

CHEMICAL & MINING CO OF CHILE INC
Form 6-K
April 01, 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 April 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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Las Condes, Santiago, Chile
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Santiago, Chile, April 1, 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 year ended December 31, 2014.

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CONSOLIDATED FINANCIAL STATEMENTS

For the year ended

December 31, 2014

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

In Thousands of United States Dollars

This document includes:

- Report of Independent Register Public Accounting Firm
- Consolidated Classified Statements of Financial Position
- Consolidated Statements of Income by Function
- Consolidated Statements of Comprehensive Income
- Consolidated Statements of Cash Flows
- Consolidated 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 December 31, 2014 ThUS\$	As of December 31, 2013 ThUS\$
Current assets			
Cash and cash equivalents	7.1	354,566	476,622
Other current financial assets	10.1	670,602	460,173
Other current non-financial assets	25	43,736	44,230
Trade and other receivables, current	10.2	340,830	330,992
Trade receivables due from related parties, current	9.5	134,506	128,026
Current inventories	8	919,603	955,530
Current tax assets	28.1	47,975	59,476
Total current assets		2,511,818	2,455,049
Non-current assets			
Other non-current financial assets	10.1	427	95
Other non-current non-financial assets	25	32,171	36,505
Trade receivables, non-current	10.2	2,044	1,282
Investments in associates	11.1	49,723	51,075
Investments in joint ventures	12.3	26,055	25,943
Intangible assets other than goodwill	13.1	114,735	104,363
Goodwill	13.1	38,388	38,388
Property, plant and equipment	14.1	1,887,954	2,054,377
Deferred tax assets	28.4	340	531
Total non-current assets		2,151,837	2,312,559
Total assets		4,663,655	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 December 31, 2014 ThUS\$	As of December 31, 2013 ThUS\$
Liabilities			
Current liabilities			
Other current financial liabilities	10.4	213,172	401,426
Trade and other payables, current	10.5	145,160	150,960
Trade payables due to related parties, current	9.6	231	-
Other current provisions	18.1	27,747	17,953
Current tax liabilities	28.2	28,983	31,707
Provisions for employee benefits, current	15.1	18,384	25,236
Other current non-financial liabilities	18.3	90,010	95,353
Total current liabilities		523,687	722,635
Non-current liabilities			
Other non-current financial liabilities	10.4	1,574,225	1,417,390
Other non-current provisions	18.1	8,890	8,633
Deferred tax liabilities	28.4	223,349	154,295
Provisions for employee benefits, non-current	15.1	33,801	32,414
Total non-current liabilities		1,840,265	1,612,732
Total liabilities		2,363,952	2,335,367
Equity			
	17		
Share capital		477,386	477,386
Retained earnings		1,775,612	1,909,725
Other reserves		(13,162	) (10,491)
Equity attributable to owners of the Parent		2,239,836	2,376,620
Non-controlling interests		59,867	55,621
Total equity		2,299,703	2,432,241
Total liabilities and equity		4,663,655	4,767,608

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**Consolidated Statements of Income by Function**

		January to December	
	Note	2014	2013
		ThUS\$	ThUS\$
Revenue	20	2,014,214	2,203,140
Cost of sales	27.2	(1,431,242)	(1,481,690)
Gross profit		582,972	721,450
Other income	27.3	24,055	96,716
Administrative expenses	27.4	(96,532)	(105,189)
Other expenses by function	27.5	(57,107)	(49,397)
Other gains (losses)	27.6	4,424	(11,391)
Profit (loss) from operating activities		457,812	652,189
Finance income		16,142	12,696
Finance costs	22	(63,373)	(58,608)
Share of profit of associates and joint ventures accounted for using the equity method		18,116	18,786
Foreign currency translation differences	23	(16,545)	(11,954)
Profit (loss) before taxes		412,152	613,109
Income tax expense, continuing operations	28.4	(108,382)	(138,539)
Profit (loss) from continuing operations		303,770	474,570
Profit for the year		303,770	474,570
Profit attributable to			
Owners of the Parent		296,381	467,113
Non-controlling interests		7,389	7,457
Profit for the year		303,770	474,570

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**Consolidated Statements of Income by Function (continued)**

		January to December	
	Note	2014	2013
		US\$	US\$
Earnings per share			
Common shares			
Basic earnings per share (US\$ per share)	21	1.1261	1.7748
Basic earnings per share (US\$ per share) from continuing operations		1.1261	1.7748
Diluted common shares			
Diluted earnings per share (US\$ per share)	21	1.1261	1.7748
Diluted earnings per share (US\$ per share) from continuing operations		1.1261	1.7748

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**Consolidated Statements of Comprehensive Income**

	January to December	
	2014	2013
	ThUS\$	ThUS\$
Consolidated Statements of comprehensive income		
Profit for the year	303,770	474,570
Components of other comprehensive income before taxes and foreign currency translation differences		
Gain (loss) from foreign currency translation differences, before taxes	(4,016)	(3,559)
Other comprehensive income before taxes and foreign currency translation differences	(4,016)	(3,559)
Cash flow hedges		
(Gain) loss from cash flow hedges before taxes	2,196	15,779
Other comprehensive income before taxes and cash flow hedges	2,196	15,779
Other comprehensive income before taxes and actuarial gains (losses) from defined benefit plans	(672)	1,012
Other miscellaneous reserves	-	-
Other components of other comprehensive income before taxes	(2,492)	13,231
Income taxes associated with components of other comprehensive income		
Income taxes associated with cash flow hedges in other comprehensive income	(311)	(3,023)
Income taxes associated with components of other comprehensive income	(311)	(3,023)
Other comprehensive income	(2,803)	10,209
Total comprehensive income	300,967	484,779
Comprehensive income attributable to		
Owners of the Parent	293,710	477,394
Non-controlling interests	7,257	7,385
Total comprehensive income	300,967	484,779

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**Consolidated Statements of Cash Flows**

Consolidated statements of cash flows	January to December	
	Note 2014 ThUS\$	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	1,944,072	2,392,696
Types of payments		
Cash payments to suppliers for the provision of goods and services	(1,179,413)	(1,496,053)
Cash payments to and on behalf of employees	(42,218)	(48,033)
Other payments related to operating activities	(9,770)	(24,774)
Dividends received	11,817	16,423
Interest paid	(83,592)	(87,018)
Interest received	16,142	12,696
Reimbursed (paid) income taxes	(76,810)	(119,107)
Other incomes (outflows) of cash	10,816	4,883
Net cash generated from (used in) operating activities	591,044	651,713
Cash flows from (used in) investing activities		
Cash receipts from the loss of control of subsidiaries and other businesses	5,000	-
Other cash payments made to acquire interest in joint ventures	4,223	(69)
Proceeds from the sale of property, plant and equipment	156	216
Proceeds from sales of intangible assets	15,431	86,157
Acquisition of intangible assets	-	-
Acquisition of property, plant and equipment	(112,143)	(386,495)
Cash advances and loans granted to third parties	(2,470)	528
Other incomes (outflows) of cash (*)	(221,561)	(187,722)
Net cash generated from (used in) investing activities	(311,364)	(487,385)

(*) 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)**

	January to December	
Note	2014	2013
	ThUS\$	ThUS\$
Cash flows from (used in) financing activities		
Proceeds from long-term borrowings	250,000	300,000
Proceeds from short-term borrowings	180,000	160,000
Total proceeds from borrowings	430,000	460,000
Repayment of borrowings	(230,000)	(176,485)
Dividends paid	(379,044)	(279,668)
Other cash receipts (payments)	(208,991)	(6,132)
Net cash generated from (used in) financing activities	(388,035)	(2,285)
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate	(108,355)	162,043
Effects of exchange rate fluctuations on cash held	(13,701)	(9,774)
Net (decrease) increase in cash and cash equivalents	(122,056)	152,269
Cash and cash equivalents at beginning of period	476,622	324,353
Cash and cash equivalents at end of period	354,566	476,622

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Consolidated Statements of Changes in Equity

2014	Share capital	Foreign currency translation differences 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	-	-	-	-	-	-	296,381	296,381	7,389	303,770
Other comprehensive income	-	(3,884)	1,885	(672)	-	(2,671)	-	(2,671)	(132)	(2,803)
Comprehensive income	-	(3,884)	1,885	(672)	-	(2,671)	296,381	293,710	7,257	300,967
Dividends	-	-	-	-	-	-	(378,190)	(378,190)	(5,280)	(383,470)
Increase (decrease) in transfers and other changes (*)	-	-	-	-	-	-	(52,304)	(52,304)	-	(52,304)
Increase (decrease) due to changes in interests in subsidiaries	-	-	-	-	-	-	-	-	2,269	2,269
Increase (decrease) in equity	-	(3,884)	1,885	(672)	-	(2,671)	(134,113)	(136,784)	4,246	(132,538)
Equity as of December 31, 2014	477,386	(7,701)	(1,881)	(1,903)	(1,677)	(13,162)	1,775,612	2,239,836	59,867	2,299,703

(*) Mainly corresponds to the effect of tax rate (see note 28).

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 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	-	-	-	-	-	-	467,113	467,113	7,457	474,570
Other comprehensive income	-	(3,487)	12,756	1,012	-	10,281	-	10,281	(72)	10,209
Comprehensive income	-	(3,487)	12,756	1,012	-	10,281	467,113	477,394	7,385	484,779
Dividends	-	-	-	-	-	-	(233,557)	(233,557)	(6,427)	(239,984)
Increase (decrease) in transfers and other changes (*)	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in equity	-	(3,487)	12,756	1,012	-	10,281	233,556	243,837	958	244,795
Equity as of December 31, 2013	477,386	(3,817)	(3,766)	(1,231)	(1,677)	(10,491)	1,909,725	2,376,620	55,621	2,432,241

(*) Mainly corresponds to the effect of tax rate (see note 28).

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

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Notes to the Consolidated Financial Statements as of December 31, 2014

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, 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 December 31, 2014

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 blends. 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 especially potassium nitrate have had a leading role given the contribution they make to develop crops, thereby ensuring longer post-harvest crop duration, in addition to improving fruit quality, flavor and color. Potassium nitrate, which is sold in multiple formats and as a part of other specialty blends, is complemented by sodium nitrate, potassium sodium nitrate, and more than 200 fertilizer blends.

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 December 31, 2014

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 has operated in this market for 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 such as Spain and the United States, which seek to decrease their CO₂ emissions.

Potassium: Potassium is one of the three macronutrients that a plant needs to develop. Although potassium does not form part of a plant's structure, it is essential to the development of its basic functions, validating the quality of a crop, increasing post-crop life, improving the crop's flavor, vitamin content and physical appearance. Within this business line, SQM sells potassium chloride and potassium sulfate, both extracted from the Salar de Atacama.

