

CHEMICAL & MINING CO OF CHILE INC

Form 6-K

January 20, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE
SECURITIES EXCHANGE ACT OF 1934

For the month of January, 2015.

Commission File Number 33-65728

CHEMICAL AND MINING COMPANY OF CHILE INC.

(Translation of registrant's name into English)

El Trovador 4285, Santiago, Chile (562) 2425-2000

(Address of principal executive office)

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

Form 20-F: Form 40-F:

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

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

Santiago, Chile, January 19, 2015 – Sociedad Química y Minera de Chile S.A. (SQM), reports the translation of the financial statements that were filed with the Chilean Securities and Insurance Commission (*Superintendencia de Valores y Seguros de Chile*) for the nine months ended September 30, 2014.

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

CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended

September 30, 2014

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

In Thousands of United States Dollars

This document includes:

-Consolidated Classified Statements of Financial Position

-Consolidated Statements of Income by Function

-Consolidated Statements of Comprehensive Income

-Consolidated Statements of Cash Flows

-Statements of Changes in Equity

-Notes to the Consolidated Financial Statements

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

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**CONSOLIDATED CLASSIFIED STATEMENTS OF FINANCIAL POSITION**

ASSETS	Note	As of September 30, 2014 ThUS\$	As of December 31, 2013 ThUS\$
Current assets			
Cash and cash equivalents	7.1	295,255	476,622
Other current financial assets	10.1	535,006	460,173
Other current non-financial assets	25	31,666	44,230
Trade and other receivables, current	10.2	408,153	330,992
Trade receivables due from related parties, current	9.5	109,167	128,026
Current inventories	8	923,321	955,530
Current tax assets	28.1	31,987	59,476
Total current assets		2,334,555	2,455,049
Non-current assets			
Other non-current financial assets	10.1	66	95
Other non-current non-financial assets	25	30,573	36,505
Trade receivables, non-current	10.2	2,347	1,282
Investments in associates	11.1	54,736	51,075
Investments in joint ventures	12.3	29,566	25,943
Intangible assets other than goodwill	13.1	104,050	104,363
Goodwill	13.1	38,388	38,388
Property, plant and equipment	14.1	1,929,757	2,054,377
Deferred tax assets	28.4	417	531
Total non-current assets		2,189,900	2,312,559
Total assets		4,524,455	4,767,608

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

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**CONSOLIDATED CLASSIFIED STATEMENTS OF FINANCIAL POSITION, (continued)**

Liabilities and Equity	Note	As of September 30, 2014 ThUS\$	As of December 31, 2013 ThUS\$
Liabilities			
Current liabilities			
Other current financial liabilities	10.4	187,301	401,426
Trade and other payables, current	10.5	165,147	150,960
Trade payables due to related parties, current	9.6	221	-
Other current provisions	18.1	27,318	17,953
Current tax liabilities	28.2	32,553	31,707
Provisions for employee benefits, current	15.1	20,704	25,236
Other current non-financial liabilities	18.3	182,200	95,353
Total current liabilities		615,444	722,635
Non-current liabilities			
Other non-current financial liabilities	10.4	1,390,738	1,417,390
Other non-current provisions	18.1	8,824	8,633
Deferred tax liabilities	28.4	214,864	154,295
Provisions for employee benefits, non-current	15.1	30,441	32,414
Total non-current liabilities		1,644,867	1,612,732
Total liabilities		2,260,311	2,335,367
Equity			
Share capital	17	477,386	477,386
Retained earnings		1,736,629	1,909,725
Other reserves		(7,116	) (10,491)
Equity attributable to owners of the Parent		2,206,899	2,376,620
Non-controlling interests		57,245	55,621
Total equity		2,264,144	2,432,241
Total liabilities and equity		4,524,455	4,767,608

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

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**CONSOLIDATED STATEMENTS OF INCOME BY FUNCTION**

	Note	January to September		July to September	
		2014	2013	2014	2013
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	20	1,522,798	1,710,930	466,425	521,074
Cost of sales	27.2	(1,080,198)	(1,135,747)	(323,996)	(372,594)
Gross profit		442,600	575,183	142,429	148,480
Other income	27.3	6,863	95,978	1,593	87,016
Administrative expenses	27.4	(67,841)	(76,070)	(23,000)	(25,392)
Other expenses by function	27.5	(41,760)	(32,101)	(11,865)	(7,497)
Other gains (losses)	27.6	363	(12,275)	(101)	(12,566)
Profit (loss) from operating activities		340,225	550,715	109,056	190,041
Finance income		11,655	9,749	4,949	2,355
Finance costs	22	(45,673)	(44,082)	(14,816)	(16,651)
Share of profit of associates and joint ventures accounted for using the equity method		15,622	14,531	6,780	4,539
Foreign currency translation differences	23	(12,051)	(11,343)	(7,741)	(2,501)
Profit (loss) before taxes		309,778	519,570	98,228	177,783
Income tax expense, continuing operations	28.4	(87,053)	(117,068)	(29,347)	(36,921)
Profit (loss) from continuing operations		222,725	402,502	68,881	140,862
Profit for the year		222,725	402,502	68,881	140,862
Profit attributable to					
Owners of the Parent		218,416	398,139	66,349	138,907
Non-controlling interests		4,309	4,363	2,532	1,955
Profit for the year		222,725	402,502	68,881	140,862

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

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**CONSOLIDATED STATEMENTS OF INCOME BY FUNCTION (continued)**

		January to September		July to September	
	Note	2014	2013	2014	2013
		US\$	US\$	US\$	US\$
Earnings per share					
Common shares					
Basic earnings per share (US\$ per share)	21	0.8299	1.5127	0.2521	0.5278
Basic earnings per share (US\$ per share) from continuing operations		0.8299	1.5127	0.2521	0.5278
Diluted common shares					
Diluted earnings per share (US\$ per share)	21	0.8299	1.5127	0.2521	0.5278
Diluted earnings per share (US\$ per share) from continuing operations		0.8299	1.5127	0.2521	0.5278

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

Statements of comprehensive income	January to September		July to September	
	2014	2013	2014	2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Profit for the year	222,725	402,502	68,881	140,862
Components of other comprehensive income before taxes and foreign currency translation differences				
Gain (loss) from foreign currency translation differences, before taxes	(2,138)	(2,920)	(1,651)	(267)
Other comprehensive income before taxes and foreign currency translation differences	(2,138)	(2,920)	(1,651)	(267)
Cash flow hedges				
(Gain) loss from cash flow hedges before taxes	6,688	11,018	1,478	(1,965)
Other comprehensive income before taxes and cash flow hedges	6,688	11,018	1,478	(1,965)
Other comprehensive income before taxes and actuarial gains (losses) from defined benefit plans	-	-	-	-
Other miscellaneous reserves	-	-	-	-
Other components of other comprehensive income before taxes	4,550	8,098	(173)	(2,232)
Income taxes associated with components of other comprehensive income				
Income taxes associated with cash flow hedges in other comprehensive income	(1,258)	(2,084)	(245)	306
Income taxes associated with components of other comprehensive income	(1,258)	(2,084)	(245)	306
Other comprehensive income	3,292	6,014	(418)	(1,926)
Total comprehensive income	226,017	408,516	68,463	138,936
Comprehensive income attributable to				
Owners of the Parent	221,791	404,201	65,955	136,976
Non-controlling interests	4,226	4,315	2,508	1,960
Total comprehensive income	226,017	408,516	68,463	138,936

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

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Statements of cash flows	Note	9/30/2014 ThUS\$	9/30/2013 ThUS\$
Cash flows from (used in) operating activities			
Types of receipts from operating activities			
Cash receipts from sales of goods and rendering of services		1,453,590	1,775,224
Types of payments			
Cash payments to suppliers for the provision of goods and services		(882,681)	(1,060,512)
Cash payments to and on behalf of employees		(31,498)	(52,929)
Other payments related to operating activities		(4,834)	-
Dividends received		9,682	-
Interest paid		(43,998)	(64,309)
Interest received		11,655	-
Reimbursed (paid) income taxes		(48,591)	(124,334)
Other incomes (outflows) of cash		13,485	30,958
Net cash generated from (used in) operating activities		476,810	504,098
Cash flows from (used in) investing activities			
Cash receipts from the loss of control of subsidiaries and other businesses		185	(4,034)
Proceeds from the sale of property, plant and equipment		132	-
Proceeds from sales of intangible assets		2,123	86,006
Acquisition of intangible assets		-	(4,796)
Acquisition of property, plant and equipment		(83,631)	(321,927)
Cash advances and loans granted to third parties		(2,545)	-
Dividends received		-	14,683
Other incomes (outflows) of cash (*)		(75,683)	(353,077)
Net cash generated from (used in) investing activities		(159,419)	(583,145)

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

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

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)**

	Note	9/30/2014 ThUS\$	9/30/2013 ThUS\$
Cash flows from (used in) financing activities			
Proceeds from long-term borrowings	-	-	300,000
Proceeds from short-term borrowings	80,000	80,000	140,000
Total proceeds from borrowings	80,000	80,000	440,000
Repayment of borrowings	(110,000)	(110,000)	(164,023)
Dividends paid	(266,005)	(266,005)	(76,784)
Interest received	-	-	9,749
Other cash receipts (payments)	(201,757)	(201,757)	(3,569)
Net cash generated from (used in) financing activities	(497,762)	(497,762)	205,373
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate	(180,371)	(180,371)	126,326
Effects of exchange rate fluctuations on cash held	(996)	(996)	(6,086)
Net (decrease) increase in cash and cash equivalents	(181,367)	(181,367)	120,240
Cash and cash equivalents at beginning of period	476,622	476,622	324,353
Cash and cash equivalents at end of period	295,255	295,255	444,593

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

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

STATEMENTS OF CHANGES IN EQUITY

2014	Share capital	Foreign currency translation difference reserves	Cash flow hedge reserves	Actuarial gains (losses) from defined benefit plans	Other miscellaneous reserves	Other reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Controlling Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity at beginning of the year	477,386	(3,817)	(3,766)	(1,231)	(1,677)	(10,491)	1,909,725	2,376,620	55,621	2,432,241
Profit for the year	-	-	-	-	-	-	218,416	218,416	4,309	222,725
Other comprehensive income	-	(2,055)	5,430	-	-	3,375	-	3,375	(83)	3,292
Comprehensive income	-	(2,055)	5,430	-	-	3,375	218,416	221,791	4,226	226,017
Dividends	-	-	-	-	-	-	(339,208)	(339,208)	(2,602)	(341,810)
Increase (decrease) in transfers and other changes	-	-	-	-	-	-	(52,304)	(52,304)	-	(52,304)
Increase (decrease) in equity	-	(2,055)	5,430	-	-	3,375	(173,096)	(169,721)	1,624	(168,097)
Equity As of September 30, 2014	477,386	(5,872)	1,664	(1,231)	(1,677)	(7,116)	1,736,629	2,206,899	57,245	2,264,144

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

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STATEMENTS OF CHANGES IN EQUITY

2013	Share capital	Foreign currency translation difference reserves	Cash flow hedge reserves	Actuarial gains (losses) from defined benefit plans	Other miscellaneous reserves	Other reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity at beginning of the year	477,386	(330)	(16,522)	(2,243)	(1,677)	(20,772)	1,676,169	2,132,783	54,663	2,187,446
Profit for the year	-	-	-	-	-	-	398,139	398,139	4,363	402,502
Other comprehensive income	-	(2,873)	8,935	-	-	6,062	-	6,062	(48)	6,014
Comprehensive income	-	(2,873)	8,935	-	-	6,062	398,139	404,201	4,315	408,516
Dividends	-	-	-	-	-	-	(199,070)	(199,070)	(2,200)	(201,270)
Increase (decrease) in transfers and other changes	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in equity	-	(2,873)	8,935	-	-	6,062	199,069	205,131	2,115	207,246
Equity As of September 30, 2013	477,386	(3,203)	(7,587)	(2,243)	(1,677)	(14,710)	1,875,238	2,337,914	56,778	2,394,692

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

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

Notes to the Consolidated Financial
Statements as of September 30, 2014

Sociedad Química y Minera de Chile S.A.

and Subsidiaries

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 1 – Identification and Activities of the Company and Subsidiaries

1.1 Historical background

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

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

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

1.2 Main domicile where the Company performs its production activities

The Company's main domiciles are: Calle Dos Sur plot No. 5 - Antofagasta; Arturo Prat 1060 - Tocopilla; Administración Building w/n - Maria Elena; Administración Building w/n Pedro de Valdivia - María Elena, Anibal Pinto 3228 - Antofagasta, Kilometer 1378 Ruta 5 Norte Highway - Antofagasta, Coya Sur Plant w/n - Maria Elena, kilometer 1760 Ruta 5 Norte Highway - Pozo Almonte, Salar de Atacama (Atacama Saltpeter deposit) potassium chloride plant s/n - San Pedro de Atacama, potassium sulfate plant at Salar de Atacama s/n – San Pedro de Atacama, mining works at Salar de Ascotán Region II of Chile, Minsal Mining Camp s/n CL Plant CL, Potassium– San Pedro de Atacama.

1.3 Codes of main activities

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

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

1.4 Description of the nature of operations and main activities

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

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 1 – Identification and Activities of the Company and Subsidiaries (continued)

1.4 Description of the nature of operations and main activities, continued

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

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

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

Specialty plant nutrition: SQM produces and sells four types of specialty plant nutrition in this line of business: potassium nitrate, sodium nitrate, sodium potassium nitrate, and specialty mixes. This business is characterized by being closely related to its customers for which it has specialized staff who provide expert advisory in best practices for fertilization according to each type of crop, soil and climate. Within this type of business, potassium derivative products and specially potassium nitrate have had a leading role given the contribution they make to develop crops insuring an improvement in post-crop life in addition to improving quality, flavor and fruit color. The potassium nitrate, which is sold in multiple formats and as a part of other specialty mixtures, is complemented by sodium nitrate, potassium sodium nitrate, and more than 200 fertilizing mixtures.

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

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

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 1 – Identification and Activities of the Company and Subsidiaries (continued)

1.4 Description of the nature of operations and main activities, continued

Industrial Chemicals: Industrial chemicals are products used as supplies for a number of production processes. SQM participates in this line of business during more than 30 years producing sodium nitrate, potassium nitrate, boric acid and potassium chloride. Industrial nitrates have increased their importance over the last few years due to their use as storage means for thermal energy at solar energy plants, which are widely used in countries as Spain and the United States in their search for decreasing CO₂ emissions

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

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

1.5 Other background:

Staff

As of September 30, 2014 and December 31, 2013, staff was detailed as follows:

	<u>9/30/2014</u>	<u>12/31/2013</u>
Permanent staff	4,584	4,792

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 1 – Identification and Activities of the Company and subsidiaries (continued)

1.5 Other background, continued

Main shareholders

The table below establishes certain information about the beneficial property of Series A and Series B shares of SQM as of September 30, 2014 and December 31, 2013. In respect to each shareholder which has interest of more than 5% of outstanding Series A or B shares. The information below is taken from our records and reports controlled in the Central Securities Depository and reported to the Superintendence of Securities and Insurance (SVS) and the Chilean Stock Exchange, whose main shareholders are as follows:

Shareholder as of September 30, 2014	No. of Series A with ownership	% of Series A shares	No. of Series B with ownership	% of Series B shares	% of total shares
The Bank of New York Mellon, ADRs	-	-	60,913,968	50.60	% 23.14 %
Sociedad de Inversiones Pampa Calichera S.A.(*)	44,803,531	31.37 %	7,007,688	5.82	% 19.69 %
Inversiones El Boldo Limitada	29,330,326	20.54 %	17,963,546	14.92	% 17.97 %
Inversiones RAC Chile Limitada	19,200,242	13.44 %	2,202,773	1.83	% 8.13 %
Potasios de Chile S.A.(*)	18,179,147	12.73 %	-	-	6.91 %
Inversiones PCS Chile Limitada	15,526,000	10.87 %	-	-	5.90 %
Inversiones Global Mining (Chile) Limitada (*)	8,798,539	6.16 %	-	-	3.34 %
Banco Itau on behalf of foreign investors	20,950	0.01 %	5,858,732	4.87	% 2.23 %
Banco de Chile on behalf of non-resident third parties	-	-	5,338,246	4.43	% 2.03 %
Inversiones La Esperanza Limitada	3,693,977	2.59 %	-	-	1.40 %

(*) Total Pampa Group 29.94%

Shareholder as of December 31, 2013	No. of Series A with ownership	% of Series A shares	No. of Series B with ownership	% of Series B shares	% of total shares
The Bank of New York Mellon, ADRs	-	-	56,302,367	46.77	% 21.39 %
Sociedad de Inversiones Pampa Calichera S.A.(*)	44,758,830	31.34 %	6,971,799	5.79	% 19.65 %
Inversiones El Boldo Limitada	29,225,196	20.46 %	18,028,676	14.98	% 17.95 %
Inversiones RAC Chile Limitada	19,200,242	13.44 %	2,202,773	1.83	% 8.13 %
Potasios de Chile S.A.(*)	18,179,147	12.73 %	-	-	6.91 %

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BTG Pactual Chile S.A. C de B	15,593,709	10.92	%	797,393	0.66	%	6.23	%
Inversiones Global Mining (Chile) Limitada (*)	8,798,539	6.16	%	-	-		3.34	%
Banco Itau on behalf of investors	20,950	0.01	%	5,428,234	4.51	%	2.07	%
Banco de Chile on behalf of non-resident third parties	-	-		5,234,823	4.35	%	1.99	%
Inversiones La Esperanza Limitada	3,693,977	2.59	%	-	-		1.40	%

(*) Total Pampa Group 29.90%

On September 30, 2014 the total number of shareholders had risen to 1,269.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 2 - Basis of presentation for the consolidated financial statements

2.1 Accounting period

These consolidated financial statements cover the following periods:

- Consolidated Statements of Financial Position for the periods ended September 30, 2014 and December 31, 2013.

- Consolidated Statements of Changes in Equity for the periods ended September 30, 2014 and 2013.

- Consolidated Statements of Comprehensive Income for the periods between January and September 30, 2014 and 2013.

- Statements of Direct-Method Cash Flows for the periods ended September 30, 2014 and 2013.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 2 - Basis of presentation for the consolidated financial statements (continued)

2.2 Financial statements

The consolidated interim financial statements of Sociedad Química y Minera de Chile S.A. and Subsidiaries, have been prepared in accordance with International Financial Reporting Standards (hereinafter “IFRS”) and represent the full, explicit and unreserved application of the aforementioned international standards issued by the International Accounting Oversight Board (IASB). As of September the only instruction issued by the Chilean Superintendence of Securities and Insurance that contravenes IFRS refers to the particular recognition of the effect of deferred taxes.

On September 26, 2014, Law No.20.780 was enacted and published on September 29, 2014, which introduces amendments to the tax system in Chile referred to income taxes, among other matters. On October 17, 2014, the Chilean Superintendence of Securities and Insurance issued Circular No. 856 which required that the adjustment of deferred tax assets and liabilities generated as a direct effect of an increase in the corporate income tax rate provided by Law 20.780 (the Tax Reform) will be made against equity and not as required by IAS 12. Notes 3.38 and 28.5 provide a detail of criteria used and impacts related to the recording of the effects resulting from such tax reform and the application of the aforementioned Circular.

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

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

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

2.3 Basis of measurement

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

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

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 2 - Basis of presentation for the consolidated financial statements (continued)

2.4 Accounting pronouncements

New accounting pronouncements.

a) The following, standards, interpretations and amendments are mandatory for the first time for the annual periods beginning on January 1, 2014 and July 1, 2014:

Standards and interpretations	Mandatory for annual periods beginning on
<i>IFRIC 21 "Levies"</i> - Indicates the accounting treatment for a liability to pay a levy if such levy falls within the scope of IAS 37. It proposes that the liability be recognized when the obligation triggering event occurs and payment cannot be avoided. The obligation triggering event will be established in the related legislation and may occur at a given date or gradually over time.	01/01/2014
Amendments and improvements	Mandatory for annual periods beginning on
Amendment to <i>IAS 32 "Financial Instruments: Presentation"</i> - On the offsetting of financial assets and financial liabilities. It clarifies the requirements for the offsetting of financial assets and financial liabilities in the Statement of financial position.	01/01/2014
Amendment to <i>IAS 27 "Separate Financial Statements"</i> , <i>IFRS 10 "Consolidated Financial Statements"</i> and <i>IFRS 12 "Disclosure of Interests in Other Entities"</i> Issued in October 2012. The amendments include the definition of an investment entity and provide an exception for the consolidation of certain subsidiaries of entities meeting the definition for an "investment entity". The amendments also introduce new disclosure requirements relative to investment entities in IFRS 12 and IAS 27.	01/01/2014
Amendment to <i>IAS 36 "Impairment of assets"</i> - Issued in May 2013. It amends the disclosure of the recoverable amount of non-financial assets aligning them to the requirements of IFRS 13.	01/01/2014
Amendment of <i>IAS 39 "Financial Instruments: Recognition and Measurement"</i> – on the novation of derivatives and hedge accounting – Published in June 2013. It establishes certain conditions that must be met for the novation of derivatives to allow the continuance of hedge accounting; this in order to avoid novations that are the result of laws and regulations affecting the financial statements.	01/01/2014

The adoption of the standards, amendments and interpretations described above have no significant impact on the Company's consolidated financial statements.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 2 - Basis of presentation for the consolidated financial statements (continued)

2.4 Accounting pronouncements, (continued)

b) The new standards, interpretations and amendments issued not effective for 2014, which the company has not adopted early are as follows:

Standards and interpretations	Mandatory for annual periods beginning on
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<i>IFRS 9 “Financial Instruments”</i> - Published in July 2014. The IASB has issued the full version of IFRS 9, which supersedes the application guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and financial liabilities and an expected credit losses model that replaces the incurred loss impairment model used today. The final hedging part of IFRS 9 was issued in November 2013. Early adoption is permitted	01/01/2018
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<i>IFRS 15 “Revenue from Contracts with Customers”</i> – Published in May 2014. This standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. For such purposes, the basic principle is that an entity will recognize revenue representing the transfer of goods or services to customers in an amount that reflects the consideration that the entity expects to receive in exchange for such goods or services. The application of this standard will replace IAS 11 Construction Contracts and IAS 18 Revenue, as well as IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue-Barter Transactions Involving Advertising Services. Early application is permitted.	01/01/2017
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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 2 - Basis of presentation for the consolidated financial statements (continued)

2.4 Accounting pronouncements, (continued)

Amendments and improvements	Mandatory for periods beginning on
<p>Amendment of IAS 19 “Employee Benefits” on defined benefit plans. – Issued in November 2013. This amendment applies to employee or third party contributions in defined benefit plans. Amendments are intended to simplify the accounting for contributions that are independent of the number of years of service of employees; e.g., contributions by employees that are calculated in accordance with a fixed percentage of the employee’s salary.</p>	01/01/2018
<p>IFRS 11 “Joint Arrangements” – on the acquisition of interest in a joint operation – Issued in May 2014. This amendment includes guidance relates to the method for accounting for an acquisition of an interest in a joint operation in which the activity constitutes a business, specifying the proper treatment for such acquisitions.</p>	01/01/2016
<p>IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets” on depreciation and amortization – Issued in May 2014. The amendments clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate because revenue generated by such an activity in general reflects other factors other than the use of the economic benefits embedded in the asset. Likewise, the amendments clarify that a revenue-based amortization method is inappropriate to measure the use of the economic benefits embedded in the intangible asset.</p>	01/01/2016
<p>IAS 16 “Property, Plant and Equipment” and IAS 41 “Agriculture” on bearer plants. – Issued in June 2014. These amendments modify the financial information for “bearer plants”, such as vineyards, rubber wood tree and oil palm. The amendments define the concept of “bearer plant” and establish that they should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. Early adoption is permitted</p>	01/01/2016
<p>Amendment of IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”. Issued in September 2014. This amendment addresses an inconsistency between the requirements of IFRS 10 and IAS 28 for the treatment of a sale or contribution of assets between an investor and its associate or joint venture. The main consequence of this amendment is the recognition of a full gain or loss when the transaction involves a business (whether or not in a subsidiary) and a partial gain or loss when the transaction involves assets that are not a business, even if such assets are in a subsidiary.</p>	01/01/2016

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 2 - Basis of presentation for the consolidated financial statements (continued)

2.4 Accounting pronouncements, (continued)

Improvements to Information Financial Reporting Standards (2012) Issued in December 2013.

