\$ 1
Ownership:	100% Soquimich European Holdings B.V.
Corporate 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 VENEZUELA S.A.:

Capital:	US\$ 55,396
Ownership:	50% SQM Industrial S.A. 50% SQM 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

SQM VIRGINIA LLC:

Capital:	US\$ 33,375,305
Ownership:	100% SQM North America Corporation.
Corporate Purpose:	Sociedad de Inversiones
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

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

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:	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 FERTILIZER 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 in the Middle East.
Directors:	Yousef Al Tawil Frank Biot Patrick Vanbeneden
Address:	PO Box 71871 Abu Dhabi, United Arab Emirates
Phone:	(971) 25511700
Fax:	(971) 25511702

AJAY EUROPE SARL:

Capital:	US\$ 4,836,970
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. Alan Shipp Felipe Smith Alec Poitevint
Address:	Z.I. du Grand Verger BP 227 53602, Evron Cedex, Francia
Phone:	(33 24) 3013535
Fax:	(33 24) 3017618

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

DOKTOR TARSA TARIM SANAYI A.S.:

Capital:	US\$ 7,242,000
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

NUTRISI HOLDING N.V.:

Capital:	EUR\$ 570,155
Ownership:	50% Soquimich European Holdings B.V. 50% Other, non-related parties
Corporate Purpose:	Holding company
CEO:	Patrick Vanbeneden
Directors:	Frank Biot Patrick Vanbeneden Joseph Zidon Kees Langeveld
Address:	St Pietersvliet 7 bus 8 2000 Antwerp, Belgica
Phone:	(32 3) 2039700
Fax:	(32 3) 2312782

NU3 N.V.:

Capital:	EUR\$ 10,995,963
CEO:	Patrick Vanbeneden
Ownership:	50% Nutrisi Holding N.V. 50% Other, non-related parties
Corporate Purpose:	Production of solid and liquid specialty fertilizers
Directors:	Peter van Coillie Joseph Zidon Heinrich Schaper Kenneth Frederiksen
Address:	Industrieweg 20, 2280 Grobbendonk, Belgica
Phone:	(32 3) 2039700
Fax:	(32 3) 2039769

(*) Director or CEO of SQM S.A.

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

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 and sale of 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

FERTILIZANTES NATURALES S.A.:

Capital:	US\$ 166,409
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

SQM MED Tarım Sanayi Ve Ticaret A.S.:

Capital:	US\$ 485.238
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

(*) Director or CEO of SQM S.A.

IODINE MINERA B.V.:

Capital:	US\$ 10,922,696
Ownership:	100% Soquimich European Holding B.V.
Corporate Purpose:	Sale of iodine and iodine derivatives in Europe and North America.
Directors:	Alvaro Araya Patrick Vanbeneden Paul van Duuren Dennis Beets
Address:	Locatellikade 1, Parnassustoren, 1076 AZ Amsterdam, Netherlands
Phone:	(31 20) 5408989
Fax:	(31 20) 5408909

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 nutrients.
CEO:	Vashirasak Arjananont
Directors:	Patrick Vanbeneden Olaf Rietveld Chali Arjananont Vashirasak Arjananont Vashirachai Arjananont
Address:	31 Soi 138 (Meesuk) Lapdrawrd, Bangkok, 10240 Bangkok, Thailand
Phone:	(662) 3778668
Fax:	(662) 3773578

SQM AGRO INDIA PVT LTD:

Capital:	IR\$ 5,100,000
Ownership:	100% Soquimich European Holding
Corporate Purpose:	Agent and distributor of specialty plant nutrients in India
CEO:	Alok Sinha
Directors:	Patrick Vanbeneden Alfredo Doberti Alok Sinha Aparna Sinha Olaf Rietveld
Address:	64 Khan Market, 1st floor annex, 110003 New Delhi, India
Phone:	(91 11) 23747526
Fax:	(91 11) 23343421

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 2009 annual report is true and we assume the responsibilities that may arise from this statement.



CHAIRMAN
Julio Ponce L.
RUT: 4.250.719-9



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



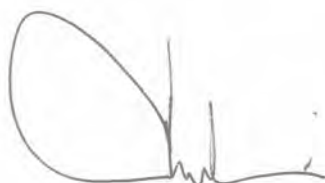
DIRECTOR
Wolf von Appen B.
RUT: 2.884.455-7



DIRECTOR
José María Eyzaguirre B.
RUT: 7.011.679-0



DIRECTOR
Kendrick T. Wallace
Passport: 712198876



CHIEF EXECUTIVE OFFICER
Patricio Contesse González
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P.O. Box

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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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Design and production

DOBLEGIRO

Printing

FYRMA GRAFICA



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