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

1.5 Other background

Staff

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

	12/31/2014	12/31/2013
Permanent staff	4,800	4,792

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Notes to the Consolidated Financial Statements as of December 31, 2014

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 December 31, 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 December 31, 2014	No. of Series A shares owned	% of Series A shares	No. of Series B shares owned	% of Series B shares	% of total shares
The Bank of New York Mellon, ADRs	-	-	61,894,725	51.42 %	23,52 %
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 de Chile on behalf of non-resident third parties	-	-	5,795,818	4.81 %	2,20 %
Banco Itau on behalf of investors	20,950	0.01 %	5,412,076	4.50 %	2,06 %
Inversiones La Esperanza Limitada	3,711,598	2.60 %	-	-	1,41 %

(*) Total Pampa Group 29.94%

Shareholder as of December 31, 2013	No. of Series A shares owned	% of Series A shares	No. of Series B shares owned	% of Series B shares	% of total shares
The Bank of New York Mellon, ADRs	-	-	56,302,367	46.77 %	21.39 %
Sociedad de Inversiones Pampa Calichera S.A.(*)	44,758,830	31.34 %	6,971,799	5.79 %	19.65 %
Inversiones El Boldo Limitada	29,225,196	20.46 %	18,028,676	14.98 %	17.95 %
Inversiones RAC Chile Limitada	19,200,242	13.44 %	2,202,773	1.83 %	8.13 %
Potasios de Chile S.A.(*)	18,179,147	12.73 %	-	-	6.91 %
BTG Pactual Chile S.A. C de B	15,593,709	10.92 %	797,393	0.66 %	6.23 %

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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 December 31, 2014 the total number of shareholders was 1,285.

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Notes to the Consolidated Financial Statements as of December 31, 2014

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 years ended December 31, 2014 and December 31, 2013.

-Consolidated Statements of Changes in Equity for the years ended December 31, 2014 and 2013.

-Consolidated Statements of Comprehensive Income for the periods between January and December 31, 2014 and 2013.

-Statements of Direct-Method Cash Flows for the years ended December 31, 2014 and 2013.

2.2 Financial statements

The consolidated financial statements of Sociedad Química y Minera de Chile S.A. and Subsidiaries, have been prepared in accordance with International Financial Reporting Standards (hereinafter “IFRS”) and represent the 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.

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Notes to the Consolidated Financial Statements as of December 31, 2014

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

2.3 Basis of measurement

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

- Inventories are recorded at the lower of cost and net realizable value.
- Other current and non-current asset and financial liabilities at amortized cost.
- Financial derivatives at fair value; and
- Staff severance indemnities and pension commitments at actuarial value.

2.4 Accounting pronouncements

New accounting pronouncements

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

Standards and interpretations

Mandatory for annual periods beginning on

IFRIC 21 “Levies”-Issued in May 2013. 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. Early adoption is permitted. 01/01/2014

Amendments

Mandatory for annual periods beginning on

Amendment to IAS 32 “Financial Instruments: Presentation”- On the offsetting of financial assets and financial liabilities. Issued in December 2011. It clarifies the requirements for the offsetting of financial assets and financial liabilities in the Statement of financial position. Early adoption is permitted. 01/01/2014

Amendment to IAS 27 “Separate Financial Statements”, IFRS 10 “Consolidated Financial Statements” and IFRS 12 “Disclosure of Interests in Other Entities”-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 IAS 36 “Impairment of assets”- Issued in May 2013. It amends the disclosure of the recoverable amount of non-financial assets aligning them to the requirements of IFRS 13. Early adoption is permitted. 01/01/2014

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Notes to the Consolidated Financial Statements as of December 31, 2014

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

2.4 Accounting pronouncements, continued

Amendments	Mandatory for annual periods beginning on
<p>Amendment to IAS 39 “Financial Instruments: Recognition and Measurement” – 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. Early adoption is permitted.</p>	01/01/2014

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

b) New amendments, 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
<p>IFRS 9 “Financial Instruments”- 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.</p>	01/01/2018
<p>IFRS 15 “Revenue from Contracts with Customers”-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.</p>	01/01/2017

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 2 - Basis of presentation for the consolidated financial statements (continued)**2.4 Accounting pronouncements, continued**

Amendments and improvements	Mandatory for annual periods beginning on
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.	01/07/2014
Amendment to 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.	01/01/2016
Amendment to 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.	01/01/2016
Amendments to 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.	01/01/2016
Amendments to 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	01/01/2016

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 2 Basis of presentation of the consolidated financial statements (continued)**2.4 Accounting pronouncements, continued**

Amendments and improvements	Mandatory for annual periods beginning on
<p>Amendment to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Issued in December 2014. The amendment clarifies the application of the exception from consolidation for investment entities and its subsidiaries. The amendment to IFRS 10 clarifies on the exception on consolidation available for entities in group structures that include investment entities. The amendment to IAS 28 allows an entity that is not an investment entity, but has an interest in an associated or joint venture that is an investment entity, an option of accounting policy in the application of the equity method. The entity may opt for maintaining measurement at fair value applied by the associate or joint venture that is an investment entity or, consolidating at investment entity level (associate or joint venture). Early adoption is permitted.</p>	01/01/2016
<p>Amendment to IAS 1 “Presentation of Financial Statements”- Issued in December 2014. This amendment clarifies the application guidance of IAS 1 on materiality and aggregation, presentation of subtotals, structure of the financial statements and disclosure of accounting policies. The amendments are part of the IASB’s Initiative on Disclosures. Early adoption is permitted.</p>	01/01/2016
<p><i>Improvements to Information Financial Reporting Standards (2012)</i> Issued in December 2013</p>	Mandatory for annual periods beginning on
<p>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. Early adoption is permitted.</p>	07/01/2014
<p>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. Early adoption is permitted provided that amendments to IFRS 9 and IAS 37 also issued as part of the 2012 improvements plan are also applied.</p>	

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Notes to the Consolidated Financial Statements as of December 31, 2014

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

2.4 Accounting pronouncements, continued

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

**Mandatory for annual
periods beginning on**

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. Early adoption is permitted.

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.

07/01/2014

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. Early adoption is permitted.

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”). Early adoption is permitted.

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

**Mandatory for
annual periods
beginning on**

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.

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Notes to the Consolidated Financial Statements as of December 31, 2014

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

**Mandatory for annual
periods beginning on**

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.

01/01/2016

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.

The Company's management believes 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 December 31, 2014

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

2.5 Basis of consolidation

(a) Subsidiaries

Subsidiaries include all the entities over which Sociedad Química y Minera de Chile S.A. has control, defined as 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 acquisitions, 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 acquiree either at fair value or as proportional share of net identifiable assets of the acquiree.

Companies included in consolidation:

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

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Foreign	SQM France S.A.	France	US\$	0.0000	100.0000
Foreign	SQM Japan Co. Ltd.	Japan	US\$	1.0000	99.0000
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	US\$	1.6700	98.3300
Foreign	SQM Oceania Pty Limited	Australia	US\$	0.0000	100.0000
Foreign	Rs Agro-Chemical Trading Corporation A.V.V.	Aruba	US\$	98.3333	1.6667
Foreign	SQM Indonesia S.A.	Indonesia	US\$	0.0000	80.0000
Foreign	SQM Virginia L.L.C.	USA	US\$	0.0000	100.0000
Foreign	SQM Italia SRL	Italy	US\$	0.0000	100.0000
Foreign	Comercial Caimán Internacional S.A.	Panama	US\$	0.0000	100.0000
Foreign	SQM Africa Pty.	South Africa	US\$	0.0000	100.0000
Foreign	SQM Lithium Specialties LLC	USA	US\$	0.0000	100.0000
Foreign	SQM Iberian S.A.	Spain	US\$	0.0000	100.0000
Foreign	SQM Agro India Pvt.Ltd.	India	US\$	0.0000	100.0000
Foreign	SQM Beijing Commercial Co. Ltd.	China	US\$	0.0000	100.0000
Foreign	SQM Thailand Limited	Thailand	US\$	0.0000	99.996

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 2 Basis of presentation for the consolidated financial statements (continued)**2.5 Basis of consolidation, continued**

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

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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 Standards Board (IASB), have been applied in full (with the exception of SVS Bulletin No. 856).

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 and 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 December 31, 2014

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 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 the U.S. dollar.

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

3.3 Foreign currency translation

(a) Domestic entities:

Assets and liabilities denominated in Chilean pesos and other currencies other than the functional currency (U.S. dollar) as of December 31, 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\$606.75 per US\$1.00 as of December 31, 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 December 31, 2014 amounted to Ch\$24,627.1 (US\$40.59), 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 December 31, 2014

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 the acquisition date.

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

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

	12/31/2014	12/31/2013
	US\$	US\$
Brazilian real	2.65	2.34
New Peruvian sol	2.97	2.75
Argentine peso	8.45	6.48
Japanese yen	120.55	105.39
Euro	0.82	0.73
Mexican peso	14.74	13.07
Australian dollar	0.82	1.12
Pound Sterling	0.64	0.61
South African rand	11.55	10.56
Ecuadorian dollar	1.00	1.00
Chilean peso	606.75	524.61
UF	40.59	44.43

(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.

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 3 Significant accounting policies (continued)

3.3 Foreign currency translation, continued

Non-monetary assets and liabilities that are measured at 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 on which the fair value is determined.

(d) Group entities

The revenue, 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 gain or loss from the sale.

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. They are subject to insignificant risk of changes in their value and mature in less than three months from the date of acquisition of the instrument.

For 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.

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 3 Significant accounting policies (continued)

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.

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. By doing so, this eliminates and/or significantly reduces measurement or recognition inconsistency that would otherwise have arisen from the measurement of assets or liabilities or from the recognition of 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 of realizing the asset and settling the liability simultaneously.

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 3 Significant accounting policies (continued)

3.10 Reclassification of financial instruments

At the time when the Company changes its business model for managing financial assets, it will reclassify the financial assets affected by the new business model.

For financial liabilities these could not be reclassified.

3.11 Derivative and hedging financial instruments

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

(a) Fair value hedge of assets and liabilities recognized (fair value hedges);

(b) Hedging of a single risk associated with an asset or liability recognized or a highly possible foreseen transaction (cash flow hedge).

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

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

The fair value of derivative instruments used for hedging purposes is shown in Note 10.3 (hedging assets and liabilities). Changes in the cash flow hedge reserve are classified as a non-current asset or liability if the remaining expiration period of the hedged item is 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 December 31, 2014

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, or 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.

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 its legally extinguished entity the primary responsibility for the liability.

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 3 Significant accounting policies (continued)

3.13 Derivative financial instruments

The Company maintains derivative financial instruments to hedge its exposure to foreign currencies. 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 December 31, 2014 and 2013, there are no embedded derivatives.

3.14 Fair value measurements

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

3.15 Leases

(a) Lease - Finance lease

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

Each lease payment is distributed between the liability and the interest expenses to obtain ongoing interest on the pending balance of 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.

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 3 Significant accounting policies (continued)

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, of 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.

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 the direct cost of materials and, when 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 a situation arises whereby the circumstances, which previously caused the rebate to cease to exist, or when there is clear evidence of an increase in the net realizable value due to a change in the economic circumstances or prices of main raw materials, the estimate made previously is modified.

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 3 Significant accounting policies (continued)

3.18 Inventory measurement, continued

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 and humidity, among others).

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

3.19 Investments in associates and joint ventures

Interests in companies 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, and considering the proportional share in the equity of the associate. For such purposes, the interest percentage in the ownership of the associate is used. 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, 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 December 31, 2014

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 with regard to terms and market prices. Also, these transactions have been eliminated in consolidation. Expiration conditions for each case vary by virtue of the originating transaction.

3.22 Property, plant and equipment

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

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

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

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 3 Significant accounting policies (continued)

3.22 Property, plant and equipment, continued

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.

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

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Motor vehicles	5	10
Other property, plant and equipment	2	30

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 3 Significant accounting policies (continued)

3.24 Goodwill

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 the acquisition of subsidiaries is included in goodwill, which is subject to impairment tests every time consolidated financial statements are issued, and is stated at cost less accumulated impairment losses. Gains and losses related to the sale of an entity include the carrying value of goodwill related to the entity sold.