07/01/2014

IFRS 2 "Share-based Payment" – It clarifies the definition of “vesting conditions and “market conditions” and defines separately “performance conditions” and “service conditions.” Such an amendment should be applied prospectively on share-based payment transactions whose grant date is July 1, 2014 or after.

IFRS 3, "Business Combinations" – The standard is modified to clarify that the obligation to pay a contingent consideration that meets the definition of a financial instrument is classified as a financial liability or equity, on the basis of the definitions in IAS 32, "Financial Instruments: Presentation." The standard was additionally amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at its fair value at each reporting date recognizing changes in fair value in profit or loss. Consequently, there are also changes to IFRS 9, IAS 37 and IAS 39. The amendment is applicable prospectively for business combinations the acquisition date of which is July 1, 2014 or after.

IFRS 8 "Operating Segments" – The standard is amended to include the requirement to disclose the judgments made by management in the aggregation of operating segments. The standard was additionally modified to require a reconciliation of assets of the segments to assets of an entity, when assets are reported by segment.

IFRS 13 "Fair Value Measurement" – IASB has modified the basis for conclusions of IFRS 13 to clarify that it did not intend to eliminate the ability to measure short-term receivables and payables at nominal amounts if the effect of not adjusting is not significant.

IAS 16, "Property, Plant and Equipment" and *IAS 38, "Intangible Assets"* – Both standards are amended to clarify the treatment of the gross carrying amount and accumulated depreciation when an entity uses the revaluation model.

IAS 24, "Related party Disclosures" – The standard is modified to include, as related party, an entity that provides key management personnel services to the reporting entity of the Parent of the reporting entity (“the managing entity”).

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 2 - Basis of presentation for the consolidated financial statements (continued)

2.4 Accounting pronouncements, (continued)

Improvements to International Financial Reporting Standards (2013) Issued in December 2013

07/01/2014

IFRS 1 “First-time Adoption of International Financial Reporting Standards” – It clarifies that when a new version of a standard is not yet mandatory but is available for early adoption, a first-time adopter of IFRS may opt to apply the older or new version of the standard, provided that the same standard is applied to all periods presented.

IFRS 3 “Business Combinations” – The standard is modified to clarify that IFRS 3 is not applicable to the accounting recognition of the formation of a new joint arrangement under IFRS 11. This amendment also clarifies that only the scope exemption is applied to the financial statements of the joint arrangement.

IFRS 13 “Fair Value Measurement” – It clarifies that the portfolio exception in IFRS 13, that allows an entity to measure the fair value of a group of financial assets and financial liabilities as at their net amount, applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. An entity must apply the amendments prospectively from the start of the first annual period in which IFRS 13 is applied.

IAS 40 “Investment Property” – The standard is modified to clarify that IAS 40 and IFRS 3 are not mutually excluding. In preparing the financial information, the application guide to IFRS 3 has to be considered to determine whether the acquisition of investment property is or is not a business combination. This amendment can be applied to individual acquisitions of investment property prior to such date if and only if the information required to apply the amendment is available.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 2 - Basis of presentation for the consolidated financial statements (continued)

2.4 Accounting pronouncements, (continued)

Improvements to International Financial Reporting Standards (2014) Issued in September 2014.

01/01/2016

IFRS 7 "Financial Instruments: Disclosures." This includes two amendments of IFRS 7. (1) Service contracts: If an entity transfers a financial asset to a third party in conditions that allow the transferor to derecognize the asset, IFRS 7 requires the disclosure of any type of continuing involvement that the entity may still have in the transferred assets. IFRS 7 provides guidance on what is understood as continuing involvement within this context. The amendment is prospective and can be applied retrospectively. This also affects IFRS 1 to provide the same option to the first-time adopters of IFRS. (2) Interim financial statements. The amendment clarifies that the additional disclosure required by amendments of IFRS 7 "Offsetting of financial assets and financial liabilities" is not specifically required for all interim periods unless required by IAS 34. Such amendment is retrospective.

IAS 19, "Employee Benefits" – This amendment clarifies that in order to determine the discount rate for post-employment benefit obligations, the important aspect is the currency in which liabilities are denominated, not the country where they generate. The evaluation of whether a deep market exists for high-quality corporate bonds is based on corporate bonds in such currency, not in corporate bonds of a particular country. Likewise, where there is no deep market for high-quality corporate bonuses in such currency, government bonds in the related currency have to be used. Such amendment is retrospective but limited at the beginning of the first period presented.

IAS 34, "Interim Financial Reporting" – This amendment clarifies the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of the information. This amendment is retrospective.

The Company's management estimates that the adoption of standards, amendments and interpretations described above are under evaluation and it is expected that they will not have a significant impact on the Consolidated Financial Statements of the Company.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 2 - Basis of presentation for the consolidated financial statements (continued)

2.5 Basis of consolidation

(a) Subsidiaries

Relate to all the entities on which Sociedad Química y Minera de Chile S.A. has control when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those variable returns through its power over the entity. Subsidiaries apply the same accounting policies of their Parent.

To account for the acquisition, the Company uses the acquisition method. Under this method the acquisition cost is the fair value of assets delivered, equity securities issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingencies assumed in a business combination are measured initially at fair value at the acquisition date. For each business combination, the Company will measure non-controlling interest of the acquire either at fair value or as proportional share of net identifiable assets of the acquiree.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 2 - Basis of presentation for the consolidated financial statements (continued)

2.5 Basis of consolidation, continued

Companies included in consolidation:

TAX ID No.	Foreign subsidiaries	Country of origin	Functional currency	Ownership interest			12/31/2013 Total
				9/30/2014 Direct	Indirect	Total	
Foreign	Nitratos Naturais Do Chile Ltda.	Brazil	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Nitrate Corporation Of Chile Ltd.	United Kingdom	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM North America Corp.	USA	US\$	40.0000	60.0000	100.0000	100.0000
Foreign	SQM Europe N.V.	Belgium	US\$	0.5800	99.4200	100.0000	100.0000
Foreign	Soquimich S.R.L. Argentina	Argentina	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Soquimich European Holding B.V.	Netherlands	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Corporation N.V.	Dutch Antilles	US\$	0.0002	99.9998	100.0000	100.0000
Foreign	SQI Corporation N.V.	Dutch Antilles	US\$	0.0159	99.9841	100.0000	100.0000
Foreign	SQM Comercial De México S.A. de C.V.	Mexico	US\$	0.0013	99.9987	100.0000	100.0000
Foreign	North American Trading Company Administración Y	USA	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Servicios Santiago S.A. de C.V.	Mexico	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Peru S.A.	Peru	US\$	0.9800	99.0200	100.0000	100.0000
Foreign	SQM Ecuador S.A.	Ecuador	US\$	0.0040	99.9960	100.0000	100.0000
Foreign	SQM Nitratos Mexico S.A. de C.V.	Mexico	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQMC Holding Corporation L.L.P.	USA.	US\$	0.1000	99.9000	100.0000	100.0000
Foreign	SQM Investment Corporation N.V.	Dutch Antilles	US\$	1.0000	99.0000	100.0000	100.0000
Foreign	SQM Brasil Limitada	Brazil	US\$	1.0900	98.9100	98.3000	100.0000
Foreign	SQM France S.A.	France	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Japan Co. Ltd.	Japan	US\$	1.0000	99.0000	100.0000	100.0000
Foreign		Aruba	US\$	1.6700	98.3300	100.0000	100.0000

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Foreign	Royal Seed Trading Corporation A.V.V.						
Foreign	SQM Oceania Pty Limited	Australia	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Rs Agro-Chemical Trading Corporation A.V.V.	Aruba	US\$	98.3333	1.6667	100.0000	100.0000
Foreign	SQM Indonesia S.A.	Indonesia	US\$	0.0000	80.0000	80.0000	80.0000
Foreign	SQM Virginia L.L.C.	USA	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Italia SRL	Italy	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Comercial Caimán Internacional S.A.	Panama	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Africa Pty.	South Africa	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Lithium Specialties LLC	USA	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Iberian S.A.	Spain	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Agro India Pvt.Ltd.	India	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Beijing Commercial Co. Ltd.	China	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Thailand Limited	Thailand	US\$	0.0000	99.996	99.996	99.996

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 2 - Basis of presentation for the consolidated financial statements (continued)

2.5

Basis of consolidation, continued

Companies included in consolidation:

TAX ID No.	Foreign subsidiaries	Country of origin	Functional currency	Ownership interest		Total	12/31/2013 Total
				9/30/2014 Direct	Indirect		
96.801.610-5	Comercial Hydro S.A.	Chile	US\$	0.0000	60.6383	60.6383	60.6383
96.651.060-9	SQM Potasio S.A.	Chile	US\$	99.9999	0.0000	99.9999	99.9999
96.592.190-7	SQM Nitratos S.A.	Chile	US\$	99.9999	0.0001	100.0000	100.0000
96.592.180-K	Ajay SQM Chile S.A.	Chile	US\$	51.0000	0.0000	51.0000	51.0000
86.630.200-6	SQMC Internacional Ltda.	Chile	Ch\$	0.0000	60.6381	60.6381	60.6381
79.947.100-0	SQM Industrial S.A.	Chile	US\$	99.0470	0.9530	100.0000	100.0000
79.906.120-1	Isapre Norte Grande Ltda.	Chile	Ch\$	1.0000	99.0000	100.0000	100.0000
79.876.080-7	Almacenes y Depósitos Ltda.	Chile	Ch\$	1.0000	99.0000	100.0000	100.0000
79.770.780-5	Servicios Integrales de Tránsitos y Transferencias S.A.	Chile	US\$	0.0003	99.9997	100.0000	100.0000
79.768.170-9	Soquimich Comercial S.A.	Chile	US\$	0.0000	60.6383	60.6383	60.6383
79.626.800-K	SQM Salar S.A.	Chile	US\$	18.1800	81.8200	100.0000	100.0000
78.053.910-0	Proinsa Ltda.	Chile	Ch\$	0.0000	60.5800	60.5800	60.5800
76.534.490-5	Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	Chile	Ch\$	0.0000	100.0000	100.0000	100.0000
76.425.380-9	Exploraciones Mineras S.A.	Chile	US\$	0.2691	99.7309	100.0000	100.0000
76.064.419-6	Comercial Agrorama Ltda.(a)	Chile	Ch\$	0.0000	42.4468	42.4468	42.4468
76.145.229-0	Agrorama S.A.	Chile	Ch\$	0.0000	60.6377	60.6377	60.6377
76.359.919-1	Orcoma Estudios SPA (b)	Chile	US\$	100.0000	-	100.0000	100.0000
76.360.575-2	Orcoma SPA (c)	Chile	US\$	100.0000	-	100.0000	100.0000

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

(b) On December 31, 2013, the subsidiary Orcoma Estudios SPA was incorporated where Sociedad Quimica y Minera de Chile S.A. made a capital contribution of US\$ 1,500.

(c) On December 31, 2013, the subsidiary Orcoma SPA, was incorporated where Sociedad Quimica y Minera de Chile S.A. made a capital contribution of ThUS\$ 2,358.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 2 - Basis of presentation for the consolidated financial statements (continued)

2.5 Basis of consolidation, continued

Subsidiaries are consolidated using the line-by-line method adding the items that represent assets, liabilities, revenues and expenses of similar content and eliminating those related to intragroup transactions.

Profit or loss of depending companies acquired or disposed of during the year are included in profit or loss accounts consolidated from the effective date of acquisition or up to the effective date of disposal, as applicable.

Non-controlling interest represents the equity of a subsidiary not directly or indirectly attributable to the Parent.

2.6 Significant accounting judgments, estimates and assumptions

Management of Sociedad Química y Minera de Chile S.A. and its subsidiaries is responsible for the information contained in these consolidated financial statements, which expressly indicate that all the principles and criteria included in IFRSs as issued by the International Accounting Standard Board (IASB) have been applied in full.

In preparing the consolidated financial statements of Sociedad Química y Minera de Chile S.A. and its subsidiaries Management has made judgments and estimates to quantify certain assets, liabilities, revenues, expenses and commitments included therein. Basically, these estimates refer to:

- The useful lives of property, plant and equipment and intangible assets and their residual value;
- Impairment losses of certain assets, including trade receivables;
- Assumptions used in calculating the actuarial amount of pension-related and severance indemnity payment benefit commitments;
- Provisions for commitments assumed with third parties and contingent liabilities;
- Provisions on the basis of technical studies that cover the different variables affecting products in stock (density, moist, among others), and allowance for slow-moving spare-parts in stock;
- Future cost for closure of mining sites;
- The determination of the fair value of certain financial assets and derivative instruments;
- The determination and assignment of fair values in business combinations.

Despite the fact that these estimates have been made on the basis of the best information available on the date of preparation of these consolidated financial statements, certain events may occur in the future and oblige their amendment (upwards or downwards) over the next few years, which would be made prospectively, recognizing the effects of the change in estimates in the related future consolidated financial statements.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 - Significant accounting policies

3.1 Classification of balances as current and non-current

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

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

3.2 Functional and presentation currency

The Company's interim consolidated financial statements are presented in United States dollars ("U.S. dollars" or "US\$"), which is the Company's functional and presentation currency and is the currency of the main economic environment in which it operates.

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

The interim consolidated financial statements are presented in thousands of United States dollars without decimals.

3.3 Foreign currency translation

(a)

Domestic entities:

Assets and liabilities denominated in Chilean pesos and other currencies other than the functional currency (U.S. dollar) as of September 30, 2014 and December 31, 2013 have been translated to U.S. dollars at the exchange rates prevailing at those dates. The corresponding Chilean pesos were converted at Ch\$599.22 per US\$1.00 as of September 30, 2014, and Ch\$524.61 per US\$1.00 as of December 31, 2013.

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The values of the UF (a Chilean peso-denominated, inflation-indexed monetary unit) used to convert the UF denominated assets and liabilities as of September 30, 2014 amounted to Ch\$24,168.02 (US\$40.33), and as of December 31, 2013 amounted to Ch\$23,309.56 (US\$44.43).

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)**Note 3 - Significant accounting policies (continued)****3.3 Foreign currency translation, continued****(b)****Foreign entities:**

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

- Assets and liabilities using the exchange rate prevailing on the closing date of the consolidated financial statements.
- Statement of income account items using the average exchange rate for the year.
- Equity accounts are stated at the historical exchange rate prevailing at acquisition date.

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

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

	9/30/2014	12/31/2013
	US\$	US\$
Brazilian real	2.45	2.34
New Peruvian sol	2.89	2.75
Argentine peso	8.30	6.48
Japanese yen	109.45	105.39
Euro	0.79	0.73
Mexican peso	13.48	13.07
Australian dollar	1.15	1.12
Pound Sterling	0.62	0.61
South African rand	11.35	10.56
Ecuadorian dollar	1.00	1.00
Chilean peso	599.22	524.61
UF	40.33	44.43

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 - Significant accounting policies (continued)

3.3 Foreign currency translation, continued

(c) Transactions and balances

Non-monetary transactions in currencies other than the functional currency (U.S. dollar) (foreign currencies) are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. All differences are recorded in the statement of income except for all monetary items that provide effective hedge for a net investment in a foreign operation. These items are recognized in other comprehensive income on the disposal of the investment; at the time they are recognized in the statement of income. Charges and credits attributable to foreign currency translation differences on those hedge monetary items are also recognized in other comprehensive income.

Non-monetary assets and liabilities that are measured historical cost in a foreign currency are retranslated to the functional currency at the historical exchange rate of the transaction. Non-monetary items that are measured based on fair value in a foreign currency are translated using the exchange rate at the date in which the fair value is determined.

(d) Group entities

The revenue and expenses, assets and liabilities of all entities that have a functional currency other than the presentation currency are converted to the presentation currency as follows

- Assets and liabilities are converted at the closing exchange rate prevailing on the reporting date.
 - Revenues and expenses of each profit or loss account are converted at monthly average exchange rates.
- All resulting foreign currency translation gains and losses are recognized as a separate component in translation reserves.

In consolidation, foreign currency differences arising from the translation of a net investment in foreign entities are recorded in equity (other reserves). At the date of disposal, such foreign currency translation differences are recognized in the statement of income as part of the loss or gain from the sale.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 - Significant accounting policies (continued)

3.4

Subsidiaries

SQM S.A. establishes as basis the control exercised in subsidiaries, to determine their share in the consolidated financial statements. Control consists of the Company's ability to exercise power in the subsidiary, exposure or right, to variable performance from its share in the investee and the ability to use its power on the investee to have an influence on the amount of the investor's performance.

The Company prepares the consolidated financial statements using consistent accounting policies for the entire Group, the consolidation of a subsidiary commences when the Company has control over the subsidiary and stops when control ceases.

3.5

Consolidated statement of cash flows

Cash equivalents correspond to highly-liquid short-term investments that are easily convertible in known amounts of cash and subject to insignificant risk of changes in their value and mature in less than three months from the date of acquisition of the instrument.

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and cash equivalents as defined above.

The statement of cash flows includes movements in cash performed during the year determined using the direct method.

3.6

Financial assets

Management determines the classification of its financial assets at the time of initial recognition, on the basis of the business model, for the management of financial assets and the characteristics of contractual cash flows from the financial assets. In accordance with IFRS 9, financial assets are measured initially at fair value plus transaction costs that may have been incurred and are directly attributable to the acquisition of the financial asset. Subsequently, financial assets are measured at amortized cost or fair value.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 - Significant accounting policies (continued)

3.6 Financial assets, continued

The Company assesses at each reporting date, whether there is objective evidence that an asset or group of assets is impaired. An asset or group of financial assets is impaired if and only if, there is evidence of impairment as a result of one or more events occurring after the initial recognition of the asset or group of assets. For the recognition of impairment, the loss event has to have an impact on the estimate of future cash flows from the asset or groups of financial assets.

3.7 Financial liabilities

Management determines the classification of its financial liabilities at the time of initial recognition. As established in IFRS 9, financial liabilities at the time of initial recognition are measured at fair value, less transaction costs that may have been incurred and are directly attributable to the issue of the financial liability. Subsequently, these are measured at amortized cost using the effective interest method. For financial liabilities that have been initially recognized at fair value through profit or loss, these will be measured subsequently at fair value.

3.8 Financial instruments at fair value through profit or loss

Management will irrevocably determine, at the time of initial recognition, the designation of a financial instrument at fair value through profit or loss, if by doing so eliminates or significantly reduces a measurement or recognition inconsistency, that would otherwise arise from the measurement of assets or liabilities or from the recognition of the gains and losses from them on different bases.

3.9 Financial instrument offsetting

The Company offsets an asset and liability if and only if it presently has, a legally enforceable right, of setting off the amounts recognized and has the intent of settling for the net amount or of realizing the asset and settling the liability simultaneously.

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expiration period of the hedged item is higher than 12 months and as a current asset or liability if the remaining expiration period of the entry is lower than 12 months.

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

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 - Significant accounting policies (continued)

3.11 Derivative and hedging financial instruments, continued

(a) Fair value hedge

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

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

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

(b) Cash flow hedges

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

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

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

occurs.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 - Significant accounting policies (continued)

3.12 Derecognition of financial instruments

In accordance with IFRS 9, the Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred; and the control of the financial assets has not been retained.

The Company derecognizes a financial liability when its contractual obligations or a part of these are discharged, paying to the creditor or the main liability contained has been legally extinguished.

3.13 Derivative financial instruments

The Company maintains derivative financial instruments to hedge its exposure in foreign currency. Derivative financial instruments are recognized initially at fair value; attributable transaction costs are recognized when incurred. Subsequent to initial recognition, changes in fair value of such derivatives are recognized in profit or loss as part of gains and losses.

The Company permanently assesses the existence of embedded derivatives both in its contracts and financial instruments. As of September 30, 2014 and 2013, there are no embedded derivatives.

3.14 Fair value measurements

At the initial recognition, the Company measures its assets and liabilities at fair value plus or minus transaction costs incurred that are directly attributable to the acquisition of a financial asset or issuance of a financial liability.

3.15 Leases

(a) Lease - Finance lease

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

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 - Significant accounting policies (continued)

3.15 Lease, continued

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

(b) Lease – Operating lease

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

3.16 Deferred acquisition costs from insurance contracts

Acquisition costs from insurance contracts are classified as prepayments and correspond to insurance contracts in force, recognized using the straight-line method and on an accrual basis, and are recognized under Other non-financial assets.

These are expensed considering the proportional period of time they cover, regardless of the related payment dates.

3.17 Trade and other receivables

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

These assets are initially recognized at their fair value and subsequently at amortized cost according to the effective interest rate method less a provision for impairment loss. An allowance for impairment loss is established for trade receivables when there is objective evidence that the Company will not be able to collect all the amounts which are

owed to it according to the original terms of receivables.

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

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 - Significant accounting policies (continued)

3.18 Inventory measurement

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

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

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

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

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

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

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

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 - Significant accounting policies (continued)

3.19 Investments in associates and joint ventures

Interests in companies on which joint control is exercised (joint venture) or where an entity has significant influence (associates), are recognized using the equity method of accounting. Significant influence is presumed to exist when interest greater than 20% is held in the capital of an investee.

Under this method, the investment is recognized in the statement of financial position at cost plus changes subsequent to the acquisition considering the proportional share in the equity of the associate, using for such purposes, the interest percentage in the ownership of the associate. The associated goodwill acquired is included in the carrying amount of the investee and is not amortized. The debit or credit to profit or loss reflects the proportional share in the profit or loss of the associate.

Unrealized gains for transactions with affiliates or associates are eliminated considering the interest percentage the Company has on such entities. Unrealized losses are also eliminated, except if the transaction provides evidence of impairment loss of the transferred asset.

Changes in the equity of associates are recognized considering the proportional amounts with a charge or credit to "Other reserves" and classified considering their origin.

Reporting dates of the associate and the Company and related policies are similar for equivalent transactions and events under similar circumstances.

In the event that the significant influence is lost or the investment is sold or is held as available for sale, the equity method is discontinued suspending the recognition of proportional share of profit or loss.

If the resulting amount according to the equity method is negative, the share of profit or loss is reflected at zero value in the consolidated financial statements, unless a commitment exists by the Company to reinstate the Company's equity position, in which case the related provision for risks and expenses is recorded.

Dividends received by these companies are recorded by reducing the equity value and the proportional share of profit or loss recognized in conformity with the share of equity are included in the consolidated profit or loss accounts in the caption "Equity share of profit (loss) of associates and joint ventures that are accounted for using the equity method of accounting".

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 – Significant accounting policies (continued)

3.20 Transactions with non-controlling interests

Non-controlling interests are recorded in the consolidated statement of financial position within equity separate from equity attributable to the owners of the Parent.

3.21 Related party transactions

Transactions between the Company and its subsidiaries are part of the Company's normal operations within its scope of business activities. Conditions for such transactions are those normally effective for those types of operations in regard to terms and market prices. Also, these transactions have been eliminated in consolidation. Expiration conditions for each case vary by virtue of the originating transaction.

3.22 Property, plant and equipment

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

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

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

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 – Significant accounting policies (continued)

3.22 Property, plant and equipment, continued

2. The future costs that the Company will have to experience related to the closure of its facilities at the end of their useful life are included at the present value of disbursements expected to be required to settle the obligation.

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

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

The replacement of full assets which increase the asset's useful life or its economic capacity, are recorded as a higher value of property, plant and equipment with the related derecognition of replaced or renewed elements.

Based on the impairment analysis conducted by the Company's management it has been considered that the carrying value of assets does not exceed the net recoverable value of such assets.

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

Costs derived from daily maintenance of property, plant and equipment are recognized when incurred.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)**Note 3 - Significant accounting policies (continued)****3.23 Depreciation of property, plant and equipment**

Property, plant and equipment are depreciated through the straight-line distribution of cost over the estimated technical useful life of the asset which is the period in which the Company expects to use the asset. When components of one item of property, plant and equipment have different useful lives, they are recorded as separate assets. Useful lives are reviewed on an annual basis.