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

3.25 Intangible assets other than goodwill

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

(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 will probably generate economic benefits that are higher than costs during more than a year, are recognized as intangible assets. Direct costs include expenses incurred for employees who develop IT programs and an adequate percentage of general expenses.

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

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Note 3 Significant accounting policies (continued)

3.25 Intangible assets other than goodwill, continued

(d) Mining property and concession rights

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 December 31, 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
- 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.

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).

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Note 3 Significant accounting policies (continued)

3.27 Prospecting expenses, continued

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 a 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”.

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.

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 3 Significant accounting policies (continued)

3.28 Impairment of non-financial assets, continued

For assets other than acquired goodwill, an annual evaluation is conducted of whether there are impairment loss indicators recognized previously that might have already decreased or ceased to exist. The recoverable amount is estimated if such indicators exist. An impairment loss previously recognized is reversed only if there have been changes in estimates used to determine the asset's recoverable amount from the last time in which an impairment loss was recognized. If this is the case, the carrying value of the asset is increased to its recoverable amount. This increased amount cannot exceed the carrying value that would have been determined net of depreciation if an asset impairment loss would have not been recognized in prior years. This reversal is recognized with a credit to profit or loss unless an asset is recorded at the revalued amount. Should this be the case, the reversal is treated as an increase in revaluation.

3.29 Minimum dividend

As required by the Shareholders' Corporations Act, unless decided otherwise by 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, 2014, 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.

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 3 Significant accounting policies (continued)

3.32 Interest-bearing borrowings

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

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

3.33 Other provisions

Provisions are recognized when:

- The Company has a present obligation as the result of a past event.
- It is more likely than not that 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 tax 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 December 31, 2014

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 the revised IAS 19.

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 5.5% for the periods ended December 31, 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.

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 Standards 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 16).

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 3 Significant accounting policies (continued)

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

The sale of goods is 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, when the acceptance period has ended, or when there is objective evidence that those criteria required for acceptance have been met.

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

(b) Sale 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 on bank borrowing expenses, interest on bonds issued and interest capitalized for borrowing costs for the acquisition, construction or production or qualifying assets.

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

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 3 Significant accounting policies (continued)

3.37 Finance income and finance costs, continued

For finance costs accrued during the construction period that are directly attributable to the acquisition, construction or production of qualifying assets, the effective interest rate related to the project's specific financing is used. If none exist, the average financing rate of the subsidiary that makes the investment is utilized.

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

3.38 Income tax and deferred taxes

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

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

Differences between the book value of assets and liabilities and their tax basis generate 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 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 December 31, 2014

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 December 31, 2014

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 accounts 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 December 31, 2014

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.
- a)
- 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.
- b)
- 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 unstable results.
- c)

As of to-date, the SQM Group incurs an annual expenditure of approximately US\$140 million associated with fuel, gas and equivalents, including approximately US\$54 million related to direct electrical supply consumption. 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.

- d) 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. 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.

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 4 Financial risk management, continued

4.2.2 Doubtful accounts risk

A contraction of the global economy and the potentially adverse effects in the financial position of our customers 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 as well as 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 U.S. 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 U.S. 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 U.S. 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 U.S. 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.

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 December 31, 2014, this amounts to US\$37 million against SQM.

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As of December 31, 2014, the Chilean peso to U.S. dollar exchange rate was Ch\$606.75 per US\$1.00 (Ch\$ 524.61 per US\$ 1.00 as of December 31, 2013).

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 4 Financial risk management, continued

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 current and non-current debts valued at LIBOR, plus a spread. The Company is partially exposed to fluctuations in such rate, as SQM currently holds hedging derivative instruments to hedge a portion of its liabilities subject to the LIBOR rate fluctuations.

As of December 31, 2014, approximately 14% 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 close to US\$ 0.6 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 December 31, 2014, the Company's financial liabilities are mainly concentrated in the long-term and approximately 9% have maturities of less than 12 months, decreasing in the process the exposure to changes in interest rates.

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 December 31, 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.

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Note 4 Financial risk management, continued

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.

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 December 31, 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 December 31, 2014 and December 31, 2013, and statements of the comprehensive income, changes in equity and cash flows for the periods ended December 31, 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 December 31, 2014

Note 6 Background of companies included in consolidation

6.1 Parent's stand-alone assets and liabilities

	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Assets	4,305,107	4,269,749
Liabilities	(2,065,271)	(1,893,129)
Equity	2,239,836	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 December 31, 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 2.10% 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..

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.	1.41
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		2.10

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 6 Background of companies included in consolidation (continued)

6.4 General information on consolidated subsidiaries

As of December 31, 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\$	-	60.6381	60.6381
SQM Potasio S.A.	96.651.060-9	El Trovador 4285 Las Condes	Chile	US\$	99.9999	-	99.9999
Serv. Integrales de Tránsito y Transf. S.A.	79.770.780-5	Arturo Prat 1060, Tocopilla	Chile	US\$	0.0003	99.9997	100.0000
Isapre Norte Grande Ltda.	79.906.120-1	Anibal Pinto 3228, Antofagasta	Chile	Ch\$	1.0000	99.0000	100.0000
Ajay SQM Chile S.A.	96.592.180-K	Av. Pdte. Eduardo Frei 4900, Santiago	Chile	US\$	51.0000	-	51.0000
Almacenes y Depósitos Ltda.	79.876.080-7	El Trovador 4285 Las Condes	Chile	Ch\$	1.0000	99.0000	100.0000
SQM Salar S.A.	79.626.800-K	El Trovador 4285 Las Condes	Chile	US\$	18.1800	81.8200	100.0000
SQM Industrial S.A.	79.947.100-0	El Trovador 4285 Las Condes	Chile	US\$	99.0470	0.9530	100.0000
Exploraciones Mineras S.A. Sociedad	76.425.380-9	Los Militares 4290 Las Condes	Chile	US\$	0.2691	99.7309	100.0000
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

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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\$	51.0000	-	51.0000
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, Curacao	Dutch Antilles	US\$	0.0002	99.9998	100.0000
SQM Peru S.A.	Foreign	Avenida Camino Real N° 348 of. 702, Peru San Isidro, Lima	Peru	US\$	0.9800	99.0200	100.0000
SQM Ecuador S.A.	Foreign	Av. José Orrantia y Marengo Edificio Executive Center Piso 2 Oficina 211 Al. Tocantis 75, 6° Andar, Conunto 608	Ecuador	US\$	0.0040	99.9960	100.0000
SQM Brasil Ltda.	Foreign	Edif. West 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 December 31, 2014

Note 6 Background of companies included in consolidation (continued)**6.4 General information on consolidated subsidiaries, continued**

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	Houtdok-Noordkaai 25a B-2030 Amberes Bélgica	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	Av. Moctezuma 144-4 Ciudad del Sol. CP 45050, Zapopan, Jalisco México	Mexico	US\$	0.0010	99.9900	100.0000
SQM Investment Corporation N.V.	Foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Dutch Antilles	US\$	1.0000	99.0000	100.0000
Royal Seed Trading Corporation A.V.V.	Foreign	Caya Ernesto O. Petronia 17, Oranjestad	Aruba	US\$	1.6700	98.3300	100.0000
SQM Lithium Specialties	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425,	United States	US\$	-	100.0000	100.0000

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LLP Soquimich SRL Argentina Comercial	Foreign	Atlanta, GA 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. Administración y Servicios Santiago S.A. de C.V.	Foreign	ZAC des Pommiers 27930 FAUVILLE Av. Moctezuma 144-4 Ciudad del Sol. CP 45050, Zapopan, Jalisco México	France	US\$	-	100.0000	100.0000
SQM Nitratos México S.A. de C.V.	Foreign	Av. Moctezuma 144-4 Ciudad del Sol. CP 45050, Zapopan, Jalisco México	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, continued**

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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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	
		12/31/2014 ThUS\$	12/31/2013 ThUS\$	12/31/2014 ThUS\$	12/31/2013 ThUS\$	12/31/2014 ThUS\$	12/31/2013 ThUS\$
Proinsa Ltda.	0,1	%	-	-	-	-	-
SQM Potasio S.A.	0,0000001	%	-	-	-	-	-
Ajay SQM Chile S.A.	49	%	(2,595)	(3,389)	8,502	8,806	(2,899) 4,400
SQM Indonesia S.A.	20	%	-	-	1	16	-
Soquimich Comercial S.A.	39,3616784	%	(4,763)	(4,051)	48,757	46,448	(2,381) 2,026
Comercial Agrorama Ltda.	30	%	(30)	(18)	337	351	-
Agrorama S.A.	0,001	%	-	-	-	-	-
Orcoma Estudios SPA	49	%	(1)	-	2,270	-	-
SQM (Thailand) Limited.	0.004	%	-	-	-	-	-
Total			(7,389)	(7,458)	59,867	55,621	(5,280) 6,426

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 6 Background of companies included in consolidation (continued)

6.6 Information on consolidated subsidiaries

12/31/2014

Subsidiary	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss)	
	Current	Non-current	Current	Non-current				
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
SQM Nitratos S.A.	638,071	109,356	679,642	21,285	123,390	(529	) (529)
Proinsa Ltda.	174	1	-	-	-	1	1	
SQMC Internacional Ltda.	229	-	-	-	-	(1	) (1)
SQM Potasio S.A.	167,134	934,783	3,703	20,847	2,379	166,673	167,019	
Serv. Integrales de Tránsito y Transf. S.A.	430,047	82,657	459,844	11,093	48,747	7,008	7,008	
Isapre Norte Grande Ltda.	698	767	702	198	4,577	41	-	
Ajay SQM Chile S.A.	18,198	1,126	1,135	839	57,305	5,296	5,296	
Almacenes y Depósitos Ltda.	311	46	1	-	-	(20	) (30)
SQM Salar S.A.	563,756	938,389	353,808	181,732	771,133	171,406	171,253	
SQM Industrial S.A.	1,183,420	803,100	987,048	92,923	719,384	73,289	69,116	
Exploraciones Mineras S.A.	478	31,713	5,160	-	-	(219	) (219)
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	507	506	430	537	2,547	(63	) (65)
Soquimich Comercial S.A.	132,805	22,271	30,261	943	199,367	12,100	11,902	
Comercial Agrorama Ltda.	12,048	1,815	12,632	106	14,724	102	103	
Comercial Hydro S.A.	8,663	105	148	101	61	281	281	
Agrorama S.A.	13,577	487	13,990	18	13,404	(103	) (103)
Orcoma SpA	3	2,356	4	-	-	(3	) (3)
Orcoma Estudio SpA	4,630	1,375	1,372	-	-	2	2	
SQM North America Corp.	177,628	16,494	161,988	1,781	322,671	(1,622	) (2,294)
RS Agro Chemical Trading Corporation A.V.V.	5,201	-	-	-	-	(3	) (3)
Nitratos Naturais do Chile Ltda.	4	233	4,452	-	-	223	223	
Nitrate Corporation of Chile Ltd.	5,076	-	-	-	-	-	-	
SQM Corporation N.V.	669	116,031	3,722	-	-	25,082	21,908	
SQM Peru S.A.	520	1	1,172	-	-	(40	) (40)
SQM Ecuador S.A.	11,101	69	10,720	56	16,737	194	194	
SQM Brasil Ltda.	724	1	636	-	453	220	220	
SQI Corporation N.V.	-	23	89	-	-	5	4	
SQMC Holding Corporation L.L.P.	17,552	15,481	1,024	-	-	3,944	3,944	

SQM Japan Co. Ltd.	2,472	243	621	449	3,493	163	163
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Note 6 Background of companies included in consolidation (continued)**6.6 Information on consolidated subsidiaries, continued****12/31/2014**

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.	313,336	1,265	264,760	-	552,444	12,966	12,966
SQM Italia SRL	1,247	-	16	-	-	-	-
SQM Indonesia S.A.	4	-	1	-	-	-	-
North American Trading Company	159	145	39	-	-	-	-
SQM Virginia LLC	14,821	14,367	14,821	-	-	(7)	(7)
SQM Comercial de México S.A. de C.V.	81,196	1,302	53,428	-	178,243	916	916
SQM Investment Corporation N.V.	73,432	265	39,164	856	20	8,552	8,552
Royal Seed Trading Corporation A.V.V.	165,908	162	103,387	80,000	-	(4,941)	(4,384)
SQM Lithium Specialties LLP	15,774	3	1,264	-	-	(7)	(7)
Soquimich SRL Argentina	396	-	217	-	-	(17)	(17)
Comercial Caimán Internacional S.A.	266	-	1,122	-	-	(5)	(5)
SQM France S.A.	345	6	114	-	-	-	-
Administración y Servicios Santiago S.A. de C.V.	177	-	689	111	3,562	145	145
SQM Nitratos México S.A. de C.V.	38	4	29	4	262	6	6
Soquimich European Holding B.V.	77,712	117,371	89,566	-	-	26,368	23,180
SQM Iberian S.A.	54,332	72	49,004	-	132,270	5,781	5,782
SQM Africa Pty Ltd.	66,427	752	57,796	-	92,462	952	952
SQM Oceanía Pty Ltd.	3,257	-	1,149	-	3,550	(1,016)	(1,016)
SQM Agro India Pvt. Ltd.	4	-	1	-	-	(1)	(1)
SQM Beijing Commercial Co. Ltd.	5,491	31	3,217	-	7,764	143	143
SQM Thailand Limited	15,424	35	12,679	-	11,042	228	228
Total	4,285,442	3,215,209	3,426,767	413,879	3,281,991	513,490	502,783

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Note 6 Background of companies included in consolidation (continued)**6.6 Information on consolidated subsidiaries, continued****12/31/2013**

Subsidiary	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (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 L.L.P.

SQM Japan Co. Ltd.

1.948

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Note 6 Background of companies included in consolidation (continued)**6.6 Information on consolidated subsidiaries, continued****12/31/2013**

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.	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 Oceanía 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 December 31, 2014

Note 6 Background of companies included in consolidation (continued)

6.7 Detail of transactions between consolidated companies

a) Transactions conducted in 2014

At the Extraordinary Shareholders' Meeting of the subsidiary Orcoma Estudios SPA held on November 21, 2014, the shareholders agreed to increase capital by US\$ 1,500, divided into 150,000 single-series shares with no par value. SQM S.A. was not involved in such increase decreasing its ownership in this company to 51%.

At the General Shareholders' Meeting of the subsidiary SQM Ecuador S.A., the shareholders agreed to absorb the accumulated losses of the company of ThUS\$ 455.

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 2013 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 December 31, 2014

Note 7 Cash and cash equivalents

7.1 Types of cash and cash equivalents

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

a) Cash	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Cash on hand	88	119
Cash in banks	29,404	29,671
Other demand deposits	-	3,625
Total cash	29,492	33,415

b) Cash equivalents	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Short-term deposits, classified as cash equivalents	29,492	158,208
Short-term investments, classified as cash equivalents	295,582	284,999
Total cash equivalents	325,074	443,207
Total cash and cash equivalents	354,566	476,622

7.2 Short-term investments, classified as cash equivalents

As of December 31, 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	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Legg Mason - Western Asset Institutional Cash Reserves	100,988	95,941
BlackRock - Institutional US Dollar Liquidity Fund	97,351	94,726
JP Morgan US dollar Liquidity Fund Institutional	97,243	94,332
Total	295,582	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.

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 7 Cash and cash equivalents (continued)

7.3 Information on cash and cash equivalents by currency

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

Original currency	12/31/2014 ThUS\$	12/31/2013 ThUS\$
Chilean Peso (*)	6,355	25,391
US Dollar	328,392	430,263
Euro	10,449	9,230
Mexican Peso	736	429
South African Rand	4,046	7,229
Japanese Yen	1,701	1,435
Peruvian Sol	1	2
Brazilian Real	29	73
Chinese Yuan	769	384
Indonesian Rupiah	4	4
Indian Rupee	12	7
Thai Baht	2,055	2,161
Argentine Peso	12	-
Pound Sterling	5	14
Total	354,566	476,622

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

7.4 Amount of significant restricted (unavailable) cash balances

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

As of December 31, 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 December 31, 2014

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:

2014		Type of deposit	Original Currency	Interest rate	Placement date	Expiration date	Principal		Interest accrued	
Receiver of the deposit	ThUS\$						ThUS\$	to-date	31/12/14	ThUS\$
Banco Estado	Fixed term	Ch\$	0.24	12/30/2014	01/08/2015	4,121	-	4,121	-	
Banco Crédito e Inversiones	Fixed term	Ch\$	0.23	12/30/2014	01/08/2015	824	-	824	-	
Banco BBVA Chile	Fixed term	US\$	0.45	10/29/2014	01/06/2015	20,000	16	20,016	-	
BBVA Banco Francés	Fixed term	US\$	18.5	12/29/2014	01/28/2015	362	-	362	-	
ABN Amro Bank	Fixed term	Euro	-	12/31/2014	01/31/2015	4,169	-	4,169	-	
Total						29,476	16	29,492	-	

2013		Type of deposit	Original Currency	Interest rate	Placement date	Expiration date	Principal		Interest accrued	
Receiver of the deposit	ThUS\$						ThUS\$	to-date	31/12/13	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\$	0.50	12/20/2013	01/09/2014	10,000	2	10,002	-	
Banco BBVA Chile	Fixed term	US\$	0.50	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	-	

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Banco Santander - Santiago	Fixed term	Ch\$	0.43	10/21/2013	01/03/2014	14,352	148
IDBI Bank	Fixed term	Indian rupee	-	12/31/2013	6/30/2014	2	-
Citibank New York	Overnight	US\$	0.01	12/31/2013	01/02/2014	444	-
Citibank New York	Overnight	US\$	0.01	12/31/2013	01/02/2014	640	-
Citibank New York	Overnight	US\$	0.01	12/31/2013	01/02/2014	1,301	-
ABN Amro Bank	Fixed term	Euro	-	12/31/2013	01/31/2014	2,193	-
Total						158,020	188

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 8 Inventories

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

Type of inventory	12/31/2014 ThUS\$	12/31/2013 ThUS\$
Raw materials	9,540	8,552
Supplies for production	30,398	42,366
Products-in-progress	453,816	400,824
Finished product	425,849	503,788
Total	919,603	955,530

Inventory provisions recognized as of December 31, 2014 amount to ThUS\$82,966, and ThUS\$97,248 as of December 31, 2013. Inventory provisions have been made based on a technical study that covers the different variables affecting products in stock (density and humidity, among others). Additionally, provisions are recognized if goods are sold cheaper than the related cost, and for differences that arise from inventory counts.

As of December 31, 2014, the sum registered as cost of sale related to inventory in the statement of income amounts to ThUS\$1,259,983 and to ThUS\$1,314,276 as of December 31, 2013.

The breakdown of inventory provisions is detailed as follows:

Type of inventory	12/31/2014 ThUS\$	12/31/2013 ThUS\$
Raw material provisions	93	93
Supplies for production provisions	500	500
Products-in-progress provisions	55,994	65,768
Finished product provisions	26,379	30,887
Total	82,966	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 December 31, 2014

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 December 31, 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 December 31, 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 2.10% 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.

Detail of effective concentration

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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.	1.41
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		2.10

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 9 Related party disclosures (continued)

9.3 Detailed identification of the link between the Parent and subsidiary

As of December 31, 2014 and December 31, 2013, the detail of entities that are 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
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 December 31, 2014

Note 9 Related party disclosures (continued)**9.3 Detailed identification of the link between the Parent and subsidiary, continued**

As of December 31, 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	SQM Star Qingdao Corp Nutrition Co., Ltd.	China	US\$	Joint venture
Foreign	SQM Vitas Spain	Spain	Euro	

Foreign	SQM Vitas Holland	Dutch Antilles	Euro	Joint control or significant influence
Foreign	SQM Vitas Plantacote B.V.	Dutch Antilles	Euro	Joint venture
Foreign	Kowa Company Ltd.	Japan	US\$	Joint control or significant influence
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 December 31, 2014

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

Tax ID No.	Company	Nature	Country of origin	Transaction	12/31/2014	12/31/2013
					ThUS\$	ThUS\$
Foreign	Doktor Tarsa Tarim Sanayi As	Associate	Turkey	Sale of products	26,806	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	28,566	35,884
Foreign	Ajay Europe S.A.R.L.	Associate	France	Dividends	2,728	5,093
Foreign	Ajay North America LLC.	Associate	United States	Sale of products	23,533	40,605
Foreign	Ajay North America LLC.	Associate	United States	Dividends	7,139	10,437
Foreign	Ajay North America LLC.	Associate	United States	Sale of services	90	-
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	Sale of products	8,535	7,908
Foreign	Charlee SQM Thailand Co. Ltd.	Associate	Thailand	Sale of products	6,852	5,669
77.557.430-5	Sales de Magnesio Ltda.	Associate	Chile	Sale of products	1,112	1,186
77.557.430-5	Sales de Magnesio Ltda.	Associate	Chile	Dividends	1,245	892
77.557.430-5	Sales de Magnesio Ltda.	Associate	Chile		35	-

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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	47	-
Foreign	Kowa Company Ltd.	Other related parties	Japan	Sale of products	76,714	77,176
Foreign	Kowa Company Ltd.	Other related parties	Japan	Services received	1,546	702
Foreign	SQM Vitas Brasil Agroindustria	Joint control or significant influence	Brazil	Sale of products	51,841	52,901
Foreign	SQM Vitas Peru S.A.C.	Joint control or significant influence	Peru	Sale of products	30,978	21,255
Foreign	SQM Vitas Southern Africa Pty.	Joint control or significant influence	South Africa	Sale of products	13,975	17,908
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	Sale of products	1,681	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	53,763	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 December 31, 2014

Note 9 Related party disclosures (continued)**9.4 Detail of related parties and related party transactions, continued**

Tax ID No.	Company	Nature	Country of origin	Transaction	12/31/2014 ThUS\$	12/31/2013 ThUS\$
Foreign	Coromandel SQM India	Joint venture	India	Sale of products	4,930	5,242
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	Joint venture	China	Sale of services	-	148
Foreign	SQM Vitas Spain	Joint venture	Spain	Sale of products	7,700	1,624
Foreign	SQM Vitas Plantacote B.V.	Joint venture	Netherlands	Sale of products	4	-

9.5

Trade receivables due from related parties, current:

Tax ID N°	Company	Nature	Country of origin	Currency	12/31/2014 ThUS\$	12/31/2013 ThUS\$
77.557.430-5	Sales de Magnesio Ltda.	Associate	Chile	Ch\$	340	147
Foreign	Charlee SQM Thailand Co. Ltd.	Associate	Thailand	US\$	2.559	331
Foreign	Doktor Tarsa Tarim Sanayi AS	Associate	Turkey	US\$	-	11
Foreign	Ajay Europe S.A.R.L.	Associate	France	Euro	3.674	4,974
Foreign	Ajay North America LLC.	Associate	United States	US\$	2.793	4,166
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	Arab Emirates dirham	3.596	2,958
Foreign	Kowa Company Ltd.	Jointly controlled entity	Japan	US\$	19.445	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\$	29.425	18,205
Foreign	SQM Vitas Peru S.A.C.	Joint venture	Peru	US\$	20.716	17,840
Foreign	SQM Vitas Southern Africa PTY	Joint venture	South Africa	US\$	3.772	4,553
Foreign	Coromandel SQM India	Joint venture	India	Indian rupee	2.534	2,271
Foreign	Sichuan SQM Migao Chemical Fertilizers Co	Joint venture	China	US\$	43.900	47,910

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	Ltda.					
79.049.778-9	Callegari Agrícola S.A.	Other related parties	Chile	Ch\$	87	363
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	Arab Emirates dirham	523	436
Foreign	SQM Vitas Spain	Joint venture	Spain	Euro	1.099	760
Foreign	SQM Vitas Plantacote B.V.	Joint venture	Holland	Euro	-	133
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	Joint venture	China	US\$	36	
Foreign	SQM Vitas Holland	Joint venture	Holland	Euro	-	-
Total					134,506	128,016

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 9 Related party disclosures (continued)

9.6 Trade payables due to related parties, current:

Tax ID No.	Company.	Nature	Country of origin	Currency	12/31/2014	12/31/2013
					ThUS\$	ThUS\$
Foreign	Doktor Tarsa Tarim Sanayi AS	Associate	Turkey	Turkish lira	71	-
Foreign	SQM Vitas Plantacote B.V.	Joint venture	Holland	Euro	160	-
Total as of to-date					231	-

9.7 Board of Directors and Senior Management

1) Board of directors

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

As of December 31, 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 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 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, 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.