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

Types of property, plant and equipment	Minimum life or rate	maximum life or rate
Buildings	3	60
Plant and equipment	3	35
Information technology equipment	3	10
Fixtures and fittings	3	35
Motor vehicles	5	10
Other property, plant and equipment	2	30

3.24 Intangible assets

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

(a) Goodwill acquired

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

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 - Significant accounting policies (continued)

3.24 Intangible assets, continued

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

3.25 Intangible assets other than goodwill

(a) Water rights

Water rights acquired by the Company relate to water from natural sources and are recorded at acquisition cost. Given that these assets represent legal rights granted in perpetuity to the Company, they are not amortized, but are subject to annual impairment tests.

(b) Right of way for electric lines

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

(c) Computer software

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

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

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

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 - Significant accounting policies (continued)

3.25 Intangible assets other than goodwill, continued

(d) Mining property and concession right

The Company holds mining property and concession rights from the Chilean Government. Property rights are usually obtained with no initial cost (other than the payment of mining patents and minor recording expenses) and upon obtaining rights on these concessions, these are retained by the Company while annual patents are paid. Such patents, which are paid annually, are recorded as prepaid assets and amortized over the following twelve months. Amounts attributable to mining concessions acquired from third parties that are not from the Chilean Government are recorded at acquisition cost within intangible assets.

No impairment of intangible assets exists as of September 30, 2014 and December 31, 2013.

3.26 Research and development expenses

Research and development expenses are charged to profit or loss in the period in which the disbursement was made.

3.27 Prospecting expenses

The Company has mining property and concession rights from the Chilean Government and acquired from third parties other than the Chilean Government, destined to the exploitation of caliche ore and saltpeter deposits and also the exploration of this type of deposits.

Upon obtaining these rights, the Company initially records disbursements directly associated with the exploration and evaluation of deposits (associated with small deposits with trading feasibility) as asset at cost. Such disbursements include the following concepts:

- Disbursements for geological reconnaissance evaluation
- Disbursements for drilling
- Disbursements for drilling work and sampling

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- Disbursements for activities related to technical assessment and trading feasibility of drilling work
- And any disbursement directly related to specific projects where its objective is finding mining resources.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 - Significant accounting policies (continued)

3.27 Prospecting expenses, continued

Subsequently, the Company distinguishes exploration and evaluation projects according to the economic feasibility of the mineral extracted in the area or exploration, among those that finally will deliver future benefits to the Company (profitable projects) and those projects for which it is not probable that economic benefit will flow to the Company in the future (i.e., when the mine site has low ore grade and its exploitation is not economically profitable).

If technical studies determine that the ore grade is not economically suitable for exploitation, the asset is directly expensed. Otherwise, it is held in the caption other non-current assets, reclassifying the portion related to the area to be exploited in the year in the caption inventories and such amount is amortized as production cost on the basis of estimated tons to be extracted.

The technical reasons for this classification correspond to the fact that this is an identifiable non-monetary asset that is owned to be used in the production of our processes as main raw material.

Paragraph 17 of IFRS 6 establishes that an asset for exploitation and evaluation should be classified as such when it loses the technical feasibility and trading feasibility for extraction and therefore, must be impaired. For this reason and because our disbursements correspond to proven reserves with a trading feasibility and used as main raw material in our production processes these are presented as inventories that will be exploited within the commercial year and the remainder as development expenses for small deposits and prospecting expenses in the caption Other non-current assets.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 - Significant accounting policies (continued)

3.28 Impairment of non-financial assets

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

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

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

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

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

Impairment losses from continuing operations are recognized with a debit to profit or loss in the categories of expenses associated with the impaired asset function, except for properties reevaluated previously where the revaluation was taken to equity.

As of December 31, 2013, the Company was unaware of any indication of impairment with respect to its assets.

For assets other than acquired goodwill, an annual evaluation is conducted of whether there is impairment loss indicators recognized previously that might have already ceased to exist or decreased. The recoverable amount is estimated if such indicators exist. An impairment loss previously recognized is reversed only if there have been changes in estimates used to determine the asset's recoverable amount from the last time in which an impairment loss

was recognized. If this is the case, the carrying value of the asset is increased to its recoverable amount. This increased amount cannot exceed the carrying value that would have been determined net of depreciation if an asset impairment loss would have not been recognized in prior years. This reversal is recognized with a credit to profit or loss unless an asset is recorded at the revalued amount. Should this be the case, the reversal is treated as an increase in revaluation.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 - Significant accounting policies (continued)

3.29 Minimum dividend

As required by the Shareholders' Corporations Act, unless decided otherwise by the unanimous vote by the shareholders of subscribed and paid shares, a public company must distribute dividends as agreed by the shareholders at the General Shareholders' Meeting held each year with a minimum of 30% of its profit for the year ended December 31, 2013, except when the Company records unabsorbed losses from prior years.

However, the Company defines as policy the distribution of 50% of its profit for the year ended December 31, 2014.

3.30 Earnings per share

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

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

3.31 Trade and other payables

Trade and other payables are measured at fair value plus all costs associated with the transaction. Subsequently, these are carried at amortized cost using the effective interest rate method.

3.32 Interest-bearing borrowings

At initial recognition interest-bearing borrowings are measured at fair value. Subsequently, they are measured at amortized cost using the effective interest rate method. Amortized cost is calculated considering any premium or discount from the acquisition and includes costs of transactions which are an integral part of the effective interest rate.

These are recorded as non-current when their expiration period exceeds twelve months and as current when the term is lower than such term. Interest expense is calculated in the year in which they are accrued following a financial

criterion.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 - Significant accounting policies (continued)

3.33 Other provisions

Provisions are recognized when:

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

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

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

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

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

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 - Significant accounting policies (continued)

3.34 Obligations related to employee termination benefits and pension commitments

Obligations with the Company's employees are in accordance with that established in the collective bargaining agreements in force formalized through collective employment agreements and individual employment contracts, except for the United States that is regulated in accordance with employment plans in force up to 2002.

These obligations are valued using actuarial calculations, according to the projected unit credit method which considers such assumptions as the mortality rate, employee turnover, interest rates, retirement dates, effects related to increases in employees' salaries, as well as the effects on variations in services derived from variations in the inflation rate. This considering criteria in force contained in IAS 19 revised.

Actuarial gains and losses that may be generated by variations in defined pre-established obligations are directly recorded in profit or loss for the year and not within Other comprehensive income considering their insignificant amount.

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

The discount rate used by the Company for calculating the obligation was 6% for the periods ended September 30, 2014 and December 31, 2013.

The Company's subsidiary SQM North America has established pension plans for its retired employees that are calculated by measuring the projected obligation using a net salary progressive rate net of adjustments for inflation, mortality and turnover assumptions, deducting the resulting amounts at present value using a 6.5% interest rate for 2014 and 2013. The net balance of this obligation is presented under the non-current provisions for employee benefits.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 - Significant accounting policies (continued)

3.35 Compensation plans

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

3.36 Revenue recognition

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

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

(a) Sale of goods

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

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

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 - Significant accounting policies (continued)

3.36 Revenue recognition, continued

(b) Sales of services

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

(c) Interest income

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

(d) Income from dividends

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

3.37 Finance income and finance costs

Finance income is mainly composed of interest income in financial instruments such as term deposits and mutual fund deposits. Interest income is recognized in profit or loss at amortized cost, using the effective interest rate method.

Finance costs are mainly composed of interest expense in bank borrowings, interest on bonds issued and interest capitalized for borrowing costs for the acquisition, construction or production of qualifying assets.

Borrowing costs and bonds issued are recognized in profit or loss using the effective interest rate method.

Finance costs accrued during the construction period that are directly attributable to the acquisition, construction or production of qualifying assets using the effective interest rate related to the project's specific financing; if none exists, the average financing rate of the subsidiary that makes the investment.

Borrowing and financing costs that are directly attributable to the acquisition, construction or production of an asset are capitalized as part of that asset's cost.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 - Significant accounting policies (continued)

3.38 Income tax and deferred taxes

Corporate income tax for the year is determined as the sum of current taxes from the different consolidated companies.

Current taxes are based on the application of the various types of taxes attributable to taxable income for the year.

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

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

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

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

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

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

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

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 3 - Significant accounting policies (continued)

3.38 Income tax and deferred taxes, continued

In accordance with the instructions issued by the Chilean Superintendence of Securities and Insurance in its Circular No. 856 of October 17, 2014, the effects generated by the change in the income tax rate approved by Law No. 20.780 (the Tax Reform) on income and deferred taxes, which in accordance with IAS 12 should be charged to profit or loss for the period, have been accounted for as Retained earnings. Subsequent amendments will be recognized in profit or loss for the period in accordance with IAS 12.

3.39 Segment reporting

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

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

For assets and liabilities the allocation to each segment is not possible given that these are associated with more than one segment, except for depreciation, amortization and impairment of assets, which are directly allocated to the applicable segments, in accordance with the criteria established in the costing process for product inventories.

The following operating segments have been identified by the Company:

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

3.40 Environment

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

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 4 - Financial risk management

4.1 Financial risk management policy

The Company's Financial Risk Management Policy is focused on safeguarding the stability and sustainability of Sociedad Química y Minera de Chile S.A. and its subsidiaries with regard to all such relevant financial uncertainty components.

The Company's operations are subject to certain financial risk factors that may affect its financial position or results. The most significant risk exposures are market risk, liquidity risk, currency risk, doubtful account risk, and interest rate risk, among others.

Potentially, additional known or unknown risks may exist, of which we currently deem not to be significant, which could also affect the Company's business operations, its business, financial position or profit or loss.

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

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 4 - Financial risk management (continued)

4.2 Risk factors

4.2.1 Market risk

Market risk refers to the uncertainty associated with fluctuations in market variables affecting the Company's assets and liabilities, including:

Country risk: The economic situation of the countries where the Company operates may affect its financial position. For example, sales conducted in emerging markets expose SQM to risks related to economic conditions and trends in those countries. In addition, inventories may also be affected by the economic scenario in such countries and/ or the global economy, among other probable economic impacts.

Price risk: The Company's product prices are affected by the fluctuations in international prices of fertilizers and chemicals, as well as changes in productive capacities or market demand, all of which might affect the Company's business, financial position and results of operations.

Commodity price risk: The Company is exposed to changes in commodity prices and energy which may have an impact on its production costs that may cause instability in the results.

As of to-date, the Company incurs an annual expenditure of approximately US\$140 million associated with oil, gas and equivalents and approximately US\$54 million related to electrical supply. A change of 10% in the prices of energy required for the Company's operations may involve costs of approximately US\$14 million in short-term movements.

As stated in the Company's annual report, the markets in which the Company operates are unpredictable, exposed to significant fluctuations in supply and demand, and price volatility. Additionally, the supply of certain fertilizers or chemicals, including certain products which the Company trades, vary mainly depending on the production of top producers and their respective business strategies. Accordingly, the Company cannot forecast with certainty changes in demand, responses from competitors or fluctuations in the final price of its products. These factors can lead to significant impacts on the Company's product sales volumes, financial position and share price.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 4 - Financial risk management (continued)

4.2.1 Market risk, continued

Quality standards: In the markets in which we operate, customers might impose quality standards on our products and/or governments could enact more stringent standards for the distribution and/or use of our products.

- d) Consequently, we might not be able to sell our products if we are not able to meet those new standards. In addition, our production costs might increase to meet such new standards. Not being able to sell our products in one or more markets or to key customers might significantly affect our business, financial position or the results of our operations.

4.2.2 Doubtful account risk

A contraction of the global economy and the potentially adverse effects in the financial position of our clients may extend the receivables recovery period for SQM, increasing its exposure to doubtful account risk. While measures have been taken to minimize such risk, the global economic situation may result in losses that might have a material adverse effect on the Company's business, financial position or results of operations.

To mitigate these risks, SQM actively controls debt collection and has established certain safeguards which include loan insurance, letters of credit, and prepayments for a portion of receivables.

4.2.3 Currency risk

As a result of its influence on price level determination, its relationship with cost of sales and since a significant portion of the Company's business transactions are performed in that foreign currency, the functional currency of SQM is the United States dollar. However, the global business activities of the Company expose it to the foreign exchange fluctuations of several currencies with respect to the value of the US dollar. Accordingly, SQM has entered into hedge contracts to mitigate the exposure generated by its main mismatches (assets, net of liabilities) in currencies other than the US dollar against the foreign exchange fluctuation. These contracts are periodically updated depending on the mismatch amount to be hedged in such currencies. Occasionally, and subject to the Board of Directors' approval, in the short-term the Company insures cash flows from certain specific items in currencies other than the US dollar.

A significant portion of the Company's costs, particularly payroll is denominated in Chilean pesos. Accordingly, an increase or decrease in the exchange rate against the US dollar would affect the Company's profit for the period. Approximately US\$ 470 million of the Company's costs are denominated in Chilean pesos. A significant portion of the effect of such obligations on the statement of financial position is hedged by derivative instrument transactions on the

balance mismatch in such currency.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 4 - Financial risk management (continued)

4.2.3 Currency risk, continued

As of December 31, 2013, the Company recorded derivative instruments classified as currency and interest rate hedges associated with all the bonds payable, denominated both in Chilean pesos and UF, with a fair value of US\$23.6 million in favor of SQM. As of September 30, 2014, this amounts to US\$30.3 million against SQM.

As of September 30, 2014, the Chilean peso to US dollar exchange rate was Ch\$599.22 per US\$1.00 (Ch\$ 524.61 per US\$ 1.00 as of December 31, 2013).

4.2.4 Interest rate risk

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

The Company has short and long-term debts valued at LIBOR plus a spread. The Company is partially exposed to fluctuations of said rate, as SQM currently holds hedging derivative instruments to hedge a portion of its liabilities subject to the LIBOR rate fluctuations.

As of September 30, 2014, approximately 17% of the Company's financial liabilities are measured at LIBOR. Accordingly, any significant increase in this rate may have an impact on the Company's financial position. A 100 basic point variation in this rate may trigger variations in financial expenses of approximately US\$ 0.3 million. However, this effect is significantly counterbalanced by the returns of the Company's investments that are also strongly related to LIBOR.

In addition, as of September 30, 2014, the Company's financial liabilities are mainly concentrated in the long-term and approximately 8% have maturities of less than 12 months, decreasing in the process the exposure to changes in interest rates.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 4 - Financial risk management (continued)

4.2.5 Liquidity risk

Liquidity risk relates to the funds needed to comply with payment obligations. The Company's objective is to maintain financial flexibility through a comfortable balance between fund requirements and cash flows from regular business operations, bank borrowings, bonds, short term investments, and marketable securities, among others.

The company has an important capital expense program which is subject to change over time.

On the other hand, world financial markets go through periods of contraction and expansion that are unforeseeable in the long-term and may affect SQM's access to financial resources. Such factors may have a material adverse impact on the Company's business, financial position and results of operations ..

SQM constantly monitors the matching of its obligations with its investments, taking due care of maturities of both, from a conservative perspective, as part of this financial risk management strategy. As of September 30, 2014, the Company had unused, available revolving credit facilities with banks, for a total of approximately US\$546 million.

The position in other cash and cash equivalents generated by the Company are invested in highly liquid mutual funds with an AAA risk rating.

4.3 Risk measurement

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

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 5 - Changes in accounting estimates and policies (consistent presentation)

5.1 Changes in accounting estimates

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

5.2 Changes in accounting policies

As of September 30, 2014, the Company's consolidated financial statements present no changes in accounting policies or estimates compared to the prior period.

The consolidated statements of financial position as of September 30, 2014 and December 31, 2013, and statements of the comprehensive income, changes in equity and cash flows for the periods ended September 30, 2014 and 2013, have been prepared in accordance with International Financial Reporting Standards (IFRS) except for that indicated in Note 2.2. and the principles and criteria have been applied consistently.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)**Note 6 - Background of companies included in consolidation****6.1 Parent's stand-alone assets and liabilities**

	9/30/2014	12/31/2013
	ThUS\$	ThUS\$
Assets	4,369,879	4,269,749
Liabilities	(2,162,980)	(1,893,129)
Equity	2,206,899	2,376,620

6.2 Parent entity

As provided in the Company's by-laws, no shareholder can concentrate more than 32% of the Company's voting right shares and therefore there is no controlling entity.

6.3 Joint arrangements of controlling interest

Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A., and Inversiones Global Mining (Chile) Limitada, collectively the Pampa Group, are the owners of a number of shares that are equivalent to 29.94% as of September 30, 2014 of the current total amount of shares issued, subscribed and fully-paid of the Company. In addition, Kowa Company Ltd., Inversiones La Esperanza (Chile) Limitada, Kochi S.A. and La Esperanza Delaware Corporation, collectively the Kowa Group, are the owners of a number of shares equivalent to 2.09% of the total amount of issued, subscribed and fully-paid shares of SQM S.A.

The Pampa Group and the Kowa Group have informed SQM S.A., the Chilean SVS and the relevant stock exchanges in Chile and abroad that they are not and have never been related parties between them. In addition, this is regardless of the fact that both Groups on December 21, 2006 have entered into a Joint Action Agreement (JAA) related to those shares. Consequently, the Pampa Group, by itself, does not concentrate more than 32% of the voting right capital of SQM S.A., and the Kowa Group does not concentrate by itself more than 32% of the voting right capital of SQM S.A.

Likewise, the Joint Action Agreement has not transformed the Pampa and Kowa Groups into related parties between them. The Joint Action Agreement has only transformed the current controller of SQM S.A., composed of the Pampa Group, and the Kowa Group into related parties of SQM S.A.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 6 - Background of companies included in consolidation (continued)

6.3 Joint arrangements of controlling interest, continued

Detail of effective concentration

Tax ID No.	Name	Ownership interest %
96.511.530-7	Sociedad de Inversiones Pampa Calichera S.A.	19.69
96.863.960-9	Inversiones Global Mining (Chile) Limitada	3.34
76.165.311-5	Potasios de Chile S.A.	6.91
	Total Pampa Group	29.94
79,798,650-k	Inversiones la Esperanza (Chile) Ltda.	1.40
59.046.730-8	Kowa Co Ltd.	0.30
96.518.570-4	Kochi S.A.	0.30
59.023.690-k	La Esperanza Delaware Corporation	0.09
	Total Kowa Group	2.09

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 6 - Background of companies included in consolidation (continued)

6.4 General information on consolidated subsidiaries

As of September 30, 2014 and December 31, 2013 the general information of the companies on which the Company exercises control and significant influence is as follows:

Subsidiary	Tax ID	Address	Country of incorporation	Functional currency	Ownership interest		Total
					Direct	Indirect	
SQM Nitratos S.A.	96.592.190-7	El Trovador 4285 Las Condes	Chile	US\$	99.9999	0.0001	100.0000
Proinsa Ltda.	78.053.910-0	El Trovador 4285 Las Condes	Chile	Ch\$	-	60.5800	60.5800
SQMC Internacional Ltda.	86.630.200-6	El Trovador 4285 Las Condes	Chile	Ch\$	-	60.6382	60.6382
SQM Potasio S.A.	96.651.060-9	El Trovador 4285 Las Condes	Chile	US\$	99.9999	-	99.9999
Serv. Integrales de Tránsito y Transf. S.A.	79.770.780-5	Arturo Prat 1060, Tocopilla	Chile	US\$	0.0003	99.9997	100.0000
Isapre Norte Grande Ltda.	79.906.120-1	Anibal Pinto 3228, Antofagasta	Chile	Ch\$	1.0000	99.0000	100.0000
Ajay SQM Chile S.A.	96.592.180-K	Eduardo Frei 4900, Santiago	Chile	US\$	51.0000	-	51.0000
Almacenes y Depósitos Ltda.	79.876.080-7	El Trovador 4285 Las Condes	Chile	Ch\$	1.0000	99.0000	100.0000
SQM Salar S.A.	79.626.800-K	El Trovador 4285 Las Condes	Chile	US\$	18.1800	81.8200	100.0000
SQM Industrial S.A.	79.947.100-0	El Trovador 4285 Las Condes	Chile	US\$	99.0470	0.9530	100.0000
Exploraciones Mineras S.A.	76.425.380-9	Los Militares 4290 Las	Chile	US\$	0.2691	99.7309	100.0000

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		Condes						
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	76.534.490-5	Anibal Pinto 3228, Antofagasta	Chile	Ch\$	-	100.0000	100.0000	
Soquimich Comercial S.A.	79.768.170-9	El Trovador 4285 Las Condes	Chile	US\$	-	60.6383	60.6383	
Comercial Agrorama Ltda.	76.064.419-6	El Trovador 4285 Las Condes	Chile	Ch\$	-	42.4468	42.4468	
Comercial Hydro S.A.	96.801.610-5	El Trovador 4285 Las Condes	Chile	Ch\$	-	60.6383	60.6383	
Agrorama S.A.	76.145.229-0	El Trovador 4285 Las Condes	Chile	Ch\$	-	60.6377	60.6377	
Orcoma Estudios SPA	76.359.919-1	Apoquindo 3721 Of.131 Las Condes	Chile	US\$	100.0000	-	100.0000	
Orcoma SPA	76.360.575-2	Apoquindo 3721 Of.131 Las Condes	Chile	US\$	100.0000	-	100.0000	
SQM North America Corp.	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States	US\$	40.0000	60.0000	100.0000	
RS Agro Chemical Trading Corporation A.V.V.	Foreign	Caya Ernesto O. Petronia 17, Orangestad	Aruba	US\$	98.3333	1.6667	100.0000	
Nitratos Naturais do Chile Ltda.	Foreign	Al. Tocantis 75, 6° Andar, Conunto 608 Edif. West Gate, Alphaville Barureri, CEP 06455-020, Sao Paulo	Brazil	US\$	-	100.0000	100.0000	
Nitrate Corporation of Chile Ltd.	Foreign	1 More London Place London SE1 2AF	United Kingdom	US\$	-	100.0000	100.0000	
SQM Corporation N.V.	Foreign	Pietermaai 123, P.O. Box 897, Willemstad,	Dutch Antilles	US\$	0.0002	99.9998	100.0000	

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SQM Peru S.A.	Foreign	Curacao Avenida Camino Real N° 348 of. 702, San Isidro, Lima Av. José Orrantia y Av. Juan Tanca	Peru	US\$	0.9800	99.0200	100.0000
SQM Ecuador S.A.	Foreign	Marengo Edificio Executive Center Piso 2 Oficina 211 Al. Tocantis 75, 6° Andar, Conunto 608 Edif. West	Ecuador	US\$	0.0040	99.9960	100.0000
SQM Brasil Ltda.	Foreign	Gate, Alphaville Barureri, CEP 06455-020, Sao Paulo	Brazil	US\$	1.0900	98.9100	100.0000

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 6 - Background of companies included in consolidation (continued)

6.4 General information on consolidated subsidiaries

Subsidiary	Tax ID	Address	Country of incorporation	Functional currency	Ownership interest		Total
					Direct	Indirect	
SQI Corporation N.V.	Foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Dutch Antilles	US\$	0.0159	99.9841	100.0000
SQMC Holding Corporation L.L.P.	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta	United States	US\$	0.1000	99.9000	100.0000
SQM Japan Co. Ltd.	Foreign	From 1 st Bldg 207, 5-3-10 Minami- Aoyama, Minato-ku, Tokyo	Japan	US\$	1.0000	99.0000	100.0000
SQM Europe N.V.	Foreign	Sint Pietersvliet 7 bus 8, 2000. Antwerp	Belgium	US\$	0.5800	99.4200	100.0000
SQM Italia SRL	Foreign	Via A. Meucci, 5 500 15 Grassina Firenze	Italy	US\$	-	100.0000	100.0000
SQM Indonesia S.A.	Foreign	Perumahan Bumi Dirgantara Permai, Jl Suryadarma Blok Aw No 15 Rt 01/09 17436 Jatisari Pondok Gede	Indonesia	US\$	-	80.0000	80.0000
North American Trading Company	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States	US\$	-	100.0000	100.0000
SQM Virginia LLC	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States	US\$	-	100.0000	100.0000
SQM Comercial de México S.A. de C.V.	Foreign	Calle Industria Eléctrica s/n Lote 30, Manzana A Parque Industrial Bugambilias CP 45645, Trajomalco de Zuñiga, Jalisco	Mexico	US\$	0.0013	99.9987	100.0000
SQM Investment Corporation N.V.	Foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Dutch Antilles	US\$	1.0000	99.0000	100.0000
Royal Seed Trading Corporation A.V.V.	Foreign	Caya Ernesto O. Petronia 17, Oranjestad	Aruba	US\$	1.6700	98.3300	100.0000