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.

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Los Militares 4290

Las Condes, Santiago, Chile 75

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 9 Related party disclosures (continued)

9.7 Board of Directors and Senior Management, continued

e) Therefore, the remunerations and profit sharing paid to members of the Board of Directors and Audit Committee during 2014 amount to ThUS\$3,424 (ThUS\$ 4,827 as of December 31, 2013).

3) 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.

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

5) Senior management compensation:

As of December 31, 2014, the global compensation paid to the 108 main executives amounts to ThUS\$25,666 (ThUS\$32,888 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.

6) 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).

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

8) The Company's Managers and Directors do not receive or have not received any benefit during the period ended December 31, 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.

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In accordance with IAS 24, we should report that the Company's Director Mr. Wolf Von Appen B. is also a member of the Ultramar Group. As of December 31, 2014, the amount of transactions with this Group is approximately 9)ThUS\$12,287 (ThUS\$16,850 as of December 31, 2013). In addition, Director José María Eyzaguirre is also a partner of Claro y Compañía. As of December 31, 2014, the amount of transactions with this Group is approximately ThUS\$242 (ThUS\$85 as of December 31, 2013).

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Note 9 Related party disclosures (continued)

9.8 Key management personnel compensation

	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Key management personnel compensation	25,666	24,150

Note 10 Financial instruments

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

10.1 Types of other financial assets

Description of other financial assets	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Other current financial assets (1)	653,442	431,883
Derivatives (2)	17,160	3,283
Hedging assets, current	-	25,007
Total other current financial assets	670,602	460,173
Other non-current financial assets	427	95
Hedging assets, non-current	-	-
Total other non-current financial assets	427	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	12/31/2014	12/31/2013
	ThUS\$	ThUS\$

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Banco Santander	141,914	131,534
BBVA	91,718	80,206
Banco de Crédito e Inversiones	140,216	79,530
Banco de Chile	60,153	42,095
Corpbanca	91,372	61,244
Banco Itaú	100,136	30,207
Banco Security	24,683	7,067
Morgan Stanley	3,250	-
Total	653,442	431,883

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 10 Financial instruments (continued)

10.2 Trade and other receivables, current and non-current

	12/31/2014			12/31/2013		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Trade receivables	322,231	-	322,231	314,151	-	314,151
Prepayments	11,378	-	11,378	12,127	-	12,127
Other receivables	7,221	2,044	9,265	4,714	1,282	5,996
Total trade and other receivables	340,830	2,044	342,874	330,992	1,282	332,274

	12/31/2014			12/31/2013		
	Assets before allowances	Allowance for doubtful trade receivables	Assets for trade receivables, net	Assets before allowances	Allowance for doubtful trade receivables	Assets for trade receivables, net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Receivables related to credit operations, current	337,296	(15,065)	) 322,231	330,052	(15,901)	) 314,151
Trade receivables, current	337,296	(15,065)	) 322,231	330,052	(15,901)	) 314,151
Prepayments, current	14,178	(2,800)	) 11,378	14,927	(2,800)	) 12,127
Other receivables, current	9,184	(1,963)	) 7,221	6,663	(1,949)	) 4,714
Current trade and other receivables	360,658	(19,828)	) 340,830	351,642	(20,650)	) 330,992
Other receivables, non-current	2,044	-	) 2,044	1,282	-	) 1,282
Non-current receivables	2,044	-	) 2,044	1,282	-	) 1,282
Total trade and other receivables	362,702	(19,828)) 342,874	352,924	(20,650)) 332,274

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Notes to the Consolidated Financial Statements as of December 31, 2014

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 maintain insurance policies for certain accounts as deemed necessary by management.

Unsecuritized portfolio

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

12/31/2014

	Not overdue - 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\$	
Number of customers, portfolio under no renegotiated terms	2,997	574	533	90	305	297	15	269	283	1,779	7,142
Portfolio under no renegotiated terms	243,255	51,738	21,425	5,883	718	1,062	127	520	162	6,659	331,549
Number of customers under renegotiated terms portfolio	49	7	2	2	1	1	1	2	1	81	147
Portfolio under renegotiated terms, gross	1,027	55	20	1,052	412	958	22	6	15	2,180	5,747
Total gross portfolio	244,282	51,793	21,445	6,935	1,130	2,020	149	526	177	8,839	337,296

12/31/2013

Not overdue - 30 days	31 - 60 days	Total
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				61 - 90	91 - 120	121 - 150	151 - 180	181 - 210	211 - 250	Over 250	
	ThUS\$	ThUS\$	ThUS\$	days	days	days	days	days	days	days	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 December 31, 2014

Note 10 Financial instruments (continued)**10.2 Trade and other receivables, continued**

The detail of allowances is as follows:

	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Provision and write-offs		
Allowance for portfolio under no renegotiated terms	16,585	16,711
Allowance for portfolio with renegotiated terms	3,717	4,459
Write-offs for the period	(474)	(520)
Total	19,828	20,650

a) Credit risk concentration

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

10.3 Hedging assets and liabilities

The balance represents derivative instruments measured at fair value which have been classified as hedges from exchange and interest rate risks related to the total obligations associated with bonds of the Company in Chilean pesos and UF (and the exchange risk in Chilean pesos of the Company's investment plans). As of December 31, 2014, the face value of cash flows in Cross Currency Swap contracts agreed upon in US dollars amounted to ThUS\$368,017 and as of December 31, 2013 such contracts amounted to ThUS\$555,303.

Hedging liabilities	Derivative instruments (CCS)	Effect on profit or loss for the period	Hedging reserve in gross equity	Deferred tax hedging reserve in equity	Hedging reserve in equity
	ThUS\$	Derivative instruments	ThUS\$	ThUS\$	ThUS\$
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
December 31, 2014	37,034	(43,236)	1,638	(311)	1,327
Hedging assets	Derivative instruments (CCS)	Effect on profit or loss for the period	Hedging reserve in gross equity	Deferred tax hedging	Hedging reserve in

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	ThUS\$	Derivative instruments ThUS\$	ThUS\$	reserve in equity ThUS\$	equity ThUS\$
December 31, 2013	23,602	(45,312) (3,307) 661	(2,646)

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 10 Financial instruments (continued)**10.3 Hedging assets and liabilities, continued**

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\$
December 31, 2014	736	(1,050)	(596)	-	(596)
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 December 31, 2014 and December 31, 2013.

Derivative contract maturities are detailed as follows:

Series	Contract amount ThUS\$	Currency	Maturity date
C	73,059	UF	12/01/2026
H	162,353	UF	01/05/2018
M	40,588	UF	02/01/2017
O	60,882	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%.

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Note 10 Financial instruments (continued)

10.3 Hedging assets and liabilities, continued

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.

b) Cash flow hedges

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

10.4 Financial liabilities

Other current and non-current financial liabilities

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

	12/31/2014			12/31/2013		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Bank borrowings	191,116	219,838	410,954	171,347	309,489	480,836
Obligations with the public	19,453	1,317,429	1,336,882	227,652	1,106,496	1,334,148
Derivatives	1,791	-	1,791	1,088	-	1,088
Hedging liabilities	812	36,958	37,770	1,339	1,405	2,744
Total	213,172	1,574,225	1,787,397	401,426	1,417,390	1,818,816

Current and non-current borrowings

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

	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Long-term borrowings	219,838	309,489
Short-term borrowings	100,057	100,135
Current portion of long-term borrowings	91,059	71,212
Short-term loans and current portion of long-term borrowings	191,116	171,347
Total borrowings assumed	410,954	480,836

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 10 Financial instruments (continued)**10.4 Financial liabilities, continued**

a) Bank loans, current:

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

Debtor Tax ID No	Subsidiary	Country	Tax ID No.	Creditor Financial institution	Country	Currency or Adjustment index	Repayment	Effective rate	Nominal rate
93.007.000-9	SQM.S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	US\$	Upon maturity	0.59%	0.59%
93.007.000-9	SQM.S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	US\$	Upon maturity	0.46%	0.46%
93.007.000-9	SQM.S.A.	Chile	97.030.000-7	Banco Estado	Chile	US\$	Upon maturity	0.59%	0.59%
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch	United States	US\$	Upon maturity	3.56%	2.33%
79.626.800-K	SQM Salar S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	US\$	Upon maturity	0.38%	0.38%
79.947.100-0	SQM Industrial S.A.	Chile	97.030.000-7	Banco Estado	Chile	US\$	Upon maturity	0.41%	0.41%
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Cayman) Ltd.	Cayman Islands	US\$	Upon maturity	2.27%	1.37%
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Bank of America	United States	US\$	Upon maturity	2.70%	2.33%
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Export Development Canada	Canada	US\$	Upon maturity	2.45%	1.29%
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	The Bank of Tokyo-Mitsubishi UFJ, Lda. (New York)	United States	US\$	Upon maturity	2.12%	0.97%

Debtor Subsidiary	Creditor Financial institution	12/31/2014 Nominal amounts	12/31/2014 Current amounts	Total ThUS\$
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		Up to 90 days ThUS\$	90 days to 1 year ThUS\$	Total ThUS\$	Up to 90 days ThUS\$	90 days to 1 year ThUS\$	Subtotal ThUS\$	Borrowing costs ThUS\$	
SQM.S.A.	Scotiabank Sud Americano	-	20,000	20,000	5	20,000	20,005	-	20,005
SQM.S.A.	Scotiabank Sud Americano	-	20,000	20,000	9	20,000	20,009	-	20,009
SQM.S.A.	Banco Estado	-	20,000	20,000	-	20,026	20,026	-	20,026
SQM S.A.	Banco Estado NY Branch	-	-	-	988	-	988	-	988
SQM Salar S.A.	Scotiabank Sud Americano	-	20,000	20,000	9	20,000	20,009	-	20,009
SQM Industrial S.A.	Banco Estado	20,000	-	20,000	20,008	-	20,008	-	20,008
Royal Seed Trading Corporation A.V.V.	Scotiabank & Trust (Cayman) Ltd.	-	50,000	50,000	-	50,137	50,137	(85)	50,052
Royal Seed Trading Corporation A.V.V.	Bank of America	-	-	-	-	117	117	(66)	51
Royal Seed Trading Corporation A.V.V.	Export Development Canada	-	20,000	20,000	-	20,013	20,013	(60)	19,953
Royal Seed Trading Corporation A.V.V.	The Bank of Tokyo-Mitsubishi UFJ, Lda. (New York)	-	20,000	20,000	-	20,084	20,084	(69)	20,015
Total		20,000	170,000	190,000	21,019	170,377	191,396	(280)	191,116