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SQM Lithium Specialties LLP	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States	US\$	-	100.0000	100.0000
Soquimich SRL Argentina Comercial	Foreign	Espejo 65 Oficina 6 – 5500 Mendoza	Argentina	US\$	-	100.0000	100.0000
Caimán Internacional S.A.	Foreign	Edificio Plaza Bancomer Calle 50	Panama	US\$	-	100.0000	100.0000
SQM France S.A.	Foreign	ZAC des Pommiers 27930 FAUVILLE	France	US\$	-	100.0000	100.0000
Administración y Servicios Santiago S.A. de C.V.	Foreign	Calle Industria Eléctrica s/n Lote 30, Manzana A Parque Industrial Bugambilias CP 45645, Trajomulco de Zuñiga, Jalisco	Mexico	US\$	-	100.0000	100.0000
SQM Nitratos México S.A. de C.V.	Foreign	Calle Industria Eléctrica s/n Lote 30, Manzana A Parque Industrial Bugambilias CP 45645, Trajomulco de Zuñiga, Jalisco	Mexico	US\$	-	100.0000	100.0000

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Note 6 - Background of companies included in consolidation (continued)

6.4 General information on consolidated subsidiaries

Subsidiary	Tax ID	Address	Country of incorporation	Functional currency	Ownership interest		
					Direct	Indirect	Total
Soquimich European Holding B.V.	Foreign	Localellikade 1 Parnassustoren 1076 AZ Amsterdam	Netherlands	US\$	-	100.0000	100.0000
SQM Iberian S.A	Foreign	Provenza 251 Principal 1a CP 08008, Barcelona	Spain	US\$	-	100.0000	100.0000
SQM Africa Pty Ltd.	Foreign	Tramore House, 3 Wterford Office Park, Waterford Drive, 2191 Fourways, Johannesburg	South Africa	US\$	-	100.0000	100.0000
SQM Oceania Pty Ltd.	Foreign	Level 9, 50 Park Street, Sydney NSW 2000, Sydney	Australia	US\$	-	100.0000	100.0000
SQM Agro India Pvt. Ltd.	Foreign	C 30 Chiragh Enclave New Dehli, 110048	India	US\$	-	100.0000	100.0000
SQM Beijing Commercial Co. Ltd.	Foreign	Room 1001C, CBD International Mansion N 16 Yong An Dong Li, Jian Wai Ave Beijing 100022, P.R.	China	US\$	-	100.0000	100.0000
SQM Thailand Limited	Foreign	Unit 2962, Level 29, N° 388, Exchange Tower Sukhumvit Road, Klongtoey Bangkok	Thailand	US\$	-	99.996	99.996

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 6 - Background of companies included in consolidation (continued)

6.5 Information attributable to non-controlling interests

Subsidiary	% of interests in the ownership held by non-controlling interests	Profit (loss) attributable to non-controlling interests		Equity, non-controlling interests		Dividends paid to non-controlling interests	
		9/30/2014 ThUS\$	12/31/2013 ThUS\$	9/30/2014 ThUS\$	12/31/2013 ThUS\$	9/30/2014 ThUS\$	12/31/2013 ThUS\$
Proinsa Ltda.	0.1	% -	-	-	-	-	-
SQM Potasio S.A.	0.0000001	% -	-	-	-	-	-
Ajay SQM Chile S.A.	49	% (2,043)	(3,389)	9,400	8,806	1,449	4,400
SQM Indonesia S.A.	20	% -	-	1	16	-	-
Soquimich Comercial S.A.	39.3616784	% (2,306)	(4,051)	47,574	46,448	1,153	2,026
Comercial Agrorama Ltda.	30	% 40	(18)	270	351	-	-
Agrorama S.A.	0.001	% -	-	-	-	-	-
SQM (Thailand) Limited	0.004	% -	-	-	-	-	-
Total		(4,309)	(7,458)	57,245	55,621	2,602	6,426

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Note 6 - Background of companies included in consolidation (continued)

6.6 Information on consolidated subsidiaries

Subsidiary	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss)
	Current	Non-current	Current	Non-current			
	ThUS\$	ThUS\$	ThUS\$	ThUS\$			
9/30/2014							
SQM Nitratos S.A.	615,607	116,443	638,629	22,129	104,711	6,129	6,129
Proinsa Ltda.	176	1	-	-	-	1	1
SQMC Internacional Ltda.	233	-	-	-	-	-	-
SQM Potasio S.A.	157,681	1,101,085	5,172	19,457	1,774	125,435	125,791
Serv. Integrales de Tránsito y Transf. S.A.	410,799	85,203	441,994	11,123	38,107	8,126	8,126
Isapre Norte Grande Ltda	656	771	662	186	3,249	27	(11)
Ajay SQM Chile S.A.	21,243	1,006	2,419	645	48,731	4,170	4,170
Almacenes y Depósitos Ltda.	315	46	1	-	-	(13)	(54)
SQM Salar S.A.	608,881	950,357	229,608	267,547	566,369	129,223	129,079
SQM Industrial S.A.	1,402,457	804,020	1,106,998	84,021	537,201	46,680	44,811
Exploraciones Mineras S.A.	490	31,703	5,068	-	-	(124)	(124)
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	444	424	255	500	1,749	3	1
Soquimich Comercial S.A.	189,062	22,527	89,816	911	138,466	5,858	5,676
Comercial Agrorama Ltda.	11,833	1,856	12,684	103	9,189	(135)	(134)
Comercial Hydro S.A.	8,499	112	36	101	46	236	236
Agrorama S.A.	14,475	585	15,287	8	7,355	(410)	(410)
Orcoma SpA	3	2,356	4	-	-	(3)	(3)
Orcoma Estudio SpA	1	554	550	-	-	2	2
SQM North America Corp.	188,973	16,966	180,961	1,781	251,855	(9,450)	(9,450)
RS Agro Chemical Trading Corporation A.V.V.	5,201	-	-	-	-	(3)	(3)
Nitratos Naturais do Chile Ltda.	4	248	4,617	-	-	72	72
Nitrate Corporation of Chile Ltd.	5,076	-	-	-	-	-	-
SQM Corporation N.V.	669	108,343	3,722	-	-	15,973	14,405
SQM Peru S.A.	515	1	1,170	-	-	(43)	(43)
SQM Ecuador S.A.	8,927	69	8,548	42	11,600	255	255
SQM Brasil Ltda.	767	1	945	-	84	(45)	(45)
SQI Corporation N.V.	-	21	89	-	-	3	3
	16,966	15,413	1,000	-	-	3,315	3,315

SQMC Holding Corporation

L.L.P.

SQM Japan Co. Ltd.	2,500	254	412	476	2,535	384	384
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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 6 - Background of companies included in consolidation (continued)

6.6 Information on consolidated subsidiaries, continued

9/30/2014

Subsidiary	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss)
	Current	Non-current	Current	Non-current			
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Europe N.V.	292,523	1,316	254,024	-	436,174	3,125	3,125
SQM Italia SRL	1,298	-	16	-	-	-	-
SQM Indonesia S.A.	4	-	1	-	-	-	-
North American Trading Company	159	145	39	-	-	-	-
SQM Virginia LLC	14,828	14,374	14,828	-	-	-	-
SQM Comercial de México S.A. de C.V.	92,150	1,321	63,479	-	134,294	1,838	1,838
SQM Investment Corporation N.V.	66,914	270	36,177	852	20	5,030	5,030
Royal Seed Trading Corporation A.V.V.	187,553	216	53,986	150,000	-	(3,822)	(3,284)
SQM Lithium Specialties LLP	15,780	3	1,264	-	-	-	-
Soquimich SRL Argentina	399	-	214	-	-	(12)	(12)
Comercial Caimán Internacional S.A.	271	-	1,122	-	-	-	-
SQM France S.A.	346	6	114	-	-	-	-
Administración y Servicios Santiago S.A. de C.V.	154	55	751	130	2,600	96	96
SQM Nitratos México S.A. de C.V.	32	4	19	8	187	7	7
Soquimich European Holding B.V.	79,586	106,272	91,087	-	-	14,211	12,618
SQM Iberian S.A	50,718	67	46,648	-	102,830	4,518	4,518
SQM Africa Pty Ltd.	63,903	760	53,948	-	65,881	2,284	2,284
SQM Oceania Pty Ltd.	3,648	-	1,419	-	2,676	(895)	(895)
SQM Agro India Pvt. Ltd.	5	-	2	-	-	(1)	(1)
SQM Beijing Commercial Co. Ltd.	1,571	44	6	-	3,695	(553)	(553)
SQM Thailand Limited	7,495	37	5,498	-	7,630	(517)	(517)
Total	4,551,790	3,385,255	3,375,289	560,020	2,479,008	360,975	356,433

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Note 6 - Background of companies included in consolidation (continued)

6.6 Information on consolidated subsidiaries, continued

Subsidiary	12/31/2013		12/31/2013		12/31/2013		Comprehensive income (loss) ThUS\$
	Assets		Liabilities		Revenue	Profit (loss)	
	Current	Non-current	Current	Non-current			
ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
SQM Nitratos S.A.	490,084	124,966	525,924	15,545	184,487	18,434	18,434
Proinsa Ltda.	200	1	-	-	-	(2)	(2)
SQMC Internacional Ltda.	266	-	-	-	-	(1)	(1)
SQM Potasio S.A.	109,408	1,049.628	3.411	15.749	2.052	184.948	185.458
Serv. Integrales de Tránsito y Transf. S.A.	348.685	86.935	389.980	8.423	50.135	6.149	6.149
Isapre Norte Grande Ltda	916	829	924	192	4.192	28	334
Ajay SQM Chile S.A.	22.720	1.232	5.226	755	67.413	6.916	6.916
Almacenes y Depósitos Ltda.	362	50	1	-	-	(11)	(40)
SQM Salar S.A.	678.215	1.000.954	453.864	216.110	792.109	206.745	206.679
SQM Industrial S.A.	1.110.303	820.831	872.216	79.021	925.167	64.602	61.547
Exploraciones Mineras S.A.	477	31.537	4.765	-	-	(312)	(312)
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	762	243	322	556	2.276	31	46
Soquimich Comercial S.A.	143.515	22.582	47.121	973	214.350	10.291	10.162
Comercial Agrorama Ltda.	15.450	2.148	16.314	114	16.009	61	62
Comercial Hydro S.A.	8.302	134	124	72	109	370	370
Agrorama S.A.	15.722	568	16.074	36	16.122	37	37
Orcoma SpA	2	2.356	-	-	-	-	-
Orcoma Estudio SpA	2	-	-	-	-	-	-
SQM North America Corp.	214.359	17.058	197.077	1.781	365.691	(4.763)	(3.751)
RS Agro Chemical Trading Corporation A.V.V.	5.204	-	-	-	-	(9)	(9)
Nitratos Naturais do Chile Ltda.	3	254	4.695	-	-	278	278
Nitrate Corporation of Chile Ltd.	5.076	-	-	-	-	-	-
SQM Corporation N.V.	669	93.936	3.725	-	-	10,441	7,377
SQM Peru S,A,	578	1	1,190	-	1	(191)	(191)
SQM Ecuador S,A,	10,644	81	10,533	42	25,475	(1,224)	(1,224)
SQM Brasil Ltda,	680	40	851	-	802	88	88
SQI Corporation N,V,	-	19	62	-	-	(1)	(2)
	11,978	16,394	1,000	-	-	5,267	5,267

SQMC Holding Corporation
LLP.

SQM Japan Co, Ltd,	1,948	263	234	494	2,468	(283)	(283)
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Note 6 - Background of companies included in consolidation (continued)

6.6 Information on consolidated subsidiaries, continued

Subsidiary	12/31/2013		12/31/2013		12/31/2013		Comprehensive income (loss)
	Assets		Liabilities		Revenue	Profit (loss)	
	Current	Non-current	Current	Non-current			
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Europe N.V.	316,396	383	280,092	-	677,497	1,608	1,608
SQM Italia SRL	1,421	-	18	-	-	-	-
SQM Indonesia S.A.	4	-	(76)	-	-	-	-
North American Trading Company	160	145	39	-	-	(1)	(1)
SQM Virginia LLC	14,828	14,374	14,828	-	-	(1)	(1)
SQM Comercial de México S.A. de C.V.	88,252	1,427	61,534	-	178,180	4,724	4,724
SQM Investment Corporation N.V.	62,496	282	36,805	851	50	1,097	1,097
Royal Seed Trading Corporation A.V.V.	240,231	442	83,606	170,000	-	(2,537)	(1,904)
SQM Lithium Specialties LLP	15,781	3	1,264	-	-	(1)	(1)
Soquimich SRL Argentina	414	-	218	-	-	(49)	(49)
Comercial Caimán Internacional S.A.	271	-	1,122	-	-	(38)	(38)
SQM France S.A.	345	6	114	-	-	-	-
Administración y Servicios Santiago S.A. de C.V.	153	-	795	127	3,243	(7)	(7)
SQM Nitratos México S.A. de C.V.	26	4	23	4	186	(7)	(7)
Soquimich European Holding B.V.	79,966	96,670	93,496	987	-	8,849	5,785
SQM Iberian S.A.	101,299	70	101,757	-	166,087	66	66
SQM Africa Pty Ltd.	55,635	729	47,932	-	109,968	1,611	1,611
SQM Oceania Pty Ltd.	4,251	-	811	-	3,542	51	51
SQM Agro India Pvt. Ltd.	7	-	2	-	-	(2)	(2)
SQM Beijing Commercial Co. Ltd.	2,415	80	301	-	9,915	(1,164)	(1,164)
SQM Thailand Limited	7,052	36	4,510	-	4,379	(787)	(787)
Total	4,187,933	3,387,691	3,284,824	511,832	3,821,905	521,301	514,370

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 6 - Background of companies included in consolidation (continued)

6.7 Detail of transactions between consolidated companies

a) Transactions conducted in 2014

As of September 30, 2014, there are no transactions conducted among companies included in consolidation.

Transactions conducted in 2013

On December 31, 2013, the subsidiary Orcoma Estudios SPA was incorporated where Sociedad Quimica y Minera de Chile S.A. made a capital contribution of US\$ 1,500.

On December 31, 2013, the subsidiary Orcoma SPA was incorporated where Sociedad Quimica y Minera de Chile S.A. made a capital contribution of ThUS\$ 2,358.

On March 25, 2013, SQM Industrial S.A. increased by ThUS\$ 1,500 the capital of its subsidiary SQM Beijing Commercial Co. Ltd.

During the first half of the year Iodine Minera was absorbed into Soquimich European Holdings.

During the first half of 2013 Soquimich European Holdings B.V. purchased shares of SQM Thailand Limited, acquiring 99.996% of this company.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 7 - Cash and cash equivalents

7.1 Types of cash and cash equivalents

As of September 30, 2014 and December 31, 2013, cash and cash equivalents are detailed as follows:

	9/30/2014	12/31/2013
	ThUS\$	ThUS\$
a) Cash		
Cash on hand	146	119
Cash in banks	26,787	29,671
Other demand deposits	5,206	3,625
Total cash	32,139	33,415
	9/30/2014	12/31/2013
	ThUS\$	ThUS\$
b) Cash equivalents		
Short-term deposits, classified as cash equivalents	88,404	158,208
Short-term investments, classified as cash equivalents	174,712	284,999
Total cash equivalents	263,116	443,207
Total cash and cash equivalents	295,255	476,622

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)**Note 7 - Cash and cash equivalents (continued)****7.2 Short-term investments, classified as cash equivalents**

As of September 30, 2014 and December 31, 2013, short-term investments, classified as cash and cash equivalents relate to mutual funds (investment liquidity funds) for investments in:

Institution	9/30/2014	12/31/2013
	ThUS\$	ThUS\$
Legg Mason - Western Asset Institutional Cash Reserves	58,425	95,941
BlackRock - Institutional US Dollar Liquidity Fund	58,446	94,726
JP Morgan US dollar Liquidity Fund Institutional	57,841	94,332
Total	174,712	284,999

Short-term investments are highly liquid fund manager accounts that are basically invested in short-term fixed rate notes in the U.S. market.

7.3 Information on cash and cash equivalents by currency

As of September 30, 2014 and December 31, 2013, information on cash and cash equivalents by currency is detailed as follows:

Original currency	9/30/2014	12/31/2013
	ThUS\$	ThUS\$
Chilean Peso (*)	82,664	25,391
US Dollar	192,851	430,263
Euro	11,030	9,230
Mexican Peso	189	429
South African Rand	4,959	7,229
Japanese Yen	1,892	1,435
Peruvian Sol	1	2
Brazilian Real	3	73
Chinese Yuan	826	384
Indonesian Rupiah	10	4
Indian Rupee	-	7
Thai Baht	755	2,161

Argentine Peso	75	-
Pound Sterling	-	14
Total	295,255	476,622

(*) The Company maintains financial derivative policies which allow dollarizing these term deposits in Chilean pesos.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 7 - Cash and cash equivalents (continued)

7.4 Amount of significant restricted (unavailable) cash balances

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

As of September 30, 2014 and December 31, 2013, the Company has no significant cash balances with any type of restriction.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 7 - Cash and cash equivalents (continued)

7.5 Short-term deposits, classified as cash equivalents

The detail at the end of each period is as follows:

Receiver of the deposit	Type of deposit	Original Currency	Interest rate	Placement date	Expiration date	Principal	Interest accrued to date	9/30/2014
						MUS\$	MUS\$	MUS\$
Banco Santander - Santiago	Fixed term	Ch\$	0.30	9/9/2014	10/2/2014	16,824	35	16,859
Banco de Chile	Fixed term	Ch\$	0.36	7/10/2014	10/8/2014	18,663	184	18,847
Banco Crédito e Inversiones	Fixed term	Ch\$	0.30	9/4/2014	10/9/2014	19,796	51	19,847
Banco Santander - Santiago	Fixed term	Ch\$	0.31	9/9/2014	10/9/2014	9,896	22	9,918
Banco BBVA Chile	Fixed term	Ch\$	0.28	9/30/2014	10/13/2014	5,674	-	5,674
Banco de Chile	Fixed term	Ch\$	0.35	7/24/2014	10/16/2014	3,764	30	3,794
Banco de Chile	Fixed term	Ch\$	0.35	7/24/2014	10/16/2014	3,952	31	3,983
Banco de Chile	Fixed term	Ch\$	0.35	7/24/2014	10/16/2014	1,694	13	1,707
Citibank New York	Overnight	US\$	0.01	9/30/2014	10/1/2014	138	-	138
Citibank New York	Overnight	US\$	0.01	9/30/2014	10/1/2014	426	-	426
Citibank New York	Overnight	US\$	0.01	9/30/2014	10/1/2014	1,891	-	1,891
BBVA Banco Francés	Fixed term	US\$	0.20	9/17/2014	10/21/2014	370	-	370
ABN Amro Bank	Fixed term	Euro	0.01	9/30/2014	10/1/2014	4,947	-	4,947
IDBI Bank	Fixed term	Indian rupee	0.01	9/30/2014	10/1/2014	3	-	3
Total						88,038	366	88,404

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 7 - Cash and cash equivalents (continued)

7.5 Short-term deposits, classified as cash equivalents, continued

The detail at the end of each period is as follows:

Receiver of the deposit	Type of deposit	Original Currency	Interest rate	Placement date	Expiration date	Principal ThUS\$	Interest accrued to-date ThUS\$	12/2014 ThUS\$
Banco BBVA Chile	Fixed term	US\$	0.50	12/20/2013	01/09/2014	10,000	2	10,002
Banco BBVA Chile	Fixed term	US\$	-	12/20/2013	01/09/2014	10,000	2	10,002
Banco BBVA Chile	Fixed term	US\$	-	12/20/2013	01/09/2014	10,000	2	10,002
Banco Crédito e Inversiones	Fixed term	US\$	0.40	12/16/2013	01/16/2014	20,000	3	20,003
Banco Crédito e Inversiones	Fixed term	US\$	0.48	12/16/2013	02/06/2014	20,000	4	20,004
Banco Crédito e Inversiones	Fixed term	US\$	0.50	10/17/2013	01/03/2014	10,093	10	10,103
Banco Crédito e Inversiones	Fixed term	US\$	0.58	12/16/2013	03/11/2014	20,000	5	20,005
Banco Crédito e Inversiones	Fixed term	Ch\$	0.37	12/30/2013	01/13/2014	4,384	-	4,384
Banco Crédito e Inversiones	Fixed term	Ch\$	0.38	12/27/2013	01/09/2014	4,193	2	4,195
Banco Santander - Santiago	Fixed term	US\$	0.48	12/09/2013	01/23/2014	20,314	6	20,320
Banco Santander - Santiago	Fixed term	US\$	0.52	12/04/2013	01/03/2014	10,104	4	10,108
Banco Santander - Santiago	Fixed term	Ch\$	0.43	10/21/2013	01/03/2014	14,352	148	14,500
IDBI Bank	Fixed term	Indian rupee	-	12/31/2013	6/30/2014	2	-	2
Citibank New York	Overnight	US\$	0.01	12/31/2013	01/02/2014	444	-	444
Citibank New York	Overnight	US\$	0.01	12/31/2013	01/02/2014	640	-	640
Citibank New York	Overnight	US\$	0.01	12/31/2013	01/02/2014	1,301	-	1,301
ABN Amro Bank	Fixed term	Euro	-	12/31/2013	01/31/2014	2,193	-	2,193
Total						158,020	188	158,200

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)**Note 8 - Inventories**

The composition of inventory at each period-end is as follows:

Type of inventory	9/30/2014 ThUS\$	12/31/2013 ThUS\$
Raw material reserves	7,595	8,552
Supplies for production reserves	41,722	42,366
Products-in-progress reserves	449,401	400,824
Finished product reserves	424,603	503,788
Total	923,321	955,530

Inventory reserves recognized as of September 30, 2014 amount to ThUS\$80,112, and ThUS\$97,248 as of December 31, 2013. Inventory reserves have been made based on a technical study that covers the different variables affecting products in stock (density, humidity, among others). Additionally, reserves are recognized if goods are sold cheaper than the related cost, and for differences that arise from inventory counts.

As of September 30, 2014, the sum registered as cost of sale related to inventory in the statement of income amounts to ThUS\$956,676 and to ThUS\$1,001,630 as of September 30, 2013.

The breakdown of inventory reserves is detailed as follows:

Type of inventory	9/30/2014 ThUS\$	12/31/2013 ThUS\$
Raw material reserves	93	93
Supplies for production reserves	500	500
Products-in-progress reserves	53,211	65,768
Finished product reserves	26,308	30,887
Total	80,112	97,248

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

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 9 - Related party disclosures

9.1 Related party disclosures

Balances pending at period-end are not guaranteed, accrue no interest and are settled in cash. No guarantees have been delivered or received for trade and other receivables due from related parties or trade and other payables due to related parties. For the period ended September 30, 2014, the Company has not recorded any impairment in accounts receivable related to amounts owed by related parties. This evaluation is conducted every year through an examination of the financial position of the related party in the market in which it operates.

9.2 Relationships between the parent and the entity

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

Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A., and Inversiones Global Mining (Chile) Ltda., collectively the Pampa Group, are the owners of a number of shares that are equivalent to 29.94% as of September 30, 2014 of the current total amount of shares issued, subscribed and fully-paid of the Company. In addition, Kowa Company Ltd., Inversiones La Esperanza (Chile) Limitada, Kochi S.A. and La Esperanza Delaware Corporation, collectively the Kowa Group, are the owners of a number of shares equivalent to 2.09% of the total amount of shares of SQM S.A. issued, subscribed and fully-paid.

The Pampa Group and the Kowa Group have informed SQM S.A., the Chilean SVS and the relevant stock exchanges in Chile and abroad that they are not and have never been related parties between them. In addition, this is regardless of the fact that both Groups on December 21, 2006 have entered into a Joint Action Agreement (JAA) related to those shares. Consequently, the Pampa Group, by itself, does not concentrate more than 32% of the voting right capital of SQM S.A., and the Kowa Group does not concentrate by itself more than 32% of the voting right capital of SQM S.A.

Likewise, the Joint Action Agreement has not transformed the Pampa and Kowa Groups into related parties between them. The Joint Action Agreement has only transformed the current controller of SQM S.A., composed of the Pampa Group, and the Kowa Group into related parties of SQM S.A.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 9 - Related party disclosures (continued)

9.2 Relationship between the Parent and the entity

Detail of effective concentration

Tax ID No.	Name	Ownership interest %
96.511.530-7	Sociedad de Inversiones Pampa Calichera S.A.	19.69
96.863.960-9	Inversiones Global Mining (Chile) Ltda.	3.34
76.165.311-5	Potasios de Chile S.A.	6.91
	Total Pampa Group	29.94
79,798,650-k	Inversiones la Esperanza (Chile) Ltda.	1.40
59.046.730-8	Kowa Co Ltd.	0.30
96.518.570-4	Kochi S.A.	0.30
59.023.690-k	La Esperanza Delaware Corporation	0.09
	Total Kowa Group	2.09

9.3 Detailed identification of the link between the Parent and subsidiary

As of September 30, 2014 and December 31, 2013, the detail of entities that are a related parties of the SQM S.A. Group is as follows:

Tax ID No.	Name	Country of origin	Functional currency	Nature
Foreign	Nitratos Naturais Do Chile Ltda.	Brazil	US\$	Subsidiary
Foreign	Nitrate Corporation Of Chile Ltd.	United Kingdom	US\$	Subsidiary
Foreign	SQM North America Corp.	United States	US\$	Subsidiary
Foreign	SQM Europe N.V.	Belgium	US\$	Subsidiary
Foreign	Soquimich S.R.L. Argentina	Argentina	US\$	Subsidiary
Foreign	Soquimich European Holding B.V.	The Netherlands	US\$	Subsidiary
Foreign	SQM Corporation N.V.	Dutch Antilles	US\$	Subsidiary
Foreign	SQI Corporation N.V.	Dutch Antilles	US\$	Subsidiary
Foreign	SQM Comercial De México S.A. de C.V.	Mexico	US\$	Subsidiary
Foreign	North American Trading Company	United States	US\$	Subsidiary
Foreign	Administración y Servicios Santiago S.A. de C.V.	Mexico	US\$	Subsidiary
Foreign	SQM Peru S.A.	Peru	US\$	Subsidiary
Foreign	SQM Ecuador S.A.	Ecuador	US\$	Subsidiary
Foreign	SQM Nitratos Mexico S.A. de C.V.	Mexico	US\$	Subsidiary

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Foreign	SQMC Holding Corporation L.L.P.	United States	US\$	Subsidiary
Foreign	SQM Investment Corporation N.V.	Dutch Antilles	US\$	Subsidiary
Foreign	SQM Brasil Limitada	Brazil	US\$	Subsidiary
Foreign	SQM France S.A.	France	US\$	Subsidiary
Foreign	SQM Japan Co. Ltd.	Japan	US\$	Subsidiary
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	US\$	Subsidiary
Foreign	SQM Oceania Pty Limited	Australia	US\$	Subsidiary
Foreign	Rs Agro-Chemical Trading Corporation A.V.V.	Aruba	US\$	Subsidiary
Foreign	SQM Indonesia S.A.	Indonesia	US\$	Subsidiary
Foreign	SQM Virginia L.L.C.	United States	US\$	Subsidiary
Foreign	SQM Italia SRL	Italy	US\$	Subsidiary
Foreign	Comercial Caiman Internacional S.A.	Panamá	US\$	Subsidiary
Foreign	SQM Africa Pty. Ltd.	South Africa	US\$	Subsidiary
Foreign	SQM Lithium Specialties LLC	United States	US\$	Subsidiary
Foreign	SQM Iberian S.A.	Spain	US\$	Subsidiary
Foreign	SQM Agro India Pvt. Ltd.	India	US\$	Subsidiary
Foreign	SQM Beijing Commercial Co. Ltd.	China	US\$	Subsidiary
Foreign	SQM Thailand Limited	Thailand	US\$	Subsidiary

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 9 - Related party disclosures (continued)

9.3 Detailed identification of the link between the Parent and subsidiary, continued

As of September 30, 2014 and December 31, 2013, the detail of entities that are a related parties of the SQM S.A. Group is as follows:

Tax ID No.	Name	Country of origin	Functional currency	Nature
96.801.610-5	Comercial Hydro S.A.	Chile	Chilean peso	Subsidiary
96.651.060-9	SQM Potasio S.A.	Chile	US\$	Subsidiary
96.592.190-7	SQM Nitratos S.A.	Chile	US\$	Subsidiary
96.592.180-K	Ajay SQM Chile S.A.	Chile	US\$	Subsidiary
86.630.200-6	SQMC Internacional Ltda.	Chile	Chilean peso	Subsidiary
79.947.100-0	SQM Industrial S.A.	Chile	US\$	Subsidiary
79.906.120-1	Isapre Norte Grande Ltda.	Chile	Chilean peso	Subsidiary
79.876.080-7	Almacenes y Depósitos Ltda.	Chile	Chilean peso	Subsidiary
79.770.780-5	Servicios Integrales de Tránsitos y Transferencias S.A.	Chile	US\$	Subsidiary
79.768.170-9	Soquimich Comercial S.A.	Chile	US\$	Subsidiary
79.626.800-K	SQM Salar S.A.	Chile	US\$	Subsidiary
78.053.910-0	Proinsa Ltda.	Chile	Chilean peso	Subsidiary
76.534.490-5	Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	Chile	Chilean peso	Subsidiary
76.425.380-9	Exploraciones Mineras S.A.	Chile	US\$	Subsidiary
76.064.419-6	Comercial Agrorama Ltda.	Chile	Chilean peso	Subsidiary
76.145.229-0	Agrorama S.A.	Chile	Chilean peso	Subsidiary
76.359.919-1	Orcoma Estudios SPA	Chile	US\$	Subsidiary
76.360.575-2	Orcoma SPA	Chile	US\$	Subsidiary
77.557.430-5	Sales de Magnesio Ltda.	Chile	Chilean peso	Associate
Foreign	Abu Dhabi Fertilizer Industries WWL	United Arab Emirates	Arab Emirates dirham	Associate
Foreign	Doktor Tarsa Tarim Sanayi AS	Turkey	Turkish lira	Associate
Foreign	Ajay North America	United States	US\$	Associate
Foreign	Ajay Europe SARL	France	Euro	Associate
Foreign	SQM Eastmed Turkey	Turkey	Euro	Associate
Foreign	Charlee SQM Thailand Co. Ltd.	Thailand	Thai baht	Associate
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	China	US\$	Joint venture
Foreign	Coromandel SQM	India	Indian rupee	Joint venture
Foreign	SQM Vitas Fzco.	Arab Emirates	Arab Emirates dirham	Joint venture
Foreign		China	US\$	Joint venture

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SQM Star Qingdao Crop Nutrition
Co., Ltd.

Foreign	SQM Vitas Spain	Spain	Euro	Joint control or significant influence
Foreign	SQM Vitas Holland	Dutch Antilles	Euro	Joint venture
Foreign	SQM Vitas Plantacote B.V	Dutch Antilles	Euro	Joint control or significant influence
Foreign	Kowa Company Ltd.	Japan	US\$	Joint control
96.511.530-7	Sociedad de Inversiones Pampa Calichera	Chile	US\$	Joint control
96.529.340-k	Norte Grande S.A.	Chile	Chilean peso	Other related parties
79.049.778-9	Callegari Agricola S.A.	Chile	Chilean peso	Other related parties
Foreign	Coromandel Internacional	India	Indian rupee	Other related parties
Foreign	Vitas Roullier SAS	France	Euro	Other related parties
Foreign	SQM Vitas Brasil Agroindustria	Brazil	US\$	Joint control or significant influence
Foreign	SQM Vitas Peru S.A.C.	Peru	US\$	Joint control or significant influence
Foreign	SQM Vitas Southern Africa Pty.	South Africa	US\$	Joint control or significant influence

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)**Note 9 - Related party disclosures (continued)****9.4 Detail of related parties and related party transactions**

Transactions between the Parent and its subsidiaries are part of the Company's common transactions. Their conditions are those customary for this type of transactions in respect of terms and market prices. In addition, these have been eliminated in consolidation and are not detailed in this note.

Maturity terms for each case vary by virtue of the transaction giving rise to them.

As of September 30, 2014 and December 31, 2013, there are no allowances for doubtful accounts related to balances pending of transactions with related parties as there is no impairment in them.

As of September 30, 2014 and December 31, 2013, the detail of transactions with related parties is as follows:

Tax ID No.	Company	Nature	Country of origin	Transaction	9/30/2014 ThUS\$	12/31/2013 ThUS\$
Foreign	Doktor Tarsa Tarim Sanayi As	Associate	Turkey	Sale of products	15,932	13,844
Foreign	Doktor Tarsa Tarim Sanayi As	Associate	Turkey	Other Transactions	-	740
Foreign	Ajay Europe S.A.R.L.	Associate	France	Sale of products	21,823	35,884
Foreign	Ajay Europe S.A.R.L.	Associate	France	Dividends	2,839	5,093
Foreign	Ajay North America LLC.	Associate	United States	Sale of products	20,779	40,605
Foreign	Ajay North America LLC.	Associate	United States	Dividends	5,949	10,437
Foreign	Ajay North America LLC.	Associate	United States	Sale of services	68	-
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	Sale of products	6,679	7,908
Foreign	Charlee SQM Thailand Co. Ltd.	Associate	Thailand	Sale of products	5,062	5,669
77.557.430-5	Sales de Magnesio Ltda.	Associate	Chile	Sale of products	687	1,186
77.557.430-5	Sales de Magnesio Ltda.	Associate	Chile	Dividends	835	892
77.557.430-5	Sales de Magnesio Ltda.	Associate	Chile		25	-

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				Sale of services		
96.529.340-k	Norte Grande S.A.	Other related parties	Chile	Sale of services	-	140
79.049.778-9	Callegari Agrícola S.A.	Other related parties	Chile	Other Transactions	32	-
Foreign	Kowa Company Ltd.	Other related parties	Japan	Sale of products	59,625	77,176
Foreign	Kowa Company Ltd.	Other related parties	Japan	Services received	290	702
Foreign	SQM Vitas Brasil Agroindustria	Joint control or significant influence	Brazil	Sale of products	33,884	52,901
Foreign	SQM Vitas Peru S.A.C.	Joint control or significant influence	Peru	Sale of products	19,385	21,255
Foreign	SQM Vitas Southern Africa Pty.	Joint control or significant influence	South Africa	Sale of products	10,085	17,908
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	Sale of products	1,286	289
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	Sale of services	-	98
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	Joint venture	China	Sale of products	25,510	56,254
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	Joint venture	China	Sale of services	-	282

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 9 - Related party disclosures (continued)

9.4 Detail of related parties and related party transactions

Tax ID No.	Company	Nature	Country of origin	Transaction	9/30/2014 ThUS\$	12/31/2013 ThUS\$
Foreign	Coromandel SQM India	Joint venture	India	Sale of products	4,102	5,242
Foreign	SQM Star Qingdao Crop Nutrition Co., Ltd.	Joint venture	China	Sale of services	-	148
Foreign	SQM Vitas Spain	Joint venture	Spain	Sale of products	6,520	1,624
Foreign	SQM Vitas Plantacote B.V.	Joint venture	Netherlands	Sale of products	4	-

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 9 - Related party disclosures (continued)

9.5 Trade receivables due from related parties, current:

Tax ID No.	Company	Nature	Country of origin	Currency	9/30/2014 ThUS\$	12/31/2013 ThUS\$
77.557.430-5	Sales de Magnesio Ltda.	Associate	Chile	Ch\$	111	147
Foreign	Charlee SQM Thailand Co. Ltd.	Associate	Thailand	US\$	3,425	331
Foreign	Doktor Tarsa Tarim Sanayi AS	Associate	Turkey	US\$	-	11
Foreign	Ajay Europe S.A.R.L.	Associate	France	Euro	2,357	4,974
Foreign	Ajay North America LLC.	Associate	United States	US\$	4,698	4,166
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	Arab Emirates dirham	3,557	2,958
Foreign	Kowa Company Ltd.	Jointly controlled entity	Japan	US\$	19,465	22,960
96.511.530-7	Soc.de Inversiones Pampa Calichera	Jointly controlled entity	Chile	US\$	7	8
Foreign	SQM Vitas Brasil Agroindustria	Joint venture	Brazil	US\$	21,438	18,205
Foreign	SQM Vitas Peru S.A.C.	Joint venture	Peru	US\$	15,129	17,840
Foreign	SQM Vitas Southern Africa PTY	Joint venture	South Africa	US\$	4,092	4,553
Foreign	Coromandel SQM India Sichuan SQM Migao	Joint venture	India	Indian rupee	3,044	2,271
Foreign	Chemical Fertilizers Co Ltda.	Joint venture	China	US\$	30,381	47,910
79.049.778-9	Callegari Agrícola S.A.	Other related parties	Chile	Ch\$	104	363
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	Arab Emirates dirham	-	436
Foreign	SQM Vitas Spain	Joint venture	Spain	Euro	1,254	760
Foreign	SQM Vitas Plantacote B.V	Joint venture	Holland	Euro	58	133
Foreign	SQM Vitas Holland	Joint venture	Holland	Euro	47	-
Total to-date					109,167	128,026

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 9 - Related party disclosures (continued)

9.6

Trade payables due to related parties, current:

Tax ID No.	Company	Nature	Country of origin	Currency	9/30/2014 ThUS\$	12/31/2013 ThUS\$
Foreign	Doktor Tarsa Tarim Sanayi AS	Associate	Turkey	Turkish lira	92	-
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	Arab Emirates dirham	219	-
Total as of to-date					221	-

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 9 - Related party disclosures (continued)

9.7 Board of Directors and Senior Management

1) Board of directors

The Company is managed by a Board of Directors which is composed of eight regular directors who are elected for a three-year period. The present Board of Directors was elected by the shareholders at the Ordinary Shareholders' Meeting of April 25, 2013.

As of September 30, 2014, the Company has an Audit Committee made up of three members of the Board of Directors. This Committee performs those duties provided in Article 50 bis of Law No. 18,046 on Shareholders' Company, the Shareholders' Corporations Act.

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

2) Directors' Compensation

2.1.1 Board of Directors

Directors' compensation is detailed as follows:

A payment of a monthly fixed gross amount of UF 300 in favor of the Chairman of the Company's Board of a) Directors and UF 125 in favor of the seven remaining board members regardless of their attendance at Board meetings or the number of meetings attended during the respective month.

A payment in domestic currency in favor of the Chairman of the Company's Board of Directors consisting of a b) variable and gross amount equivalent to 0.35% of profit for the period effectively earned by the Company during fiscal year 2014.

A payment in domestic currency in favor of each Company's directors excluding the Chairman of the Board, c) consisting of a variable and gross amount equivalent to 0.05% of profit for the period effectively earned by the Company during fiscal years 2014.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 9 - Related party disclosures (continued)

9.7 Board of Directors and Senior Management, continued

The fixed and variable amounts indicated above will not be subject to any charge between them, and those expressed as a percentage will be paid immediately after the shareholders at the respective Annual General Shareholders' Meeting of the Company approve the statement of financial position (balance sheet), the financial statements, the annual report, the report by the account inspectors and the report of external auditors for the fiscal years ending December 31, 2014.

Therefore, the remunerations and profit sharing paid to members of the Board of Directors and Audit Committee during 2014 amount to ThUS\$3,413 (ThUS\$ 4,827 as of December 31, 2013).

2.1.2 Audit Committee

The remuneration of Directors Committee is composed of:

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

b) A payment in domestic currency and in favor of each of the three Directors of a variable and gross amount equivalent to 0.013% of the Company's profit for the period effectively earned by the Company during fiscal years 2014 and 2013.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 9 - Related party disclosures (continued)

9.7 Board of Directors and Senior Management, continued

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

4) Senior management compensation

As of September 30, 2014, the global compensation paid to the 108 main executives amounts to ThUS\$21,169 (ThUS\$32,388 as of December 31, 2013). This includes monthly fixed salary and variable performance bonuses.

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

5) Additionally, the Company has retention bonuses for the Company's executives. The amount of these bonuses is linked to the price of the Company's share and is payable in cash between 2012 and 2016 (See Note 16).

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

7) The Company's Managers and Directors do not receive or have not received any benefit during the period ended September 30, 2014 and the year ended December 31, 2013 or compensation for the concept of pensions, life insurance, paid time off, profit sharing, incentives, or benefits due to disability other than those mentioned in the preceding points.

8) In accordance with IAS 24, we should report that the Company's Director Mr. Wolf Von Appen B. is member of the Ultramar Group. During the period ended September 30, 2014, the amount of operations with this Group is approximately ThUS\$7,777 (ThUS\$16,850 as of December 31, 2013).

9.8 Key management personnel compensation

9/30/2014 12/31/2013
ThUS\$ ThUS\$

Key management personnel compensation 21,169 32,888

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)**Note 10 – Financial instruments**

Financial assets in conformity with IAS 39 are detailed as follows:

Description of other financial assets	10.1 Types of other financial assets	
	9/30/2014 ThUS\$	12/31/2013 ThUS\$
Other current financial assets (1)	507,567	431,883
Derivatives (2)	27,439	3,283
Hedging assets, current	-	25,007
Total other current financial assets	535,006	460,173
Other non-current financial assets	66	95
Hedging assets, non-current	-	-
Total other non-current financial assets	66	95

(1) Relates to term deposits with maturities exceeding 90 days and less than 360 days from the investment date.

(2) Relate to forwards and options that were not classified as hedging instruments (see detail in Note 10.3).

Detail of other current financial assets

Institution	9/30/2014 ThUS\$	12/31/2013 ThUS\$
Banco Santander	171,209	131,534
BBVA	31,451	80,206
Banco de Crédito e Inversiones	152,888	79,530
Banco de Chile	59,705	42,095
Corpbanca	67,686	61,244
Banco Itaú	-	30,207
Banco Security	24,628	7,067
Total	507,567	431,883

10.2**Trade and other receivables, current and non-current**

	9/30/2014			12/31/2013		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Trade receivables	366,763	-	366,763	314,151	-	314,151
Prepayments	34,313	-	34,313	12,127	-	12,127
Other receivables	7,077	2,347	9,424	4,714	1,282	5,996
Total trade and other receivables	408,153	2,347	410,500	330,992	1,282	332,274

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 10 – Financial instruments, (continued)

10.2 Trade and other receivables, continued

	9/30/2014			12/31/2013		
	Assets before allowances ThUS\$	Allowance for doubtful trade receivables ThUS\$	Assets for trade receivables, net ThUS\$	Assets before allowances ThUS\$	Allowance for doubtful trade receivables ThUS\$	Assets for trade receivables, net ThUS\$
Receivables related to credit operations, current	382,032	(15,269	) 366,763	330,052	(15,901	) 314,151
Trade receivables, current	382,032	(15,269	) 366,763	330,052	(15,901	) 314,151
Prepayments, current	37,113	(2,800	) 34,313	14,927	(2,800	) 12,127
Other receivables, current	9,042	(1,965	) 7,077	6,663	(1,949	) 4,714
Current trade and other receivables	428,187	(20,034	) 408,153	351,642	(20,650	) 330,992
Other receivables, non-current	2,347	-	2,347	1,282	-	1,282
Non-current receivables	2,347	-	2,347	1,282	-	1,282
Total trade and other receivables	430,534	(20,034) 410,500	352,924	(20,650) 332,274

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 10 – Financial instruments (continued)

10.2

Trade and other receivables, continued

Portfolio stratification, continued

The Company's policy is to require guarantees (such as letters of credit, guarantee clauses and others) and/or maintaining insurance policies for certain accounts as deemed necessary by management.

Unsecuritized portfolio

As of September 30, 2014 and December 31, 2013, the detail of the unsecuritized portfolio is as follows:

9/30/2014

	Not overdue	1 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 150 days	151 - 180 days	181 - 210 days	211 - 250 days	Over 250 days	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Number of customers, portfolio under no renegotiated terms	2,697	658	484	176	510	381	319	449	297	1,695	7,666
Portfolio under no renegotiated terms	294,318	39,675	18,613	9,396	471	1,739	757	1,775	56	8,602	375,402
Number of customers under renegotiated terms portfolio	56	8	3	3	4	4	4	1	2	96	181
Portfolio under renegotiated terms, gross	2,732	421	980	58	30	43	21	3	6	2,336	6,630

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Total gross portfolio	302,150	40,096	19,593	9,454	501	1,782	778	1,778	62	10,938	382,032
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12/31/2013

	Not overdue	1 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 150 days	151 - 180 days	181 - 210 days	211 - 250 days	Over 250 days	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Number of customers, portfolio under no renegotiated terms	3,175	1,055	515	395	332	304	303	294	312	1,817	8,502
Portfolio under no renegotiated terms	269,970	29,722	4,144	432	572	210	1,138	118	8,955	8,371	323,632
Number of customers under renegotiated terms portfolio	42	8	2	2	3	1	5	6	12	113	194
Portfolio under renegotiated terms, gross	2,964	79	15	69	42	13	87	85	447	2,619	6,420
Total gross portfolio	272,934	29,801	4,159	501	614	223	1,225	203	9,402	10,990	330,052

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 10 – Financial instruments, (continued)

10.2 Trade and other receivables, continued

The detail of allowances is as follows:

	9/30/2014	12/31/2013
	ThUS\$	ThUS\$
Allowance for portfolio under no renegotiated terms	16,009	16,711
Allowance for portfolio with renegotiated terms	4,459	4,459
Write-offs for the period	(434)	(520)
Total	20,034	20,650

a) Credit risk concentration

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

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 10 – Financial instruments (continued)

10.3

Hedging assets and liabilities

The balance represents derivative instruments measured at fair value which have been classified as hedges from exchange and interest rate risks related to the total obligations relating to bonds of the Company in Chilean pesos and UF (and the exchange risk in Chilean pesos of the Company's investment plans). As of September 30, 2014, the face value of cash flows in Cross Currency Swap contracts agreed upon in US dollars amounted to ThUS\$370,583 and as of December 31, 2013 such contracts amounted to ThUS\$555,303.

Hedging assets	Derivative instruments (CCS) ThUS\$	Effect on profit or loss for the period Derivative instruments ThUS\$	Hedging reserve in gross equity ThUS\$	Deferred tax hedging reserve in equity ThUS\$	Hedging reserve in equity ThUS\$
September 30, 2014	-	-	-	-	-
December 31, 2013	23,602	(45,312)	(3,307)	661	(2,646)

Hedging liabilities	Derivative instruments (CCS) ThUS\$	Effect on profit or loss for the period Derivative instruments ThUS\$	Hedging reserve in gross equity ThUS\$	Deferred tax hedging reserve in equity ThUS\$	Hedging reserve in equity ThUS\$
September 30, 2014	30,288	(34,751)	2,843	(597)	2,246

Hedging liabilities	Derivative instruments (IRS) ThUS\$	Effect on profit or loss for the period Derivative instruments ThUS\$	Hedging reserve in gross equity ThUS\$	Deferred tax hedging reserve in equity ThUS\$	Hedging reserve in equity ThUS\$
September 30, 2014	985	(818)	(615)	-	(615)
December 31, 2013	1,339	(93)	(1,153)	-	(1,153)

The balances in the effect on profit or loss column consider the interim effects of the contracts in force as of September 30, 2014 and December 31, 2013.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)**Note 10 - Financial instruments (continued)****10.3 Hedging assets and liabilities, continued**

Derivative contract maturities are detailed as follows:

Series	Contract amount ThUS\$	Currency	Maturity date
C	75,623	UF	12/01/2026
H	161,330	UF	01/05/2018
M	40,332	UF	02/01/2017
O	60,498	UF	02/01/2017

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

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

Hedge Accounting

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

a) Fair value hedge

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

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

The hedge instruments are classified as effective or not effective on the basis of the effectiveness test results. As of to date, hedges are classified as effective on the basis of the effectiveness tests. This note includes the detail of fair values of derivatives classified as hedging instruments.