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

Debtor Tax ID No	Subsidiary	Country	Tax ID No.	Creditor Financial institution	Country	Currency or adjustment index	Repayment	Effective	Nominal
							rate	rate	Rate
93.007.000-9	SQM.S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	USD	Upon maturity	0.65 %	0.65 %
93.007.000-9	SQM.S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	USD	Upon maturity	0.47 %	0.47 %
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch	United States	USD	Upon maturity	3.10 %	2.39 %
79.626.800-K	SQM Salar S.A.	Chile	97.030.000-7	Banco Estado	Chile	USD	Upon maturity	0.61 %	0.61 %
79.626.800-K	SQM Salar S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	USD	Upon maturity	0.59 %	0.59 %
79.947.100-0	SQM Industrial S.A.	Chile	97.030.000-7	Banco Estado	Chile	USD	Upon maturity	0.75 %	0.75 %
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Bank of America	United States	USD	Upon maturity	1.75 %	1.27 %
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Export Development Canada	Canada	USD	Upon maturity	1.69 %	1.30 %
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Cayman) Ltd.	Cayman Islands	USD	Upon maturity	1.35 %	1.24 %
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Cayman) Ltd.	Cayman Islands	USD	Upon maturity	1.73 %	1.41 %
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	The Bank of Tokyo-Mitsubishi UFJ, Lda. (New York)	United States	USD	Upon maturity	1.37 %	1.01 %

Debtor Filial	Creditor Financial institution	12/31//2013			12/31/2013			Subtotal ThUS\$	Borrowing costs ThUS\$	Total ThUS\$
		Nominal amounts Up to 90 days ThUS\$	90 days to 1 year ThUS\$	Total ThUS\$	Current amounts Up to 90 days ThUS\$	90 days to 1 year ThUS\$				

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SQM.S.A.	Scotiabank Sud Americano	-	20,000	20,000	3	20,000	20,003	-	20,003
SQM.S.A.	Scotiabank Sud Americano	-	20,000	20,000	7	20,000	20,007	-	20,007
SQM S.A.	Banco Estado NY Branch	-	-	-	1,012	-	1,012	(26)	986
SQM Salar S.A.	Banco Estado	20,000	-	20,000	20,033	-	20,033	-	20,033
SQM Salar S.A.	Scotiabank Sud Americano	-	20,000	20,000	11	20,000	20,011	-	20,011
SQM Industrial S.A.	Banco Estado	-	20,000	20,000	-	20,081	20,081	-	20,081
Royal Seed Trading Corporation A.V.V.	Bank of America	-	-	-	-	120	120	(65)	55
Royal Seed Trading Corporation A.V.V.	Export Development Canada	-	10,000	10,000	-	10,014	10,014	(60)	9,954
Royal Seed Trading Corporation A.V.V.	Scotiabank & Trust (Cayman) Ltd.	-	50,000	50,000	189	50,000	50,189	(43)	50,146
Royal Seed Trading Corporation A.V.V.	Scotiabank & Trust (Cayman) Ltd.	-	-	-	-	139	139	(106)	33
Royal Seed Trading Corporation A.V.V.	The Bank of Tokyo-Mitsubishi UFJ, Lda. (New York)	-	10,000	10,000	-	10,108	10,108	(70)	10,038
Total		20,000	150,000	170,000	21,255	150,462	171,717	(370)	171,347

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Note 10 Financial instruments (continued)**10.4 Financial liabilities, continued**

b) Unsecured obligations, current:

As of December 31, 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 of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity	Effecti rate
Tax ID No. Subsidiary País					Payment of interest	Repayment
93.007.000-9 SQM S.A. Chile -		ThUS\$200,000	04/15/2015	US\$	Semiannual	Upon maturity
93.007.000-9 SQM S.A. Chile -		ThUS\$250,000	04/21/2015	US\$	Semiannual	Upon maturity
93.007.000-9 SQM S.A. Chile -		ThUS\$250,000	01/28/2015	US\$	Semiannual	Upon maturity
93.007.000-9 SQM S.A. Chile -		ThUS\$300,000	04/03/2015	US\$	Semiannual	Upon maturity
93.007.000-9 SQM S.A. Chile 446		C	06/01/2015	UF	Semiannual	Semiannual
93.007.000-9 SQM S.A. Chile 564		H	01/05/2015	UF	Semiannual	Semiannual
93.007.000-9 SQM S.A. Chile 700		M	02/01/2015	UF	Semiannual	Upon maturity
93.007.000-9 SQM S.A. Chile 699		O	02/01/2015	UF	Semiannual	Upon maturity

Subsidiary	Country	Series	12/31/2014			Subtotal	Bond issuance costs	Total
			Nominal maturities	Current maturities				
			Up to 90 days	91 days to 1 year				
			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\$250,000	-	1.914	-	1.914	(433) 1.481	

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SQM S.A. Chile	ThUS\$300,000	-	-	-	-	2.658	2.658	(614)	2.044
SQM S.A. Chile	C	-	6.088	6.088	-	6.329	6.329	-		6.329
SQM S.A. Chile	H	-	-	-	3.843	-	3.843	(139	)	3.704
SQM S.A. Chile	M	-	-	-	554	-	554	(130	)	424
SQM S.A. Chile	O	-	-	-	955	-	955	(67	)	888
Total		-	6.088	6.088	7.266	14.247	21.513	(2.060	)	19.453

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 December 31, 2014

Note 10 Financial instruments (continued)**10.4 Financial liabilities, continued**

Debtor		Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity	Payment of interest	Repayment
Tax ID No.	Subsidiary	Country						
93.007.000-9	SQM S.A.	Chile	-	ThUS\$200,000	04/15/2014	US\$	Semiannual	Upon maturity
93.007.000-9	SQM S.A.	Chile	-	ThUS\$250,000	04/21/2014	US\$	Semiannual	Upon maturity
93.007.000-9	SQM S.A.	Chile	-	ThUS\$300,000	04/03/2014	US\$	Semiannual	Upon maturity
93.007.000-9	SQM S.A.	Chile	446	C	06/01/2014	UF	Semiannual	Semiannual
93.007.000-9	SQM S.A.	Chile	563	G	01/05/2014	Ch\$	Semiannual	Upon maturity
93.007.000-9	SQM S.A.	Chile	564	H	01/05/2014	UF	Semiannual	Semiannual
93.007.000-9	SQM S.A.	Chile	563	I	04/01/2014	UF	Semiannual	Upon maturity
93.007.000-9	SQM S.A.	Chile	563	J	04/01/2014	Ch\$	Semiannual	Upon maturity
93.007.000-9	SQM S.A.	Chile	700	M	02/01/2014	UF	Semiannual	Upon maturity
93.007.000-9	SQM S.A.	Chile	699	O	02/01/2014	UF	Semiannual	Upon maturity

Subsidiary	Country	Series	12/31/2013			12/31/2013			Bond issuance costs	Total
			Nominal maturities			Current maturities				
			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\$	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

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Total	205,799	6,665	212,464	47,235	182,479	229,714	(2,062)	227,652
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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 December 31, 2014

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 December 31, 2014 and December 31, 2013 are detailed as follows:

Debtor		Creditor		Currency or adjustment			Repayment	Effective	Nominal
Tax ID No.	Subsidiary	Country	Tax ID No.	Financial institution	Country	Index	rate	Rate	
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch	United States	US\$	Upon maturity	3.56 %	2.33 %
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Caimán) Ltd.	Cayman Islands	US\$	Upon maturity	2.27 %	1.37 %
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Bank of America	United States	US\$	Upon maturity	2.70 %	1.23 %
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Export Development Canada	Canada	US\$	Upon maturity	2.12 %	1.27 %
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	The Bank of Tokyo-Mitsubishi UFJ, Ltd (New York)	United States	US\$	Upon maturity	2.45 %	0.97 %

Subsidiary	Financial institution	Nominal non-current maturities 31/12/2014			Non-current maturities 31/12/2014			Borrowings costs	Total
		Over 2 years to 3	Over 3 years to 4	Total	Over 2 years to 3	Over 3 years to 4	Subtotal		
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM S.A.	Banco Estado NY Branch	-	140,000	-	140,000	-	140,000	-	140,000

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Royal Seed Trading Corporation A.V.V.	Bank of America	-	40,000	-	40,000	-	40,000	-	40,000	(49)	39,951
Royal Seed Trading Corporation A.V.V.	Export Development Canada	-	20,000	-	20,000	-	20,000	-	20,000	(59)	19,941
Royal Seed Trading Corporation A.V.V.	The Bank of Tokyo-Mitsubishi UFJ, Ltd (New York)	-	20,000	-	20,000	-	20,000	-	20,000	(54)	19,946
Total		-	220,000	-	220,000	-	220,000	-	220,000	(162)	219,838

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Note 10 Financial instruments (continued)**10.4 Financial liabilities, continued**

Debtor		Creditor			Currency or adjustment	Repayment	Effective	Nominal
Tax ID No.	Subsidiary	Country	Tax ID No.	Financial institution	Country	Index	rate	rate
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch	United States	USD	Upon maturity	3.10 % 2.39 %
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Caimán) Ltd.	Islas Caimán	USD	Upon maturity	1.35 % 1.41 %
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Bank of America	United States	USD	Upon maturity	1.75 % 1.27 %
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Export Development Canada	Canada	USD	Upon maturity	1.69 % 1.30 %
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	The Bank of Tokyo-Mitsubishi UFJ, Ltd (New York)	United States	USD	Upon maturity	1.37 % 1.01 %

Subsidiary	Financial institution	Nominal non-current maturities 12/31/2013				Non-current maturities 12/31/2013				Subtotal	Borrowing costs
		Over 1 years to 2	Over 2 years to 3	Over 3 years to 4	Total	Over 1 years to 2	Over 2 years to 3	Over 3 years to 4	Total		
SQM S.A.	Banco Estado NY Branch	-	-	140,000	140,000	-	-	140,000	140,000	(70)	
Royal Seed Trading Corporation A.V.V.	Scotiabank & Trust (Caimán) Ltd.	50,000	-	-	50,000	50,000	-	-	50,000	(85)	
Royal Seed Trading Corporation A.V.V.	Bank of America	-	40,000	-	40,000	-	40,000	-	40,000	(114)	
Royal Seed Trading Corporation	Export Development Canada	-	40,000	-	40,000	-	-	40,000	40,000	(119)	

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A.V.V.