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)**Note 10 - Financial instruments (continued)****10.3 Hedging assets and liabilities, continued****b) Cash flow hedges**

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

10.4 Financial liabilities**Other current and non-current financial liabilities**

As of September 30, 2014 and December 31, 2013, the detail is as follows:

	9/30/2014			12/31/2013		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bank borrowings	160,825	289,734	450,559	171,347	309,489	480,836
Obligations with the public	24,684	1,070,814	1,095,498	227,652	1,106,496	1,334,148
Derivatives	709	-	709	1,088	-	1,088
Hedging liabilities	1,083	30,190	31,273	1,339	1,405	2,744
Total	187,301	1,390,738	1,578,039	401,426	1,417,390	1,818,816

Current and non-current borrowings

As of September 30, 2014 and December 31, 2013, the detail is as follows:

9/30/2014 12/31/2013

	ThUS\$	ThUS\$
Long-term borrowings	289,734	309,489
Short-term borrowings	120,048	100,135
Current portion of long-term borrowings	40,777	71,212
Short-term loans and current portion of long-term borrowings	160,825	171,347
Total borrowings assumed	450,559	480,836

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 10 - Financial instruments (continued)

10.4 Financial liabilities, continued

a) Bank loans, current:

As of September 30, 2014 and December 31, 2013, the detail of this caption is as follows:

Debtor			Creditor		
Tax ID No.	Subsidiary	Country	Tax ID No.	Financial institution	
93.007.000-9	SQM.S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	C
93.007.000-9	SQM.S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	C
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch	U
93.007.000-9	SQM S.A.	Chile	97.030.000-7	Banco Estado	C
93.007.000-9	SQM S.A.	Chile	97.030.000-7	Banco Estado	C
79.626.800-K	SQM Salar S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	C
79.947.100-0	SQM Industrial S.A.	Chile	97.030.000-7	Banco Estado	C
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Bank of America	U
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Export Development Canada	C
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Cayman) Ltd.	C
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	The Bank of Tokyo-Mitsubishi UFJ, Lda. (New York)	U

Debtor	Creditor	9/30/2014			Current amounts Up to 90 days
		Nominal amounts Up to 90 days	to 1 year	Total	
Subsidiary	Financial institution	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM.S.A.	Scotiabank Sud Americano	-	20,000	20,000	4
SQM.S.A.	Scotiabank Sud Americano	-	20,000	20,000	9
SQM S.A.	Banco Estado NY Branch	-	-	-	-
SQM S.A.	Banco Estado	20,000	-	20,000	20,006
SQM S.A.	Banco Estado	20,000	-	20,000	20,005
SQM Salar S.A.	Scotiabank Sud Americano	20,000	-	20,000	20,016
SQM Industrial S.A.	Banco Estado	-	20,000	20,000	7
Royal Seed Trading Corporation A.V.V.	Bank of America	-	-	-	240

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Royal Seed Trading Corporation A.V.V.	Export Development Canada	10,000	10,000	20,000	10,175
Royal Seed Trading Corporation A.V.V.	Scotiabank & Trust (Cayman) Ltd.	-	-	-	307
Royal Seed Trading Corporation A.V.V.	The Bank of Tokyo-Mitsubishi UFJ, Lda. (New York)	10,000	10,000	20,000	10,229
Total		80.000	80.000	160.000	80,998

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 10 - Financial instruments (continued)

10.4 Financial liabilities, continued

Debtor			Creditor		
Tax ID No.	Subsidiary	Country	Tax ID No.	Financial institution	Country
93.007.000-9	SQM.S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile
93.007.000-9	SQM.S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch	United
79.626.800-K	SQM Salar S.A.	Chile	97.030.000-7	Banco Estado	Chile
79.626.800-K	SQM Salar S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile
79.947.100-0	SQM Industrial S.A.	Chile	97.030.000-7	Banco Estado	Chile
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Bank of America	United
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Export Development Canada	Canada
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Cayman) Ltd.	Cayma
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Cayman) Ltd.	Cayma
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	The Bank of Tokyo-Mitsubishi UFJ, Lda. (New York)	United

Debtor	Creditor	12/31/2013			Current amounts Up to 90 days ThUS\$
		Nominal amounts Up to 90 days ThUS\$	90 days to 1 year ThUS\$	Total ThUS\$	
Subsidiary	Financial institution				
SQM.S.A.	Scotiabank Sud Americano	-	20,000	20,000	3
SQM.S.A.	Scotiabank Sud Americano	-	20,000	20,000	7
SQM S.A.	Banco Estado NY Branch	-	-	-	1,012
SQM Salar S.A.	Banco Estado	20,000	-	20,000	20,033
SQM Salar S.A.	Scotiabank Sud Americano	-	20,000	20,000	11
SQM Industrial S.A.	Banco Estado	-	20,000	20,000	-
Royal Seed Trading Corporation A.V.V.	Bank of America	-	-	-	-
Royal Seed Trading Corporation A.V.V.	Export Development Canada	-	10,000	10,000	-
Royal Seed Trading Corporation A.V.V.	Scotiabank & Trust (Cayman) Ltd.	-	50,000	50,000	189
Royal Seed Trading Corporation A.V.V.	Scotiabank & Trust (Cayman) Ltd.	-	-	-	-
Royal Seed Trading Corporation A.V.V.	The Bank of Tokyo-Mitsubishi UFJ, Lda. (New York)	-	10,000	10,000	-
Total		20,000	150,000	170,000	21,255

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 10 – Financial instruments (continued)

10.4 Financial liabilities, continued

b) Unsecured obligations, current:

As of September 30, 2014 and December 31, 2013, the detail of current unsecured interest-bearing obligations is composed of promissory notes and bonds, as follows:

Bonds

Debtor			Number of registration or ID			Currency or	Periodicity				
Tax ID No.	Subsidiary	Country	of the instrument	Series	Maturity date	adjustment index	Payment of interest	Repayment	Effective	Non	
									rate	rate	
93.007.000-9	SQM S.A	Chile	-	ThUS\$200,000	10/15/2014	US\$	Semiannual	Upon maturity	6.30 %	6.1	
93.007.000-9	SQM S.A	Chile	-	ThUS\$250,000	10/21/2014	US\$	Semiannual	Upon maturity	5.70 %	5.5	
93.007.000-9	SQM S.A	Chile	-	ThUS\$300,000	10/03/2014	US\$	Semiannual	Upon maturity	3.86 %	3.6	
93.007.000-9	SQM S.A	Chile	446	C	12/01/2014	UF	Semiannual	Semiannual	3.95 %	4.0	
93.007.000-9	SQM S.A	Chile	564	H	1/05/2015	UF	Semiannual	Semiannual	5.05 %	4.9	
93.007.000-9	SQM S.A	Chile	700	M	2/01/2015	UF	Semiannual	Upon maturity	2.86 %	3.3	
93.007.000-9	SQM S.A	Chile	699	O	2/01/2015	UF	Semiannual	Upon maturity	3.61 %	3.8	

			9/30/2014 Nominal maturities			9/30/2014 Current maturities				
Subsidiary	Country	Series	Up to 90 days	91 days to 1 year	Total	Up to 90 days	91 days to 1 year	Subtotal	Bond issuance costs	Total
			ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM S.A.	Chile	ThUS\$200,000	-	-	-	5,615	-	5,615	(293)	5,322
SQM S.A.	Chile	ThUS\$250,000	-	-	-	6,073	-	6,073	(384)	5,689
SQM S.A.	Chile	ThUS\$300,000	-	-	-	5,347	-	5,347	(614)	4,733
SQM S.A.	Chile	C	3,025	3,025	6,050	4,015	3,025	7,040	(198)	6,842
SQM S.A.	Chile	H	-	-	-	-	1,844	1,844	(139)	1,705

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SQM S.A. Chile	M	-	-	-	-	216	216	(130)	86
SQM S.A. Chile	O	-	-	-	-	373	373	(66)	307
Total		3,025	3,025	6,050	21,050	5,458	26,508	(1,824)	24,684

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

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 10 – Financial instruments (continued)

10.4 Financial liabilities, continued

Debtor	Tax ID No.	Subsidiary	Country	Number of registration or		Maturity date	Currency or	Periodicity	Payment of interest	Repayment	Effective rate	Nominal rate
				ID of the instrument	Series							
	93.007.000-9	SQM S.A	Chile	-	ThUS\$200,000	04/15/2014	US\$	Semiannual	Upon maturity	6.32 %	6.1	
	93.007.000-9	SQM S.A	Chile	-	ThUS\$250,000	04/21/2014	US\$	Semiannual	Upon maturity	5.70 %	5.5	
	93.007.000-9	SQM S.A	Chile	-	ThUS\$300,000	04/03/2014	US\$	Semiannual	Upon maturity	3.87 %	3.6	
	93.007.000-9	SQM S.A	Chile	446	C	06/01/2014	UF	Semiannual	Semiannual	4.44 %	4.0	
	93.007.000-9	SQM S.A	Chile	563	G	01/05/2014	Ch\$	Semiannual	Upon maturity	7.50 %	7.0	
	93.007.000-9	SQM S.A	Chile	564	H	01/05/2014	UF	Semiannual	Semiannual	5.10 %	4.9	
	93.007.000-9	SQM S.A	Chile	563	I	04/01/2014	UF	Semiannual	Upon maturity	3.35 %	3.0	
	93.007.000-9	SQM S.A	Chile	563	J	04/01/2014	Ch\$	Semiannual	Upon maturity	6.23 %	5.5	
	93.007.000-9	SQM S.A	Chile	700	M	02/01/2014	UF	Semiannual	Upon maturity	3.62 %	3.3	
	93.007.000-9	SQM S.A	Chile	699	O	02/01/2014	UF	Semiannual	Upon maturity	3.95 %	3.8	

Subsidiary	Country	Series	12/31/2013 Nominal maturities			12/31/2013 Current maturities			Bond issuance costs	Total
			Up to 90 days	91 days to 1 year	Total	Up to 90 days	91 days to 1 year	Subtotal		
			ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
SQM S.A.	Chile	ThUS\$200,000	-	-	-	-	2,586	2,586	(293)	2,293
SQM S.A.	Chile	ThUS\$250,000	-	-	-	-	2,674	2,674	(384)	2,290
SQM S.A.	Chile	ThUS\$300,000	-	-	-	-	2,658	2,658	(614)	2,044
SQM S.A.	Chile	C	-	6,665	6,665	-	6,951	6,951	(210)	6,741
SQM S.A.	Chile	G	40,030	-	40,030	41,377	-	41,377	-	41,377
SQM S.A.	Chile	H	-	-	-	4,207	-	4,207	(139)	4,068
SQM S.A.	Chile	I	66,648	-	66,648	-	67,144	67,144	(87)	67,057
SQM S.A.	Chile	J	99,121	-	99,121	-	100,466	100,466	(139)	100,327
SQM S.A.	Chile	M	-	-	-	606	-	606	(130)	476
SQM S.A.	Chile	O	-	-	-	1,045	-	1,045	(66)	979
Total			205,799	6,665	212,464	47,235	182,479	229,714	(2,062)	227,652

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

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 10 – Financial instruments (continued)

10.4 Financial liabilities, continued

c) Types of interest-bearing borrowings, non-current

Non-current interest-bearing borrowings as of September 30, 2014 and December 31, 2013 are detailed as follows:

Debtor		Country		Creditor		Country	
Tax ID No.	Subsidiary			Tax ID No.	Financial institution		
93.007.000-9	SQM S.A.	Chile	Foreign		Banco Estado NY Branch		United States
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign		Scotiabank & Trust (Cayman) Ltd.		Cayman Islands
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign		Bank of America		United States
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign		Export Development Canada		Canada
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign		The Bank of Tokyo-Mitsubishi UFJ, Ltd (New York)		United States

Subsidiary	Financial institution	Nominal non-current maturities 9/30/2014			Total	Non-current 9/30/2014	
		Over 1 years to 2	Over 2 years to 3	Over 3 years to 4		Over 1 years to 2	Over 2 years to 3
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM S.A.	Banco Estado NY Branch	-	140,000	-	140,000	-	-
Royal Seed Trading Corporation A.V.V.	Scotiabank & Trust (Caimán) Ltd.	50,000	-	-	50,000	50,000	-
Royal Seed Trading Corporation A.V.V.	Bank of America	-	40,000	-	40,000	-	-
Royal Seed Trading Corporation A.V.V.	Export Development Canada	-	30,000	-	30,000	-	-
Royal Seed Trading Corporation A.V.V.	The Bank of Tokyo-Mitsubishi UFJ, Ltd (New York)	-	30,000	-	30,000	-	-
Total		50,000	240,000	-	290,000	50,000	-

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 10 – Financial instruments (continued)

10.4 Financial liabilities, continued

Debtor			Creditor			
Tax ID No.	Subsidiary	Country	Tax ID No.	Financial institution	Country	
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch	United States	
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Cayman) Ltd.	Cayman Islands	
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Bank of America	United States	
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Export Development Canada	Canada	
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	The Bank of Tokyo-Mitsubishi UFJ, Ltd (New York)	United States	

Subsidiary	Financial institution	Nominal non-current maturities				Total	Nominal non-current maturities 12/31/2013
		Over 1 years to 2	Over 2 years to 3	Over 3 years to 4	Total		
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM S.A.	Banco Estado NY Branch	-	-	140,000	140,000	-	-
Royal Seed Trading Corporation A.V.V.	Scotiabank & Trust (Caimán) Ltd.	50,000	-	-	50,000	50,000	50,000
Royal Seed Trading Corporation A.V.V.	Bank of America	-	40,000	-	40,000	-	-
Royal Seed Trading Corporation A.V.V.	Export Development Canada	-	40,000	-	40,000	-	-
Royal Seed Trading Corporation A.V.V.	The Bank of Tokyo-Mitsubishi UFJ, Ltd (New York)	-	40,000	-	40,000	-	-
Total		50,000	120,000	140,000	310,000	50,000	50,000

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Note 10 – Financial instruments (continued)

10.4 Financial liabilities, continued

d) Non-current unsecured interest-bearing bonds

The breakdown of non-current unsecured interest-bearing bonds as of September 30, 2014 and December 31, 2013 is detailed as follows:

Debtor	Tax ID No.	Subsidiary	Country	Number of registration or ID of the instrument		Maturity date	Currency or Periodicity			Effective rate	Nominal rate
				Series	of		adjustment index	Payment of interest	Repayment		
	93.007.000-9	SQM S.A	Chile	-	ThUS\$200,000	04/15/2016	US\$	Semiannual	Upon maturity	6.30 %	6.30 %
	93.007.000-9	SQM S.A	Chile	-	ThUS\$250,000	04/21/2020	US\$	Semiannual	Upon maturity	5.70 %	5.70 %
	93.007.000-9	SQM S.A	Chile	-	ThUS\$300,000	04/03/2023	US\$	Semiannual	Upon maturity	3.86 %	3.86 %
	93.007.000-9	SQM S.A	Chile	446	C	12/01/2026	UF	Semiannual	Semiannual	3.95 %	4.45 %
	93.007.000-9	SQM S.A	Chile	564	H	01/05/2030	UF	Semiannual	Semiannual	5.05 %	4.95 %
	93.007.000-9	SQM S.A	Chile	700	M	02/01/2017	UF	Semiannual	Upon maturity	2.86 %	3.36 %
	93.007.000-9	SQM S.A	Chile	699	O	02/01/2033	UF	Semiannual	Upon maturity	3.61 %	3.61 %

Nominal non-current maturities
9/30/2014

Series	Over 1 year to 2 ThUS\$	Over 2 years to 3 ThUS\$	Over 3 Years to 4 ThUS\$	Over 4 Years to 5 ThUS\$	Over 5 years ThUS\$	Total ThUS\$
ThUS\$200,000	200,000	-	-	-	-	200,000
ThUS\$250,000	-	-	-	-	250,000	250,000
ThUS\$300,000	-	-	-	-	300,000	300,000
C	6,050	6,050	6,050	6,050	45,374	69,574
H	-	-	-	-	161,330	161,330
M	-	40,332	-	-	-	40,332
O	-	-	-	-	60,499	60,499
Total	206,050	46,382	6,050	6,050	817,203	1,081,735

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Non-current maturities
9/30/2014

Series	Over 1 year to 2 ThUS\$	Over 2 years to 3 ThUS\$	Over 3 Years to 4 ThUS\$	Over 4 Years to 5 ThUS\$	Over 5 years ThUS\$	Total ThUS\$	Bond issuance costs ThUS\$	Total ThUS\$
ThUS\$200,000	200,000	-	-	-	-	200,000	(146)	199,854
ThUS\$250,000	-	-	-	-	250,000	250,000	(1,751)	248,249
ThUS\$300,000	-	-	-	-	300,000	300,000	(4,609)	295,391
C	6,050	6,050	6,050	6,050	45,374	69,574	(1,081)	68,493
H	-	-	-	-	161,330	161,330	(1,984)	159,346
M	-	40,332	-	-	-	40,332	(187)	40,145
O	-	-	-	-	60,499	60,499	(1,163)	59,336
Total	206,050	46,382	6,050	6,050	817,203	1,081,735	(10,921)	1,070,814

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Notes to the Consolidated Financial Statements as of September 30, 2014 (Unaudited)

Nota 10 - Financial instruments (continued)

10.4 Financial liabilities, continued

d) Unsecured interest-bearing liabilities, non-current, continued

As of September 30, 2014 and December 31, 2013, the breakdown of unsecured interest-bearing liabilities, non-current is as follows:

Debtor							Periodicity			
Tax ID No.	Subsidiary	Country	Number of registration or ID of the instrument	Series	Maturity date	Adjustment unit of the bond	Payment of interest	Repayment	Effective rate	Nominal rate
93.007.000-9	SQM S.A.	Chile	-	ThUS\$200,000	04/15/2016	US\$	Semiannual	Upon maturity	6.32%	6.13%
93.007.000-9	SQM S.A.	Chile	-	ThUS\$250,000	04/21/2020	US\$	Semiannual	Upon maturity	5.70%	5.50%
93.007.000-9	SQM S.A.	Chile	-	ThUS\$300,000	04/03/2023	US\$	Semiannual	Upon maturity	3.87%	3.63%
93.007.000-9	SQM S.A.	Chile	446	C	12/01/2026	UF	Semiannual	Semiannual	4.44%	4.00%
93.007.000-9	SQM S.A.	Chile	564	H	01/05/2030	UF	Semiannual	Semiannual	5.10%	4.90%
93.007.000-9	SQM S.A.	Chile	700	M	02/01/2017	UF	Semiannual	Upon maturity	3.62%	3.30%
93.007.000-9	SQM S.A.	Chile	699	O	02/01/2033	UF	Semiannual	Upon maturity	3.95%	3.80%

Nominal non-current maturities
12/31/2013

Series	Over 1 year to 2 ThUS\$	Over 2 years to 3 ThUS\$	Over 3 Years to 4 ThUS\$	Over 4 Years to 5 ThUS\$	Over 5 years ThUS\$	Total ThUS\$
ThUS\$200,000	-	200,000	-	-	-	200,000
ThUS\$250,000	-	-	-	-	250,000	250,000
ThUS\$300,000	-	-	-	-	300,000	300,000
C	6,665	6,665	6,665	6,665	53,318	79,978
H	-	-	-	-	177,729	177,729
M	-	-	44,432	-	-	44,432
O	-	-	-	-	66,648	66,648

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Total 6,665 206,665 51,097 6,665 847,695 1,118,787

Non-current maturities
12/31/2013

Series	Over 1 year to 2 ThUS\$	Over 2 years to 3 ThUS\$	Over 3 Years to 4 ThUS\$	Over 4 Years to 5 ThUS\$	Over 5 years ThUS\$	Total ThUS\$	Bond issuance costs ThUS\$	Total ThUS\$
ThUS\$200,000	-	200,000	-	-	-	200,000	(366)	199,634
ThUS\$250,000	-	-	-	-	250,000	250,000	(2,039)	247,961
ThUS\$300,000	-	-	-	-	300,000	300,000	(5,068)	294,932
C	6,665	6,665	6,665	6,665	53,318	79,978	(1,228)	78,750
H	-	-	-	-	177,729	177,729	(2,088)	175,641
M	-	-	44,432	-	-	44,432	(288)	44,144
O	-	-	-	-	66,648	66,648	(1,214)	65,434
Total	6,665	206,665	51,097	6,665	847,695	1,118,787	(12,291)	1,106,496

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 10 - Financial instruments (continued)

10.4 Financial liabilities, continued

e) Additional information

Bonds

On the 30th of September 2014 and the 31st of December 2013, short term bonds of MUS\$ 24,683 and MUS\$ 227,652 respectively were classified as short-term, consisting of the current portion due plus accrued interest to date, excluding bond issue costs. The non-current portion consisted of MUS\$1,070,814 on the 30 September 2014 and MUS\$1,106,496 on the 31st December 2013, corresponding to the issuance of series C bonds, Single series bonds (ThUS\$ 200), series H bonds second issue single series bonds (ThUS\$ 250), series M bonds, series O bonds and third issue single series bonds (ThUS\$ 300), excluding debt issue costs.

As of September 30, 2014 and December 31, 2013, the details of each issuance are as follows

Series “C” bonds

On January 24, 2006, the Company placed Series C bonds for UF 3,000,000 (ThUS\$101,918) at an annual rate of 4.00%.

As of September 30, 2014 and December 31, 2013, the Company has made the following payments with a charge to the Series C bonds:

Payments made	9/30/2014	12/31/2013
	ThUS\$	ThUS\$
Principal	3,332	6,858
Interest payment	1,678	4,004

Single series first issue ThUS\$200,000

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

As of September 30, 2014 and December 31, 2013, the Company has made the following payments with a charge to the Single Series bonds:

	9/30/2014	12/31/2013
Payments made		
	ThUS\$	ThUS\$
Payments of interest	6,125	12,250

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Notes to the Consolidated Financial Statements as of September 30, 2014**Note 10 - Financial instruments (continued)****10.4 Financial liabilities, continued****Series “G” and “H” bonds**

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

As of September 30, 2014 and December 31, 2013, the Company has made the following payments with a charge to the Series G and H bonds:

	9/30/2014	12/31/2013
Payments made	ThUS\$	ThUS\$
Payment of principal of Series G bonds	39,713	-
Payments of interest, Series G bonds	1,366	2,845
Payments of interest, Series H bonds	8,496	8,565

Series “J” and “I” bonds

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

As of September 30, 2014 and December 31, 2013, the Company has made the following payments with a charge to the Series J and I bonds:

Payments made	9/30/2014	12/31/2013
	ThUS\$	ThUS\$
Payments of principal Series J bonds	94,454	-
Payment of interest, Series J bonds	2,563	5,879
Payments of principal Series I bonds	64,083	-
Payment of interest, Series I bonds	1,206	2,100

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Notes to the Consolidated Financial Statements as of September 30, 2014**Note 10 - Financial instruments (continued)****10.4 Financial liabilities, continued****Single series bonds, second issue ThUS\$250,000**

On April 21, 2010, the Company informed the Chilean Superintendence of Securities and Insurance of its placement in international markets of an unsecured bond of ThUS\$250,000 with a maturity of 10 years beginning on the aforementioned date with annual interest rate of 5.5% and destined to refinance long-term liabilities.

As of September 30, 2014 and December 31, 2013, the detail of payments charged to the line of single series bonds, second issue is as follows:

Payments made	9/30/2014	12/31/2013
	ThUS\$	ThUS\$
Interest payment	6,875	13,750

Series “M” and “O” bonds

On April 4, 2012, the Company placed two bond series in the domestic market. Series M for UF 1,000,000 (ThUS\$46,601) was placed at a term of 5 years with a single payment at the maturity of the term and an annual interest rate of 3.3%, and Series O for UF 1,500,000 (ThUS\$69,901) was placed at a term of 21 years with a single payment at the maturity of the term and an annual interest rate of 3.80%

As of September 30, 2014, and December 31, 2013 the Company has made the following payments with a charge to the Series M and O bonds:

Payments made	9/30/2014	12/31/2013
	ThUS\$	ThUS\$
Payment of interest, Series M bonds	1,380	765
Payment of interest, Series O bonds	2,381	1,320

Single series bonds, third issue ThUS\$300,000

On April 3, 2013, the Company issued in the United States a non-guaranteed bond with a value of US\$ 300 million. The bond is for a 10 year term with an annual coupon rate of 3.625% and an annual yield of 3.716%. This rate equates to a difference of 180 basis points to comparable US Treasury bonds. The funds raised will be used to refinance long term liabilities and finance general corporate objectives.