Royal Seed Trading Corporation A.V.V.	The Bank of Tokyo-Mitsubishi UFJ, Ltd (New York)	-	40,000	-	40,000	-	40,000	-	40,000	(123)
Total		50,000	120,000	140,000	310,000	50,000	80,000	180,000	310,000	(511)

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Notes to the Consolidated Financial Statements as of December 31, 2014

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 December 31, 2014 and December 31, 2013 is detailed as follows:

Tax ID No.	Subsidiary	Country	Number of registrations of the instrument	Series or ID	Amount	Maturity date	Currency or adjustment index	Periodicity Payment of interest	Repayment	Effect rate
93.007.000-9	SQM S.A.	Chile	-	ThUS\$200,000	200,000	04/15/2016	US\$	Semiannual	Upon maturity	6.25%
93.007.000-9	SQM S.A.	Chile	-	ThUS\$250,000	250,000	04/21/2020	US\$	Semiannual	Upon maturity	5.67%
93.007.000-9	SQM S.A.	Chile	-	ThUS\$250,000	250,000	01/28/2025	US\$	Semiannual	Upon maturity	4.46%
93.007.000-9	SQM S.A.	Chile	-	ThUS\$300,000	300,000	04/03/2023	US\$	Semiannual	Upon maturity	3.86%
93.007.000-9	SQM S.A.	Chile	446	C		12/01/2026	UF	Semiannual	Semiannual	6.34%
93.007.000-9	SQM S.A.	Chile	564	H		01/05/2030	UF	Semiannual	Semiannual	4.23%
93.007.000-9	SQM S.A.	Chile	700	M		02/01/2017	UF	Semiannual	Upon maturity	3.20%
93.007.000-9	SQM S.A.	Chile	699	O		02/01/2033	UF	Semiannual	Upon maturity	3.74%

Nominal non-current maturities
12/31/2014

Non-current maturities
12/31/2014

Series	Over 1	Over 2	Over 3	Over 4	Over 5	Total	Over 1	Over 2	Over 3	Over 4	Over 5
	year to 2	years to 3	Years to 4	Years to 5	years		year to 2	years to 3	Years to 4	Years to 5	years
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
ThUS\$200,000	200,000	-	-	-	-	200,000	200,000	-	-	-	-
ThUS\$250,000	-	-	-	-	250,000	250,000	-	-	-	-	250,000
ThUS\$250,000	-	-	-	-	250,000	250,000	-	-	-	-	250,000
ThUS\$300,000	-	-	-	-	300,000	300,000	-	-	-	-	300,000
C	6,088	6,088	6,088	6,088	42,619	66,971	6,088	6,088	6,088	6,088	42,619
H	-	-	-	-	162,354	162,354	-	-	-	-	162,354
M	-	40,588	-	-	-	40,588	-	40,588	-	-	-
O	-	-	-	-	60,883	60,883	-	-	-	-	60,883
Total	206,088	46,676	6,088	6,088	1,065,856	1,330,796	206,088	46,676	6,088	6,088	1,065,856

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

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

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

Tax ID No.	Subsidiary	Country	Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity of Payment of interest	Repayment	Estimated fair value
93.007.000-9	SQM S.A.	Chile	-	ThUS\$200,000	04/15/2016	US\$	Semiannual	Upon maturity	6
93.007.000-9	SQM S.A.	Chile	-	ThUS\$250,000	04/21/2020	US\$	Semiannual	Upon maturity	5
93.007.000-9	SQM S.A.	Chile	-	ThUS\$300,000	04/03/2023	US\$	Semiannual	Upon maturity	3
93.007.000-9	SQM S.A.	Chile	446	C	12/01/2026	UF	Semiannual	Semiannual	4
93.007.000-9	SQM S.A.	Chile	564	H	01/05/2030	UF	Semiannual	Semiannual	5
93.007.000-9	SQM S.A.	Chile	700	M	02/01/2017	UF	Semiannual	Upon maturity	3
93.007.000-9	SQM S.A.	Chile	699	O	02/01/2033	UF	Semiannual	Upon maturity	3

Nominal non-current maturities
12/31/2013

Non-current maturities
12/31/2013

Series	Over 1 year to	Over 2 years to 3	Over 3 Years to 4	Over 4 Years to 5	Over 5 years	Total	Over 1 year to 2	Over 2 years to 3	Over 3 Years to 4	Over 4 Years to 5	Over 5 years	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
ThUS\$200,000	-	200,000	-	-	-	200,000	-	200,000	-	-	-	200,000
ThUS\$250,000	-	-	-	-	250,000	250,000	-	-	-	-	250,000	250,000
ThUS\$300,000	-	-	-	-	300,000	300,000	-	-	-	-	300,000	300,000
C	6,665	6,665	6,665	6,665	53,318	79,978	6,665	6,665	6,665	6,665	53,318	79,978
H	-	-	-	-	177,729	177,729	-	-	-	-	177,729	177,729
M	-	-	44,432	-	-	44,432	-	-	44,432	-	-	44,432
O	-	-	-	-	66,648	66,648	-	-	-	-	66,648	66,648
Total	6,665	206,665	51,097	6,665	847,695	1,118,787	6,665	206,665	51,097	6,665	847,695	1,118,787

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

e) Additional information

Bonds

As of December 31, 2014 and December 31, 2013, bonds of ThUS\$19,453 and ThUS\$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 ThUS\$1,317,429 as of December 31, 2014 and ThUS\$1,106,496 as of December 31, 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, third issue single series bonds (ThUS\$300) and fourth issue single series bonds (ThUS\$250) excluding debt issue costs.

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

Payments made	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Principal payment	6.301	6.858
Interest payment	3.184	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 December 31, 2014 and December 31, 2013, the Company has made the following payments with a charge to the Single Series bonds:

	12/31/2014	12/31/2013
Payments made	ThUS\$	ThUS\$
Payments of interest	12,250	12,250

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Notes to the Consolidated Financial Statements as of December 31, 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 December 31, 2014 and December 31, 2013, the Company has made the following payments with a charge to the Series G and H bonds:

	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Payments made		
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 December 31, 2014 and December 31, 2013, the Company has made the following payments with a charge to the Series J and I bonds:

	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Payments made		
Payments of principal Series J bonds	94,454	-

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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 December 31, 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 an annual interest rate of 5.5% and destined to refinance long-term liabilities.

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

	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Payments made		
Interest payment	13,750	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 December 31, 2014, and December 31, 2013 the Company has made the following payments with a charge to the Series M and O bonds:

	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Payments made		
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 in the United States, the Company issued 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 December 31, 2014 and December 31, 2013, the following payments have been made with a debit to the line of single-series bonds, third issue:

	12/31/2014	12/31/2013
Payments made	ThUS\$	ThUS\$
Payment of interest	10,875	5,438

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 10 Financial instruments (continued)**10.4****Financial liabilities, continued****Single series bonds, fourth issuance ThUS\$ 250**

On October 23, 2014, the Company informed the Chilean Superintendence of Securities and Insurance that Sociedad Química y Minera de Chile S.A. agreed to issue and place unsecured bonds of ThUS\$ 250,000 in international markets. This, essentially, maturing in 2025 with a cover annual interest rate of 4.375% equivalent to a spread of 215 basis points on comparable US Treasury bonds, which were offered to the investors at a price of 99.410% with respect to capital. The aforementioned agreement was agreed on October 23, 2014 and the issuance and placement of such bonds was performed in conformity with the provisions of Rule 144A of the US Securities Act of 1933 and these bonds will not be publicly offered in Chile.

As of December 31, 2014, no payments have been made.

10.5**Trade and other payables**

	12/31/2014			12/31/2013		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Accounts payable	144,998	-	144,998	150,322	-	150,322
Retained (or accrued)	162	-	162	638	-	638
Total	145,160	-	145,160	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 December 31, 2014, the Company has purchase orders amounting to ThUS\$15,966 (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	12/31/2014 ThUS\$	Effect on profit or loss as of 12/31/2014 ThUS\$	12/31/2013 ThUS\$	Effect on profit or loss as of 12/31/2013 ThUS\$
Current				
Derivative instruments (forward)	-	-	423	5,100
Derivative instruments (options)	-	-	665	1,827
Derivative instruments (IRS)	736	1,637	1,339	251
	736	1,637	2,427	7,178

Balances in the column effect on profit or loss consider the effects of agreements which were in force as of December 31, 2014, including derivatives, received during the year.

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 10 Financial instruments (continued)

10.7 Financial asset and liability categories

Description of financial assets	a) Financial Assets					
	12/31/2014			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	653,442	-	653,442	431,883	-	431,883
Investments held-to-maturity measured at amortized cost	-	427	427	-	95	95
Loans and receivables measured at amortized cost	340,830	2,044	342,874	330,992	1,282	332,274
Total financial assets measured at amortized cost	994,272	2,471	996,743	762,875	1,377	764,252
Financial assets at fair value through profit or loss	17,160	-	17,160	3,283	-	3,283
Financial assets at fair value through other comprehensive income	-	-	-	25,007	-	25,007
Total financial assets at fair value	17,160	-	17,160	28,290	-	28,290
Total financial assets	1,011,432	2,471	1,013,903	791,165	1,377	792,542

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 10 Financial instruments (continued)**10.7 Financial asset and liability categories (continued)**

b) Financial liabilities

Description of financial liabilities	12/31/2014			12/31/2013		
	Current Amount ThUS\$	Non-current Amount ThUS\$	Total Amount ThUS\$	Current Amount ThUS\$	Non-current Amount ThUS\$	Total Amount ThUS\$
Financial liabilities at fair value through profit or loss	2,603	36,958	39,561	2,427	1,405	3,832
Financial liabilities at fair value through profit or loss	2,603	36,958	39,561	2,427	1,405	3,832
Financial liabilities measured at amortized cost	355,729	1,537,267	1,892,996	549,959	1,415,985	1,965,944
Total financial liabilities measured at amortized cost	355,729	1,537,267	1,892,996	549,959	1,415,985	1,965,944
Total financial liabilities	358,332	1,574,225	1,932,557	552,386	1,417,390	1,969,776

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Notes to the Consolidated Financial Statements as of December 31, 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 (US\$) 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 (US\$), credits denominated in foreign currency (US\$).

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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Las Condes, Santiago, Chile 97

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Notes to the Consolidated Financial Statements as of December 31, 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 December 31, 2014 and December 31, 2013, assets pledged as guarantees are as follows:

	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Restricted cash		
Isapre Norte Grande Ltda.	682	708
Total	682	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 December 31, 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:

	12/31/2014		12/31/2013	
	Carrying value ThUS\$	Fair value ThUS\$	Carrying value ThUS\$	Fair value ThUS\$
Cash and cash equivalents	354,566	354,566	476,622	476,622
Current trade and other receivables	340,830	340,830	330,992	330,992
Other financial assets, current:				
- Time deposits	653,442	653,442	431,883	431,883
- Derivative instruments	17,160	17,160	3,283	3,283
- Current hedging assets	-	-	25,007	25,007
Total other current financial assets	670,602	670,602	460,173	460,173
Non-Current Trade Receivables	2,044	2,044	1,282	1,282
Other non-current financial assets:	427	427	95	95
Other non-current financial assets:	427	427	95	95
Other financial liabilities, current:				
- Bank loans	191,116	191,116	171,347	171,347
- Derivative instruments	1,791	1,791	1,088	1,088
- Hedging liabilities	812	812	1,339	1,339
- Unsecured obligations	19,453	19,453	227,652	227,652
Other financial liabilities, current	213,172	213,172	401,426	401,426
Current and non-current accounts payable	145,160	145,160	150,960	150,960
Other non-current financial liabilities:				
- Bank loans	219,838	180,756	309,489	324,246
- Unsecured obligations	1,317,429	1,584,237	1,106,496	1,077,049
- Non-current hedging liabilities	36,958	36,958	1,405	1,405
Other non-current financial liabilities:	1,574,225	1,801,951	1,417,390	1,402,700

Fair value hierarchy

Fair value hierarchies are as follows:

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

- b) 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.