As of September 30, 2014 and December 31, 2013, the following payments have been made with a debit to the line of single-series bonds, third issue:

Payments made	9/30/2014	12/31/2013
	ThUS\$	ThUS\$
Payment of interest	5,438	5,438

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Notes to the Consolidated Financial Statements as of September 30, 2014**Note 10 - Financial instruments (continued)****10.5 Trade and other payables**

	9/30/2014			12/31/2013		
	Current ThUS\$	Non- current ThUS\$	Total ThUS\$	Current ThUS\$	Non- current ThUS\$	Total ThUS\$
Accounts payable	164,966	-	164,966	150,322	-	150,322
Deferred income	-	-	-	-	-	-
Retained (or accrued)	181	-	181	638	-	638
Total	165,147	-	165,147	150,960	-	150,960

Purchase commitments held by the Company are recognized as liabilities when the goods and services are received by the Company. As of September 30, 2014, the Company has purchase orders amounting to ThUS\$16,435 (ThUS\$29,395 as of December 31, 2013).

10.6 Financial liabilities at fair value through profit or loss

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

Financial liabilities at fair value through profit or loss	9/30/2014 ThUS\$	Effect on profit or loss as of	
		9/30/2014 ThUS\$	12/31/2013 ThUS\$
Current			
Derivative instruments (forward)	-	-	423
Derivative instruments (options)	-	-	665
Derivative instruments (IRS)	985	574	1,339
	985	574	2,427
			7,178

Balances in the column effect on profit or loss consider the effects of agreements which were in force as of September 30, 2014, including derivatives, received during the year.

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 10 - Financial instruments (continued)

10.7 Financial asset and liability categories

a) Financial Assets

Description of financial assets	9/30/2014			12/31/2013		
	Current Amount ThUS\$	Non-current Amount ThUS\$	Total Amount ThUS\$	Current Amount ThUS\$	Non-current Amount ThUS\$	Total Amount ThUS\$
Financial assets measured at amortized cost	507,5767	-	507,567	431,883	-	431,883
Investments held-to-maturity measured at amortized cost	-	66	66	-	95	95
Loans and receivables measured at amortized cost	408,153	2,347	410,500	330,992	1,282	332,274
Total financial assets measured at amortized cost	915,720	2,413	918,133	762,875	1,377	764,252
Financial assets at fair value through profit or loss	27,439	-	27,439	3,283	-	3,283
Financial assets at fair value through other comprehensive income	-	-	-	25,007	-	25,007
Total financial assets at fair value	27,439	-	27,439	28,290	-	28,290
Total financial assets	943,159	2,413	945,572	791,165	1,377	792,542

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Notes to the Consolidated Financial Statements as of September 30, 2014**Note 10 - Financial instruments (continued)****10.7 Financial asset and liability categories (continued)**

b) Financial liabilities

Description of financial liabilities	9/30/2014			12/31/2013		
	Current	Non-current	Total	Current	Non-current	Total
	Amount	Amount	Amount	Amount	Amount	Amount
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Financial liabilities at fair value through profit or loss	1,792	30,190	31,982	2,427	1,405	3,832
Financial liabilities at fair value through profit or loss	1,792	30,190	31,982	2,427	1,405	3,832
Financial liabilities measured at amortized cost	350,656	1,360,548	1,711,204	549,959	1,415,985	1,965,944
Total financial liabilities measured at amortized cost	350,656	1,360,548	1,711,204	549,959	1,415,985	1,965,944
Total financial liabilities	352,448	1,390,738	1,743,186	552,386	1,417,390	1,969,776

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 10 - Financial instruments (continued)

10.8 Fair Value Measurement of Assets and Liabilities

Financial assets and liabilities measured at fair value consist of Options and Forwards hedging the mismatch in the balance sheet and cash flows, Cross Currency Swaps (CCS) to hedge bonds issued in local currency (\$/UF), and Interest Rate Swaps (IRS) to hedge LIBOR rate debt issued.

The value of the Company's assets and liabilities recognized by CCS contracts is calculated as the difference between the present value of discounted cash flows of the asset (pesos/UF) and liability (USD) parts of the derivative. In the case of the IRS, the asset value recognized is calculated as the difference between the discounted cash flows of the asset (variable rate) and liability (fixed rate) parts of the derivative. Forwards: Are calculated as the difference between the strike price of the contract and the spot price plus the forwards points at the date of the contract. Options: The value recognized is calculated using the Black-Scholes method.

In the case of CCS, the entry data used for the valuation models are UF, peso, and basis swap rates. In the case of fair value calculations for IRS, the FRA (Forward Rate Agreement) rate and ICVS 23 Curve (Bloomberg: cash/deposits rates, futures, swaps). In the case of forwards, the forwards curve for the currency in question is used. Finally, with options, the spot price, risk-free rate and volatility of exchange rate are used, all in accordance with the currencies used in each valuation. The financial information used as entry data for the Company's valuation models is obtained from Bloomberg, the well-known financial software company. Conversely, the fair value provided by the counterparties of derivatives contracts is used only as a control and not for valuation.

The effects on profit or loss of movements in these amounts may be recognized in the caption Finance costs, foreign currency translation gain (loss) or cash flow hedges in the statement of comprehensive income, depending on each particular case.

The fair value measurement of debt is only performed to determine the actual market value of guaranteed and non-guaranteed long-term obligations; bonds denominated in local currency (\$/UF) and foreign currency (USD), credits denominated in foreign currency (USD).

The value of the Company's reported liabilities is calculated as the present value of discounted cash flows at market rates at the time of valuation, taking into account the maturity date and exchange rate. The entry data used for the model includes the UF and peso rates, which are obtained using Bloomberg, the well-known financial software

company and the 'Asociación de Bancos e Instituciones Financieras' (ABIF) (Association of Banks and Financial Institutions').

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 10 - Financial instruments (continued)

10.9 Financial assets pledged as guarantee

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

As of September 30, 2014 and December 31, 2013, assets pledged as guarantees are as follows:

Restricted cash	9/30/2014	12/31/2013
	ThUS\$	ThUS\$
Isapre Norte Grande Ltda.	685	708
Total	685	708

10.10 Estimated fair value of financial instruments and financial derivatives

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

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

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

- Cash equivalent approximates fair value due to the short-term maturities of these instruments.
- Other current financial liabilities are considered at fair value equal to their carrying values.

For interest-bearing liabilities with original maturity of more than a year, fair values are calculated at discounting contractual cash flows at their original current market with similar terms.

For forward and swap contracts, fair value is determined using quoted market prices of financial instruments with similar characteristics.

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Notes to the Consolidated Financial Statements as of September 30, 2014**Note 10 - Financial instruments (continued)****10.10 Estimated fair value of financial instruments and financial derivatives, continued**

The detail of the Company's instruments at carrying value and estimated fair value is as follows:

	9/30/2014		12/31/2013	
	Carrying value	Fair value	Carrying value	Fair value
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalents	295,255	295,255	476,622	476,622
Current trade and other receivables	408,153	408,153	330,992	330,992
Other financial assets, current:				
- Time deposits	507,567	507,567	431,883	431,883
- Derivative instruments	27,439	27,439	3,283	3,283
- Current hedging assets	-	-	25,007	25,007
Total other current financial assets	535,006	535,006	460,173	460,173
Non-Current Trade Receivables	2,347	2,347	1,282	1,282
Other non-current financial assets:	66	66	95	95
Other non-current financial assets:	66	66	95	95
Other financial liabilities, current:				
- Bank loans	160,825	160,825	171,347	171,347
- Derivative instruments	709	709	1,088	1,088
- Hedging liabilities	1,083	1,083	1,339	1,339
- Unsecured obligations	24,684	24,684	227,652	227,652
Other financial liabilities, current	187,301	187,301	401,426	401,426
Current and non-current accounts payable	165,147	165,147	150,960	150,960
Other non-current financial liabilities:				
- Bank loans	289,734	323,103	309,489	324,246
- Unsecured obligations	1,070,814	1,076,616	1,106,496	1,077,049
- Non-current hedging liabilities	30,190	30,190	1,405	1,405
Other non-current financial liabilities:	1,390,738	1,429,909	1,417,390	1,402,700

Fair value hierarchy

Fair value hierarchies are as follows:

- **Level 1:** When only quoted (unadjusted) prices have been used in active markets.

Level 2: When in a phase in the valuation process variable other than prices quoted in Level 1 have been used which are directly observable in markets.

Level 3: When in a phase in the valuation process variable which are not based in observable market data have been used.

The valuation techniques used to determine the fair value of our hedging instruments, bank loans, and unsecurable obligations are level 2 fair value instruments based on discounted cash flows using market based rates as of year-end.

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 10 - Financial instruments (continued)

10.11 Nature and scope of risks arising from financing instruments

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

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 11 – Equity-accounted investees

11.1 Investments in associates recognized according to the equity method of accounting

As of September 30, 2014 and December 31, 2013, in accordance with criteria established in Note 3.19, investment in associates recognized according to the equity method of accounting and joint ventures are as follows:

Associates	Equity-accounted investees		Share on profit (loss) of associates and joint ventures accounted for using the equity method		Share on other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax		Share on total other comprehensive income of associates and joint ventures accounted for using the equity method	
	9/30/2014 ThUS\$	12/31/2013 ThUS\$	9/30/2014 ThUS\$	12/31/2013 ThUS\$	9/30/2014 ThUS\$	12/31/2013 ThUS\$	9/30/2014 ThUS\$	12/31/2013 ThUS\$
Sales de Magnesio Ltda.	1,190	1,649	612	1,005	-	-	612	1,005
Abu Dhabi Fertilizer Industries WWL	13,215	11,453	1,768	1,596	-	-	1,768	1,596
Doktor Tarsa Tarim Sanayi AS	18,810	15,193	3,860	2,192	-	-	3,860	2,192
Ajay North America	12,712	13,125	4,916	7,919	-	-	4,916	7,919
Ajay Europe SARL	6,929	7,924	1,986	3,825	(21)	-	1,965	3,825
SQM Eastmed Turkey	130	142	-	132	-	-	-	132
Charlee SQM Thailand Co, Ltd,	1,750	1,589	47	237	-	-	47	237
Total	54,736	51,075	13,189	16,906	(21)	-	13,168	16,916

Associate	Description of the nature of the relationship	Domicile	Country of incorporation	Share of ownership in associates	Dividends received	
					9/30/2014 ThUS\$	12/31/2013 ThUS\$
Sales de Magnesio	Commercialization of magnesium salts.	El Trovador 4285, Las Condes	Chile	50 %	835	892

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Ltda. Abu Dhabi Fertilizer Industries WWL	Distribution and commercialization of specialty plant nutrients in the Middle East.	PO Box 71871, Abu Dhabi	United Arab Emirates	50	%	-	-
Doktor Tarsa Tarim Sanayi AS	Distribution and commercialization of specialty plant nutrients in Turkey.	Organize Sanayi Bolgesi, Ikinci Kisim, 22 cadde TR07100 Antalya	Turkey	50	%	-	-
Ajay North America	Production and commercialization of iodine derivatives.	1400 Industry RD Power Springs GA 30129	United States	49	%	5,949	10,437
Ajay Europe SARL	Production and commercialization of iodine derivatives.	Z.I. du Grand Verger BP 227 53602 Evron Cedex	France	50	%	2,839	5,093
SQM Eastmed Turkey	Production and commercialization of specialty products.	Organize Sanayi Bolgesi, Ikinci Kisim, 22 cadde TR07100 Antalya	Turkey	50	%	-	-
Charlee SQM Thailand Co. Ltd.	Distribution and commercialization of specialty plant nutrients.	31 Soi 138 (Meesuk) LLapdrawrd, Bangkapi, 10240 Bangkok	Thailand	40	%	-	-

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 11 – Equity-accounted investees (continued)

11.2 Assets, liabilities, revenue and expenses of associates

	9/30/2014				9/30/2014			
	Assets		Liabilities		Revenue	Gain (loss) from continuing operations	Other comprehensive income	Comprehensive income
	Current ThUS\$	Non- current ThUS\$	Current ThUS\$	Non- current ThUS\$				
Sales de Magnesio Ltda,	3,457	303	1,356	24	8,571	1,225	-	1,225
Abu Dhabi Fertilizer Industries WWL	29,572	2,688	5,830	-	38,784	3,537	-	3,537
Doktor Tarsa Tarim Sanayi AS	85,192	7,690	55,123	139	69,076	7,719	-	7,719
Ajay North America	22,740	10,116	6,912	-	48,770	10,032	-	10,032
Ajay Europe SARL	17,006	2,284	5,433	-	41,767	3,972	(42)	3,930
SQM Eastmed Turkey	136	278	154	-	-	-	-	-
Charlee SQM Thailand Co. Ltd.	8,898	647	5,168	-	6,005	117	-	117
Total	167,001	24,006	79,976	163	212,973	26,602	(42)	26,560
	12/31/2013				12/31/2013			
	Assets		Liabilities		Revenue	Gain (loss) from continuing operations	Other comprehensive income	Comprehensive income
	Current ThUS\$	Non- current ThUS\$	Current ThUS\$	Non- current ThUS\$				
Sales de Magnesio Ltda,	4,519	309	1,512	18	14,370	2,009	-	2,009
Abu Dhabi Fertilizer Industries WWL	26,645	2,321	6,059	-	44,689	3,192	-	3,192
Doktor Tarsa Tarim Sanayi AS	67,603	6,563	37,696	6,082	73,905	4,385	-	4,385
Ajay North America	23,728	9,289	6,230	-	72,297	16,161	-	16,161
Ajay Europe SARL	22,247	2,370	8,770	-	67,361	7,649	-	7,649
SQM Eastmed Turkey	149	305	169	-	139	265	-	265
Charlee SQM Thailand Co. Ltd.	6,104	572	2,706	-	19,179	593	-	593
Total	150,995	21,729	63,142	6,100	291,940	34,254	-	34,254

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 11 – Investment in Associates (continued)

11.3 Other information

The Company has no participation in unrecognized losses in investments in associates.

The Company presents no investments not accounted for according to the equity method of accounting.

The equity method was applied to the Statement of Financial Position as of September 30, 2014 and December 31, 2013.

The basis of preparation of the financial information of associates corresponds to the amounts included in the financial statements in conformity with the entity's IFRS.

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 12 - Joint Ventures

12.1 Policy for the accounting for equity accounted investment in joint ventures

The method for the recognition of joint ventures in which participation is initially recorded at cost and subsequently adjusted considering changes after the acquisition in the portion of the entity's net assets of the entity which correspond to the investor. Profit or loss for the period of the investor will collect the portion which belongs to it in the results of the controlled entity as a whole

12.2 Disclosures of interest in joint ventures

a) Operations conducted in 2014

During 2Q 2014, SQM Industrial S.A. received a reimbursement of capital amounting to ThUS\$2,011 from SQM Vitas Fzco, resulting in a decrease capital, and maintaining the interest in this Company.

b) Operations conducted in 2013

As of December 31, there are no changes in the breakdown of interests in joint ventures.

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 12 - Joint Ventures (continued)

12.3 Investment in joint ventures accounted for under the equity method of accounting:

Joint venture	Description of the nature of the relationship	Domicile	Country of incorporation	Share of interest in ownership	Dividends received	9/30/2013	12/31/2013
						ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltda.	Production and distribution of soluble fertilizers.	Huangjing Road, Dawan Town, Qingbaijiang District, Chengdu Municipality, Sichuan Province	China	50 %	-	-	-
Coromandel SQM India	Production and distribution of potassium nitrate.	1-2-10, Sardar Patel Road, Secunderabad – 500003 Andhra Pradesh	India	50 %	-	-	-
SQM Vitas Fzco.	Production and commercialization of specialty plant and animal nutrition and industrial hygiene.	Jebel ALI Free Zone P.O. Box 18222, Dubai	United Arab Emirates	50 %	-	-	-
SQM Star Qingdao Crop Nutrition Co., Ltd.	Production and distribution of nutrient plant solutions with specialties NPK soluble	Longquan Town, Jimo City, Qingdao Municipality, Shangdong Province	China	50 %	-	-	-
SQM Vitas Brazil Agroindustria	Production and commercialization of specialty plant and animal nutrition and industrial hygiene.	Via Cndeias, Km. 01 Sem Numero, Lote 4, Bairro Cia Norte, Candeias, Bahia.	Brazil	49.99 %	-	-	-
SQM Vitas Peru S.A.C	Production and commercialization of specialty plant and animal nutrition and industrial hygiene	Av. Juan de Arona 187, Torre B, Oficina 301-II, San Isidro, Lima	Peru	50 %	-	-	-
SQM Vitas Southern Africa Pty	Production and commercialization of specialty plant and animal nutrition and industrial hygiene	33 Waterford Office Park Waterford Drive	South Africa	50 %	-	-	-

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		Fourways, 2055 South Africa C/Manuel Echeverria					
SQM Vitas Spain	Production and commercialization of specialty plant nutrition	Manzana 2	Spain	50	%	-	-
		Muelle de la Cab (Puerto Real) Herikerbergweg 238, 1101 CM					
SQM Vitas Holland	Without information	Amsterdam	Holland	50	%	-	-
		Zuidoost Herikerbergweg 238, 1101 CM					
SQM Vitas Plantacote B.V.	Production and commercialization of controlled-released fertilizers	Amsterdam	Holland	50	%	-	-
		Zuidoost					

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 12 - Joint Ventures (continued)

12.3 Investment in joint ventures accounted for under the equity method of accounting, continued:

Joint Venture	Equity-accounted investees		Share on profit (loss) of associates and joint ventures accounted for using the equity method		Share on other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax		Share on total other comprehensive income of associates and joint ventures accounted for using the equity method	
	9/30/2014 ThUS\$	12/31/2013 ThUS\$	9/30/2014 ThUS\$	12/31/2013 ThUS\$	9/30/2014 ThUS\$	12/31/2013 ThUS\$	9/30/2014 ThUS\$	12/31/2013 ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltd.	12,686	11,504	(289)	255	(2)	13	(291)	267
Coromandel SQM India	617	801	36	90	-	-	36	89
SQM Vitas Fzco.	13,386	12,762	2,557	1,807	(207)	(339)	2,350	1,467
SQM Star Qingdao Crop Nutrition Co.Ltd.	1,903	1,475	428	396	-	-	428	395
SQM Vitas Holland	974	(599)	(299)	-	-	-	(299)	(667)
	29,566	25,943	2,433	2,548	(209)	(326)	2,224	1,551

The following companies are subsidiaries of SQM Vitas Fzco.

Equity-accounted investees	Equity-accounted investees		Share on profit (loss) of associates and joint ventures accounted for using the equity method		Share on other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax		Share on total other comprehensive income of associates and joint ventures accounted for using the equity method	
	9/30/2014 ThUS\$	12/31/2013 ThUS\$	9/30/2014 ThUS\$	12/31/2013 ThUS\$	9/30/2014 ThUS\$	12/31/2013 ThUS\$	9/30/2014 ThUS\$	12/31/2013 ThUS\$
SQM Vitas Brazil	6,136	4,747	931	2,538	-	-	466	1,152
SQM Vitas Peru	5,467	4,314	704	(224)	-	-	353	93
SQM Vitas Southern Africa	587	1,096	(519)	55	-	-	(260)	102
SQM Vitas Spain	1,090	-	(761)	-	-	-	144	(177)
SQM Vitas Plantacote B,V,	417	-	265	-	-	-	(382)	(385)
Total	13,697	10,157	620	2,369	-	-	321	785

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 12 - Joint Ventures (continued)

12.4 Assets, liabilities, revenue and expenses from Joint Ventures:

9/30/2014

	Assets		Liabilities		Revenue	Gain (loss)	Other	Comprehensive
	Current	Non-current	Current	Non-current		from	comprehensive		income
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	operations	income	income
						ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltda.	49,990	8,917	33,536	-	42,847	(578)	(4)	(582)
Coromandel SQM India	4,943	1,150	4,789	70	1,838	71	-	71
SQM Vitas Fzco,	15,017	15,131	3,376	-	20,235	5,115	(413)	4,702
SQM Star Qingdao Crop Nutrition Co, Ltd.	4,442	202	833	5	7,521	856	-	856
SQM Vitas Brazil	33,977	9,383	37,224	-	57,600	932	-	932
SQM Vitas Peru	21,240	2,653	18,426	-	28,845	705	-	705
SQM Vitas Southern Africa	4,805	721	4,939	-	12,261	(520)	-	(520)
SQM Vitas Spain	1,752	827	1,489	-	9,280	288	-	288
SQM Vitas Holland	495	1,507	54	-	-	(598)	-	(598)
SQM Vitas Plantacote B,V,	1,469	5,724	6,776	-	3,012	(763)	-	(763)
Total	138,130	46,215	111,442	75	183,439	5,508	(417)	5,091

12/31/2013

	Assets		Liabilities		Revenue	Gain (loss)	Other	Comprehensive
	Current	Non-current	Current	Non-current		from	comprehensive		income
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	operations	income	income
						ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltda.	68,241	9,414	54,650	-	41,744	509	26	535
Coromandel SQM India	4,545	1,158	4,037	63	7,842	179	-	179
SQM Vitas Fzco.	12,790	13,772	1,039	-	18,779	3,614	(679)	2,935
SQM Star Qingdao Crop Nutrition Co. Ltd.	3,570	228	838	10	7,649	791	-	791
SQM Vitas Brazil	31,243	7,158	25,615	8,039	87,927	2,305	-	2,305
SQM Vitas Peru	21,481	1,722	18,890	-	35,267	185	-	185
SQM Vitas Southern Africa	5,164	829	4,896	-	21,234	204	-	204
SQM Vitas Spain	1,318	949	2,492	-	1,854	(355)	-	(355)
SQM Vitas Holland	95	-	316	977	-	(1,335)	-	(1,335)

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SQM Vitas Plantacote B.V.	1,323	6,548	8,623	-	2,157	(770)	-	(770)
Total	149,770	41,778	121,396	9,089	224,453	5,327	(653)	4,674	

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 12 - Joint Ventures (continued)

12.5 Other Joint Venture disclosures:

	Cash and cash equivalents		Other current financial liabilities		Other non-current financial liabilities	
	9/30/2014 ThUS\$	12/31/2013 ThUS\$	9/30/2014 ThUS\$	12/31/2013 ThUS\$	9/30/2014 ThUS\$	12/31/2013 ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltda.	183	8,049	-	7,660	-	-
Coromandel SQM India	204	197	1,023	880	-	-
SQM Vitas Fzco.	7,343	10,605	-	-	-	-
SQM Star Qingdao Crop Nutrition Co., Ltd.	2,608	1,988	-	-	-	-
SQM Vitas Brazil	692	854	8,342	-	-	8,600
SQM Vitas Peru	1,052	1,166	-	-	-	-
SQM Vitas Southern Africa	927	351	496	-	-	-
SQM Vitas Spain	98	310	-	-	-	-
SQM Vitas Holland	495	26	-	-	-	-
SQM Vitas Plantacote B.V.	485	109	4,275	5,567	-	-
Total	14,087	23,655	14,136	14,107	-	8,600

	Depreciation and amortization expense		Interest expense		Income tax expense, continuing operations	
	9/30/2014 ThUS\$	12/31/2013 ThUS\$	9/30/2014 ThUS\$	12/31/2013 ThUS\$	9/30/2014 ThUS\$	12/31/2013 ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltda.	(509)	(549)	(700)	(813)	157	(12)
Coromandel SQM India	(26)	(2)	-	(87)	(34)	(92)
SQM Vitas Fzco.	(770)	(1,001)	(22)	(16)	-	-
SQM Star Qingdao Crop Nutrition Co., Ltd.	(44)	(71)	(1)	-	(286)	(242)
SQM Vitas Brazil	(318)	(328)	(924)	(931)	(24)	-
SQM Vitas Peru	(103)	(82)	(40)	(445)	-	91
SQM Vitas Southern Africa	(62)	(67)	(22)	(104)	-	-
SQM Vitas Spain	(87)	-	(15)	(14)	-	-
SQM Vitas Holland	-	-	(5)	(2)	-	-
SQM Vitas Plantacote B.V.	(2)	-	(237)	(176)	-	-
Total	(1,921)	(2,100)	(1,966)	(2,588)	(187)	(255)

The basis of preparation of the financial information of joint ventures corresponds to the amounts included in the financial statements in conformity with the entity's IFRS.

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Notes to the Consolidated Financial Statements as of September 30, 2014**Note 13 - Intangible assets and goodwill****13.1 Balances**

	9/30/2014	12/31/2013
	ThUS\$	ThUS\$
Intangible assets other than goodwill	104,050	104,363
Goodwill	38,388	38,388
Total	142,438	142,751

13.2 Disclosures on intangible assets and goodwill

Intangible assets relate to goodwill, water rights, trademarks, industrial patents, rights of way, software, and mining claims which correspond to exploitation rights acquired from third-parties.

Balances and movements in the main classes of intangible assets as of September 30, 2014 and December 31, 2013 are detailed as follows:

	Useful life	9/30/2014		Net Value ThUS\$
		Gross amount ThUS\$	Accumulated Amortization ThUS\$	
Intangible assets and goodwill				
Trademarks	Finite	3,821	(3,821)) -
Software	Finite	9,374	(7,392)	) 1,982
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	Finite	1,528	(927)	) 601
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	Indefinite	97,386	-	97,386
Other intangible assets	Indefinite	4,081	-	4,081
Intangible assets other than goodwill		116,190	(12,140)	) 104,050
Goodwill	Indefinite	38,388	-	38,388
Total intangible assets and goodwill		154,578	(12,140)) 142,438

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Notes to the Consolidated Financial Statements as of September 30, 2014**Note 13 - Intangible assets and goodwill (continued)****13.2 Disclosures on intangible assets and goodwill, continued**

Intangible assets and goodwill	Useful life	12/31/2013		Net Value ThUS\$
		Gross amount ThUS\$	Accumulated Amortization ThUS\$	
Trademarks	Finite	3,821	(3,821)) -
Software	Finite	5,342	(3,146)	) 2,196
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	Finite	1,576	(882)	) 694
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	Indefinite	97,392	-	) 97,392
Other intangible assets	Indefinite	4,081	-	) 4,081
Intangible assets other than goodwill		112,212	(7,849)	) 104,363
Goodwill	Indefinite	38,388	-	) 38,388
Total intangible assets and goodwill		150,600	(7,849)	) 142,751

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

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

The estimated useful life for software is 3 years for other finite useful life assets, the period in which they are amortized relate to periods defined by contracts or rights which generate them.

Intellectual property rights, patents and other industrial property rights, service and exploitation rights, mainly relate to water rights and are obtained as indefinite

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

The method used to express the amortization is useful life, and estimated tons to be extracted in the case of mining claims.

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 13 - Intangible assets and goodwill (continued)

13.2 Disclosures on intangible assets and goodwill, continued

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

Estimated useful lives or amortization rate	Minimum life or rate	Maximum life or rate
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	Indefinite	Indefinite
Intangible assets other than goodwill	Indefinite	Indefinite
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	1 year	16 years
Trademarks	1 year	5 years
Software	2 years	3 years

d) Information to be disclosed on assets generated internally

The Company has no intangible assets generated internally.

e) Other information to disclose on intangible assets

SQM has property rights and mining concessions of the Chilean Government, intended for the exploration and exploitation of saltpeter and brine. Such rights, have had no initial cost over registration costs, which are insignificant.

Also, SQM has acquired from third-parties other than the Chilean Government, mining concessions, which have been recognized at acquisition cost, which are amortized as the corresponding area is exploited based on the tons estimated to be extracted.

Expenses prior to obtaining the mining concessions are recognized in profit or loss for the year as incurred.

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 13 - Intangible assets and goodwill (continued)

13.2 Disclosures on intangible assets and goodwill, continued

f) Movements in identifiable intangible assets as of September 30, 2014:

Movements in identifiable intangible assets, gross	Trademarks	Software	Intellectual property rights, patents and other industrial property rights	Intellectual property rights, patents and other industrial property rights	Goodwill	Identifiable intangible assets	
	ThUS\$	ThUS\$	exploitation way ThUS\$	exploitation way ThUS\$	ThUS\$		ThUS\$
Opening balance	3,821	5,342	1,576	97,392	4,081	38,388	150,600
Additions	-	764	-	-	-	-	764
Other increases (decreases)	-	3,268	(48)	(6)	-	-	3,214
Final balance	3,821	9,374	1,528	97,386	4,081	38,388	154,578

Movements in identifiable intangible assets, accumulated amortization	Trademarks	Software	Intellectual property rights, patents and other industrial property rights	Intellectual property rights, patents and other industrial property rights	Goodwill	Identifiable intangible assets	
	ThUS\$	ThUS\$	exploitation way ThUS\$	exploitation way ThUS\$	ThUS\$		ThUS\$
Opening balance	(3,821)	(3,146)	(882)	-	-	-	(7,849)
Additions	-	-	-	-	-	-	-
Amortization	-	(1,019)	(61)	-	-	-	(1,080)
Other increases (decreases)	-	(3,227)	16	-	-	-	(3,211)
Final balance	(3,821)	(7,392)	(927)	-	-	-	(12,140)

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 13 - Intangible assets and goodwill (continued)

13.2 Disclosures on intangible assets and goodwill, continued

f) Movements in identifiable intangible assets as of September 30, 2014, continued

Movements in identifiable intangible assets, net	Trademarks Net ThUS\$	Software Net ThUS\$	Intellectual property rights, patents and other industrial property rights, service and exploitation right, rights of way, Net ThUS\$	Intellectual property rights, patents and other industrial property rights, service and exploitation right, rights of way, Net ThUS\$	Other intangible assets, Net ThUS\$	Goodwill, Net ThUS\$	Identifiable intangible assets, Net ThUS\$
Opening balance	-	2,196	694	97,392	4,081	38,388	142,751
Additions	-	764	-	-	-	-	764
Amortization	-	(1,019)	(61)	-	-	-	(1,080)
Other increases (decreases)	-	41	(32)	(6)	-	-	3
Final balance	-	1,982	601	97,386	4,081	38,388	142,438

g) Movements in identifiable intangible assets as of December 31, 2013:

Movements in identifiable intangible assets, gross	Trademarks ThUS\$	Software ThUS\$	Intellectual property rights, patents and other industrial property rights,	Intellectual property rights, patents and other industrial property rights,	Other intangible assets ThUS\$	Goodwill ThUS\$	Identifiable intangible assets ThUS\$
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service and exploitation right, rights of way ThUS\$
 service and exploitation right, rights of way ThUS\$

Opening balance	3,821	3,446	5,340	93,996	1,360	38,388	146,351
Additions		1,576	377	3,396	2,721	-	8,070
Other increases (decreases)		320	(4,141)	-	-	-	(3,821)
Final balance	3,821	5,342	1,576	97,392	4,081	38,388	150,600

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Note 13 - Intangible assets and goodwill (continued)

13.2 Disclosures on intangible assets and goodwill, continued

g) Movements in identifiable intangible assets as of December 31, 2013, continued

	Trademarks ThUS\$	Software ThUS\$	Intellectual property rights, patents and other industrial property rights, service and exploitation right, rights of way ThUS\$	Intellectual property rights, patents and other industrial property rights, service and exploitation right, rights of way ThUS\$	Other intangible assets ThUS\$	Goodwill ThUS\$	Identifiable intangible assets ThUS\$
Movements in identifiable intangible assets, accumulated amortization							
Opening balance	(3,821)	(1,796)	(4,962)	-	-	-	(10,579)
Additions		-	-	-	-	-	-
Amortization		(1,019)	(61)				(1,080)
Other increases (decreases)		(331)	4,141				3,810
Final balance	(3,821)	(3,146)	(882)	-	-	-	(7,849)
Movements in identifiable intangible assets, net	Trademarks Net ThUS\$	Software Net ThUS\$	Intellectual property rights, patents and other industrial property rights, service and exploitation right, rights of way ThUS\$	Intellectual property rights, patents and other industrial property rights, service and exploitation right, rights of way ThUS\$	Other intangible assets, Net ThUS\$	Goodwill, Net ThUS\$	Identifiable intangible assets, Net ThUS\$

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			right, rights of way, Net ThUS\$	rights of way, Net ThUS\$			
Opening balance	-	1,650	378	93,996	1,360	38,388	135,772
Additions		1,576	377	3,396	2,721	-	8,070
Amortization		(1,019)	(61)	-	-	-	(1,080)
Other increases (decreases)		(11)	-	-	-	-	(11)
Final balance	-	2,196	694	97,392	4,081	38,388	142,751

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Notes to the Consolidated Financial Statements as of September 30, 2014**Note 14 - Property, plant and equipment**

As of September 30, 2014 and December 31, 2013, the detail of property, plant and equipment is as follows:

14.1 Types of property, plant and equipment

Description of types of property, plant and equipment	9/30/2014 ThUS\$	12/31/2013 ThUS\$
Property, plant and equipment, net		
Land	34,544	33,812
Buildings	207,766	190,529
Machinery	350,496	465,327
Transport equipment	92,084	105,979
Furniture and fixtures	8,536	9,534
Office equipment	6,310	6,062
Constructions in progress	388,746	415,740
Other property, plant and equipment (1)	841,275	827,394
Total	1,929,757	2,054,377

Property, plant and equipment, gross

Land	34,544	33,812
Buildings	379,651	364,695
Machinery	1,139,225	1,179,860
Transport equipment	261,268	263,268
Furniture and fixtures	30,815	27,575
Office equipment	33,956	39,142
Constructions in progress	388,746	415,740
Other property, plant and equipment	1,616,055	1,506,708
Total	3,884,260	3,830,800

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Notes to the Consolidated Financial Statements as of September 30, 2014**Note 14 - Property, plant and equipment (continued)****14.1 Types of property, plant and equipment, continued**

	9/30/2014	12/31/2013
	ThUS\$	ThUS\$
Accumulated depreciation and value impairment of property, plant and equipment, total		
Accumulated depreciation and value impairment of buildings	171,885	174,166
Accumulated depreciation and value impairment of machinery	788,729	714,533
Accumulated depreciation and value impairment of transport equipment	169,184	157,289
Accumulated depreciation and value impairment of furniture and fixtures	22,279	18,041
Accumulated depreciation and value impairment of office equipment	27,646	33,080
Accumulated depreciation and value impairment of other property, plant and equipment	774,780	679,314
Total	1,954,503	1,776,423

(1) The detail of other property, plant and equipment is as follows:

Other property, plant and equipment, net	9/30/2014	12/31/2013
	ThUS\$	ThUS\$
Conveyor belt	53,931	53,783
Tank (TK)	35,897	25,781
Geomembrane / liner	148,896	169,255
Electric facilities	35,775	21,889
Lights	22,526	28,748
Other constructions	62,442	62,390
Piping	24,878	22,499
Pool	163,807	181,844
Well (water)	51,068	39,963
Pipes / HD lines	123,444	101,886
Railroad track	21,786	21,628
Other property, plant and equipment	96,825	97,728
Total	841,275	827,394

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 14 - Property, plant and equipment (continued)

14.2 Reconciliation of changes in property, plant and equipment by type as of September 30, 2014 and December 31, 2013:

Reconciliation entries of changes in property, plant and equipment by type as of September 30, 2014, gross	Land	Buildings	Machinery	Transport equipment	Furniture and fixtures	Office equipment	Constructions in progress	Other property plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	33,812	364,695	1,179,860	263,268	27,575	39,142	415,740	1,506,7
Changes								
Additions	-	72	232	-	71	1,426	91,486	364
Divestitures	-	-	(88)	(85)	(86)	(58)	(1,747)	-
Increase(decrease) in foreign currency exchange	(80)	(2)	(52)	(31)	-	(56)	8	(178)
Reclassification	812	14,886	(40,724)	(1,869)	3,253	(6,454)	(84,021)	114,111
Other increases (decreases) (*)	-	-	(3)	(15)	2	(44)	(32,720)	(4,956)
Total changes	732	14,956	(40,635)	(2,000)	3,240	(5,186)	(26,994)	109,341
Final balance	34,544	379,651	1,139,225	261,268	30,815	33,956	388,746	1,616,0

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Note 14 - Property, plant and equipment (continued)

14.2 Reconciliation of changes in property, plant and equipment by type as of September 30, 2014 and December 31, 2013:

Reconciliation entries of changes in property, plant and equipment by type as of September 30, 2014, Accumulated depreciation	Land	Buildings	Machinery	Transport equipment	Furniture and fixtures	Office equipment	Constructions in progress	Other property, plant and equipment	Property plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	-	(174,166)	(714,533)	(157,289)	(18,041)	(33,080)	-	(679,314)	(1,776,000)
Changes									
Additions	-	-	-	-	-	-	-	-	-
Divestitures	-	-	10	55	16	131	-	-	212
Depreciation expense	-	(13,095)	(70,576)	(18,877)	(1,984)	(1,571)	-	(75,471)	(181,504)
Increase(decrease) in foreign currency exchange	-	1	37	16	-	23	-	19	96
Reclassification	-	15,375	(3,666)	6,899	(2,269)	6,815	-	(23,154)	-
Other increases (decreases) (*)	-	-	(1)	12	(1)	36	-	3,140	3,186
Total changes	-	2,281	(74,196)	(11,895)	(4,238)	5,434	-	(95,466)	(178,000)
Final balance	-	(171,885)	(788,729)	(169,184)	(22,279)	(27,646)	-	(774,780)	(1,954,000)

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 14 - Property, plant and equipment (continued)

14.2 Reconciliation of changes in property, plant and equipment by type as of September 30, 2014 and December 31, 2013:

Reconciliation entries of changes in property, plant and equipment by type as of September 30, 2014, net	Land	Buildings, net	Machinery, net	Transport equipment, net	Furniture and fixtures, net	Office equipment, net	Construction in progress	Other property, plant and equipment, net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	33,812	190,529	465,327	105,979	9,534	6,062	415,740	827,394
Changes								
Additions	-	72	232	-	71	1,426	91,486	364
Divestitures	-	-	(78)	(30)	(70)	73	(1,747)	-
Depreciation expense	-	(13,095)	(70,576)	(18,877)	(1,984)	(1,571)	-	(75,471)
Increase(decrease) in foreign currency exchange	(80)	(1)	(15)	(15)	-	(33)	8	(159)
Reclassification	812	30,261	(44,390)	5,030	984	361	(84,021)	90,963
Other increases (decreases) (*)	-	-	(4)	(3)	1	(8)	(32,720)	(1,816)
Total changes	732	17,237	(114,831)	(13,895)	(998)	248	(26,994)	13,881
Final balance	34,544	207,766	350,496	92,084	8,536	6,310	388,746	841,275

(*) The net balance of Other increases (decreases) corresponds to: 1) investment plan expenses which are expensed to profit or loss (forming part of cost of sales and other expenses per function, as appropriate), 2) the variation representing the purchase and use of materials and spare parts and 3) projects corresponding mainly to exploration expenditures and stain development.

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 14 - Property, plant and equipment (continued)

14.2 Reconciliation of changes in property, plant and equipment by type as of September 30, 2014 and December 31, 2013, continued:

Reconciliation entries of changes in property, plant and equipment by type as of December 31, 2013, gross	Land	Buildings	Machinery	Transport equipment	Furniture and fixtures	Office equipment	Constructions in progress	Other property plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	33,320	329,397	1,065,641	224,462	22,665	36,215	423,184	1,336
Changes								
Additions	778	47	2,100	3	60	835	416,471	3,327
Divestitures	-	(38)	(521)	(35)	-	(2)	(5,045)	(24)
Increase(decrease) in foreign currency exchange	(36)	(8)	(39)	(24)	-	(43)	-	(98)
Reclassification	-	35,700	115,281	38,847	4,874	2,154	(366,516)	169,6
Other increases (decreases) (*)	(250)	(403)	(2,602)	15	(24)	(17)	(52,354)	(3,14
Total changes	492	35,298	114,219	38,806	4,910	2,927	(7,444)	169,7
Final balance	33,812	364,695	1,179,860	263,268	27,575	39,142	415,740	1,506

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 14 - Property, plant and equipment (continued)

14.2 Reconciliation of changes in property, plant and equipment by type as of September 30, 2014 and December 31, 2013, continued:

Reconciliation entries of changes in property, plant and equipment by type as of December 31, 2013, Accumulated depreciation	Land	Buildings	Machinery	Transport equipment	Furniture and fixtures	Office equipment	Constructions in progress	Other, property, plant and equipment	Property plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	-	(159,666)	(627,310)	(135,508)	(15,929)	(30,966)	-	(589,947)	(1,559,426)
Changes									
Additions	-	-	-	-	-	10	-	-	10
Divestitures	-	24	472	-	-	2	-	-	498
Depreciation expense	-	(14,520)	(87,989)	(21,787)	(2,112)	(2,055)	-	(88,358)	(216,821)
Increase(decrease) in foreign currency exchange	-	(4)	27	9	-	7	-	12	51
Reclassification	-	-	-	(2)	-	2	-	-	-
Other increases (decreases) (*)	-	-	267	(1)	-	(80)	-	(1,021)	(835)
Total changes	-	(14,500)	(87,223)	(21,781)	(2,112)	(2,114)	-	(89,367)	(217,097)
Final balance	-	(174,166)	(714,533)	(157,289)	(18,041)	(33,080)	-	(679,314)	(1,776,523)

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 14 - Property, plant and equipment (continued)

14.2 Reconciliation of changes in property, plant and equipment by type as of September 30, 2014 and December 31, 2013, continued:

Reconciliation entries of changes in property, plant and equipment by type as of December 31, 2013, net	Land	Buildings, net	Machinery, net	Transport equipment, net	Furniture and fixtures, net	Office equipment, net	Constructions in progress	Other property, plant and equipment, net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	33,320	169,731	438,331	88,954	6,736	5,249	423,184	747,044
Changes								
Additions	778	47	2,100	3	60	845	416,471	3,327
Divestitures	—	(14)	(49)	(35)	—	—	(5,045)	(24)
Depreciation expense	—	(14,520)	(87,989)	(21,787)	(2,112)	(2,055)	—	(88,358)
Increase(decrease) in foreign currency exchange	(36)	(12)	(12)	(15)	—	(36)	—	(86)
Reclassification	—	35,700	115,281	38,845	4,874	2,156	(366,516)	169,660
Other increases (decreases) (*)	(250)	(403)	(2,335)	14	(24)	(97)	(52,354)	(4,169)
Total changes	492	20,798	26,996	17,025	2,798	813	(7,444)	80,350
Final balance	33,812	190,529	465,327	105,979	9,534	6,062	415,740	827,394

(*) The net balance of Other increases (decreases) corresponds to: 1) investment plan expenses which are expensed to profit or loss (forming part of cost of sales and other expenses per function, as appropriate), 2) the variation representing the purchase and use of materials and spare parts and 3) projects corresponding mainly to exploration expenditures and stain development.

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 14 - Property, plant and equipment (continued)

14.3 Detail of property, plant and equipment pledged as guarantee

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

14.4 Additional information

Interest capitalized in construction-in-progress:

The amount capitalized for this concept amounted to ThUS\$6,324 as of September 30, 2014 and ThUS\$ 17,232 as of December 31, 2013.

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

14.5 Impairment of assets

As stated in Note 3.28, the recoverable amount of property, plant and equipment is measured whenever there is an indication that the asset may be impaired. As of December 31, 2013, certain assets have suffered impairment for which a provision has been recognized for an amount of ThUS\$10,085. As of September 30, 2014, no impairment adjustments were generated.

14.6 Reclassifications

For comparative purposes, the Company reclassified the balances in the caption land in property, plant and equipment to intangible assets of ThUS\$ 75,740, related to mining concessions that SQM has acquired from third parties, which have been recognized at acquisition cost and are amortized as the related sector is operated on the basis of the estimated tons that will be extracted.

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Notes to the Consolidated Financial Statements as of September 30, 2014**Note 15 - Employee benefits****15.1****Provisions for employee benefits**

Classes of benefits and expenses by employee	9/30/2014	12/31/2013
	ThUS\$	ThUS\$
Current		
Profit sharing and bonuses	20,704	25,236
Total	20,704	25,236
Non-current		
Profit sharing and bonuses	830	277
Severance indemnity payments	29,611	32,137
Total	30,441	32,414

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 15 Employee benefits (continued)

15.2

Policies on defined benefit plan

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

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

The Company only provides compensation and benefits to active employees, with the exemption of SQM North America which applies the definitions under 15.4 below.

SQM maintains incentive programs for its employees based on the personal performance, the Company's performance and other short-term, mid-term and long-term indicators.

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

Employee benefits include retention bonuses for the Company's executives, which are linked to the Company's share price and it is paid in cash. The short-term portion is presented as provision for current employee benefits and the long-term portion as non-current.

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

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

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

Law No. 19,728 published on May 14, 2001 which became effective on October 1, 2002 required “Compulsory Unemployment Insurance” in favor of all depending employees regulated by the Chilean Labor Code. Article 5 of this law provided the financing of this insurance through monthly contribution payments by both the employee and the employer.

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Notes to the Consolidated Financial Statements as of September 30, 2014**Note 15 - Employee benefits (continued)****15.3****Other long-term benefits**

The other long-term benefits relate to staff severance indemnities and are recorded at their actuarial value.

	9/30/2014	12/31/2013
	ThUS\$	ThUS\$
Staff severance indemnities at actuarial value		
Staff severance indemnities, Chile	28,958	31,470
Other obligations in companies elsewhere	653	667
Total other non-current liabilities	29,611	32,137

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

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

Benefit payment conditions

The staff severance indemnity benefit relates to remuneration days for year worked for the Company with no limit of salary or years of services for the Company, when employees cease to work for the Company due to turnover or death. In this case, the maximum age for men is 65 years and 60 years old for women, which are the usual ages for retirement due to achieving the senior citizen age according to the Chilean pensions system provided in Decree Law 3.500 of 1980.

Methodology

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

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

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 15 - Employee benefits (continued)

15.3 Other long-term benefits, continued

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

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

15.4 Post-employment benefit obligations

Our subsidiary SQM North America, has established with its employees a pension plan until 2002 called "SQM North America Retirement Income Plan", which obligation is calculated measuring the expected future forecasted staff severance indemnity obligation using a net salary gradual rate of restatements for inflation, mortality and turnover assumptions discounting the resulting amounts at present value using the interest rate defined by the authorities.

Since 2003, SQM North America offers to its employees benefits related to pension plans based on the 401-K system, which do not generate obligations for the Company.

15.5 Staff severance indemnities

As of September 30, 2014 and December 31, 2013, severance indemnities calculated at the actuarial value are as follows:

2014	2013
ThUS\$	ThUS\$

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Opening balance	(32,137)	(34,431)
Current cost of service	(1,446)	(107)
Interest cost	(1,539)	(2,248)
Actuarial gain/loss	1,019	(127)
Exchange rate difference	3,870	2,946
Benefits paid during the year	622	1,830
Balance	(29,611)	(32,137)

SQM S.A.

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Notes to the Consolidated Financial Statements as of September 30, 2014**Note 15 - Employee benefits (continued)****15.5****Staff severance indemnities, continued**

The liability recorded for staff severance indemnity is valued at the actuarial value method, using the following actuarial assumptions:

	9/30/2014		12/31/2013		
Mortality rate	RV - 2009		RV - 2009		
Actual annual interest rate	6	%	6	%	
Voluntary retirement rotation rate:					
Men	1.71	%	0.9	%	annual
Women	1.96	%	1.53	%	annual
Salary increase	3.0	%	3.0	%	annual
Retirement age:					
Men	65		65		years
Women	60		60		years

Note 16 - Executive compensation plan

The Company has established two compensation plans to motivate the Company's executives and encourage them to stay in the Company, by granting payments based on the change in price of SQM's shares.

1)

Shares

Liquidated in cash, executives are able to exercise their rights until 2016.

Characteristics of the plan

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

Participants in this plan

This compensation plan includes 10 executives of the Company, who are entitled to this benefit, provided they stay with the Company during the dates these options are executed. The dates for exercising the options will be the first 7 calendar days of May following to the fiscal year.

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Notes to the Consolidated Financial Statements as of September 30, 2014

Note 16 - Executive compensation plan (continued)

Compensation

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

The movement of the options in effect for the period, the average prices for the fiscal year of the options and the average contractual life of the options in effect as of September 30, 2014 and December 31, 2013 are the following:

Movement for the period	2014	2013
In effect as of January 1	1,536,000	2,200,500
Granted during the fiscal year		