- c) 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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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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Note 11 Equity-accounted investees**11.1 Investments in associates recognized according to the equity method of accounting**

As of December 31, 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	
	12/31/2014 ThUS\$	12/31/2013 ThUS\$	12/31/2014 ThUS\$	12/31/2013 ThUS\$	12/31/2014 ThUS\$	12/31/2013 ThUS\$	12/31/2014 ThUS\$	12/31/2013 ThUS\$
Sales de Magnesio Ltda.	1,159	1,649	942	1,005	-	-	942	1,005
Abu Dhabi Fertilizer Industries WWL	10,269	11,453	1,783	1,596	-	-	1,783	1,596
Doktor Tarsa Tarim Sanayi AS	14,869	15,193	4,138	2,192	-	-	4,138	2,192
Ajay North America	13,530	13,125	6,188	7,919	-	-	6,188	7,919
Ajay Europe SARL	8,004	7,924	2,570	3,825	(30)	-	2,540	3,825
SQM Eastmed Turkey	88	142	(21)	132	-	-	(21)	132
Charlee SQM Thailand Co. Ltd.	1,804	1,589	158	237	-	-	158	237
Total	49,723	51,075	15,758	16,906	(30)	-	15,728	16,906

Associate	Description of the nature of the relationship	Domicile	Country of incorporation	Share of ownership in associates	Dividends received	12/31/2014 ThUS\$	12/31/2013 ThUS\$
Sales de Magnesio Ltda.	Commercialization of magnesium salts.	El Trovador 4285, Las Condes	Chile	50 %		1,245	892
Abu Dhabi Fertilizer Industries WWL	Distribution and commercialization of specialty plant nutrients in the Middle East.	PO Box 71871, Abu Dhabi	United Arab Emirates	37 %		-	-

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Doktor Tarsa Tarim Sanayi AS	Distribution and commercialization of specialty plant nutrients in Turkey.	Organize Sanayi Bolgesi, Ikinci Kisim, 22 cadde TR07100 Antalya 1400 Industry	Turkey	50	%	-	-
Ajay North America	Production and commercialization of iodine derivatives.	RD Power Springs GA 30129	United States	49	%	7,139	10,437
Ajay Europe SARL	Production and commercialization of iodine derivatives.	Z.I. du Grand Verger BP 227 53602 Evron Cedex	France	50	%	2,728	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, Bangkokapi, 10240 Bangkok	Thailand	40	%	-	-

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 11 Equity-accounted investees (continued)

11.2 Assets, liabilities, revenue and expenses of associates

12/31/2014

	Assets		Liabilities		Revenue ThUS\$	Gain (loss) from continuing operations	Other comprehensive income	Comprehensive income
	Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$		ThUS\$	ThUS\$	ThUS\$
Sales de Magnesio Ltda.	3,957	481	2,099	22	12,750	1,883	-	1,883
Abu Dhabi Fertilizer Industries WWL	31,010	2,795	6,048	-	53,186	4,819	-	4,819
Doktor Tarsa Tarim Sanayi AS	75,497	10,099	39,515	16,344	83,397	8,275	-	8,275
Ajay North America	20,912	10,269	3,568	-	60,101	12,628	-	12,628
Ajay Europe SARL	21,929	2,103	8,023	-	51,687	5,142	(59)	5,083
SQM Eastmed Turkey	10	228	62	-	-	(42)	-	(42)
Charlee SQM Thailand Co. Ltd.	8,279	669	4,435	-	12,968	394	-	394
Total	161,594	26,644	63,750	16,366	274,089	33,099	(59)	33,040

12/31/2013

	Assets		Liabilities		Revenue ThUS\$	Gain (loss) from continuing operations	Other comprehensive income	Comprehensive income
	Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$		ThUS\$	ThUS\$	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 December 31, 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 unaccounted for according to the equity method of accounting.

The equity method was applied to the Statement of Financial Position as of December 31, 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 December 31, 2014

Note 12 **Joint
Ventures**

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

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

12.2 Disclosures of interest in joint ventures

a) Operations conducted in 2014

During the second quarter of 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 December 31, 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	
				12/31/2014	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 Corp 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	Production and commercialization of specialty plant and animal nutrition and	33 Waterford Office Park	South Africa	50	%	-	-

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

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Notes to the Consolidated Financial Statements as of December 31, 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	
	12/31/2014 ThUS\$	12/31/2013 ThUS\$	12/31/2014 ThUS\$	12/31/2013 ThUS\$	12/31/2014 ThUS\$	12/31/2013 ThUS\$	12/31/2014 ThUS\$	12/31/2013 ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co. Ltd.	12,819	11,504	(414)	255	(1)	13	(415)	267
Coromandel SQM India	754	801	128	90	-	-	128	89
SQM Vitas Fzco.	9,189	12,762	2,049	1,807	(457)	(339)	1,592	1,467
SQM Star Qingdao Corp. Nutrition Co. Ltd.	1,969	1,475	494	396	-	-	494	395
SQM Vitas Holland	1,324	(599)	101	-	-	-	101	(667)
Total	26,055	25,943	2,358	2,548	(458)	(326)	1,900	1,551

The following companies are subsidiaries of

(1) SQM Vitas Fzco.
(2) SQM Vitas Holland

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	
	12/31/2014 ThUS\$	12/31/2013 ThUS\$	12/31/2014 ThUS\$	12/31/2013 ThUS\$	12/31/2014 ThUS\$	12/31/2013 ThUS\$	12/31/2014 ThUS\$	12/31/2013 ThUS\$
SQM Vitas Brazil (1)	5,670	4,747	1,045	2,538	-	-	522	1,152

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SQM Vitas Peru (1)	4,993	4,314	948	(224)	-	-	474	93
SQM Vitas Southern Africa (1)	180	1,096	(907)	55	-	-	(453)	102
SQM Vitas Spain (2)	1,023	-	291	-	-	-	145	(177)
SQM Vitas Plantacote B.V. (2)	1,135	-	1	-	-	-	-	(385)
Total	13,001	10,157	1,378	2,369	-	-	688	785

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 12 Joint Ventures (continued)

12.4 Assets, liabilities, revenue and expenses from joint ventures:

Joint Venture	12/31/2014					Revenue ThUS\$	Gain (loss) from continuing operations ThUS\$	Other comprehensive income ThUS\$	Comprehensive income ThUS\$
	Assets		Liabilities		Revenue ThUS\$				
	Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$					
Sichuan SQM Migao Chemical Fertilizers Co. Ltda.	61,381	8,734	44,478	-	95,292	(829)	(2)	(831)	
Coromandel SQM India	4,820	1,043	4,294	63	6,723	256	-	256	
SQM Vitas Fzco.	6,366	13,611	1,600	-	25,485	4,098	(913)	3,185	
SQM Star Qingdao Corp. Nutrition Co. Ltd.	4,363	229	634	20	9,496	988	-	988	
SQM Vitas Brazil	39,006	8,644	41,980	-	83,022	1,046	-	1,046	
SQM Vitas Peru	25,346	3,146	23,463	35	39,321	949	-	949	
SQM Vitas Southern Africa	3,703	720	4,243	-	17,117	(907)	-	(907)	
SQM Vitas Spain	2,066	808	1,851	-	10,969	252	-	252	
SQM Vitas Holland	512	2,158	19	-	-	204	-	204	
SQM Vitas Plantacote B.V.	1,529	6	401	-	4,010	1	-	1	
Total	149,092	39,099	122,963	118	291,435	6,058	(915)	5,143	

Joint Venture	12/31/2013					Revenue ThUS\$	Gain (loss) from continuing operations ThUS\$	Other comprehensive income ThUS\$	Comprehensive income ThUS\$
	Assets		Liabilities		Revenue ThUS\$				
	Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$					
Sichuan SQM Migao Chemical Fertilizers Co. Ltda.	68,241	9,414	54,650	-	41,744	509	26	535	
Coromandel SQM 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 Corp. 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	

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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)
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 December 31, 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	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co. Ltda.	234	8,049	-	7,660	-	-
Coromandel SQM India	69	197	158	880	-	-
SQM Vitas Fzco.	12,043	10,605	-	-	-	-
SQM Star Qingdao Corp. Nutrition Co. Ltd.	2,487	1,988	-	-	-	-
SQM Vitas Brazil	1,312	854	8,488	-	-	8,600
SQM Vitas Peru	605	1,166	-	-	-	-
SQM Vitas Southern Africa	448	351	-	-	-	-
SQM Vitas Spain	34	310	-	-	-	-
SQM Vitas Holland	149	26	-	-	-	-
SQM Vitas Plantacote B.V.	458	109	-	5,567	-	-
Total	17,839	23,655	8,646	14,107	-	8,600

	Depreciation and amortization expense		Interest expense		Income tax expense, continuing operations	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co. Ltda.	(680)	(549)	(831)	(813)	212	(12)
Coromandel SQM India	(70)	(2)	(47)	(87)	(122)	(92)
SQM Vitas Fzco.	(1,032)	(1,001)	(38)	(16)	-	-
SQM Star Qingdao Corp. Nutrition Co. Ltd.	(60)	(71)	(1)	-	(331)	(242)
SQM Vitas Brazil	(405)	(328)	(1,310)	(931)	220	-
SQM Vitas Peru	(136)	(82)	(15)	(445)	(243)	91
SQM Vitas Southern Africa	(82)	(67)	(44)	(104)	(156)	-
SQM Vitas Spain	(113)	-	(17)	(14)	-	-
SQM Vitas Holland	-	-	(6)	(2)	-	-
SQM Vitas Plantacote B.V.	(2)	-	(181)	(176)	-	-
Total	(2,580)	(2,100)	(2,490)	(2,588)	(420)	(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 December 31, 2014

Note 13 Intangible assets and goodwill

13.1 Balances

	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Intangible assets other than goodwill	114,735	104,363
Goodwill	38,388	38,388
Total	153,123	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 December 31, 2014 and December 31, 2013 are detailed as follows:

		12/31/2014		Net Value ThUS\$
		Gross amount ThUS\$	Accumulated Amortization ThUS\$	
Intangible assets and goodwill	Useful life			
Trademarks	Finite	3,821	(3,821)	-
Software	Finite	23,062	(9,996)	13,066
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	Finite	1,524	(939)	585
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	Indefinite	97,386	-	97,386
Other intangible assets	Indefinite	3,698	-	3,698
Intangible assets other than goodwill		129,491	(14,756)	114,735
Goodwill	Indefinite	38,388	-	38,388
Total intangible assets and goodwill		167,879	(14,756)	153,123

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Notes to the Consolidated Financial Statements as of December 31, 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 variables 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 relates 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 December 31, 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 December 31, 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 December 31, 2014:**

Movements in identifiable intangible assets, gross	Trademarks		Software		Intellectual property rights, patents and other industrial property rights, exploitation rights of way		Intellectual property rights, patents and other industrial property rights, exploitation rights of way		Goodwill		Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Opening balance	3,821	5,342	1,576	97,392	4,081	38,388					150,600
Additions	-	14,462	-	-	-	-	-	-	-	-	14,462
Other increases (decreases)	-	3,258	(52)	(6)	(383)	-	-	-	-	-	2,817
Final balance	3,821	23,062	1,524	97,386	3,698	38,388					167,879
Movements in identifiable intangible assets, accumulated amortization	Trademarks		Software		Intellectual property rights, patents and other industrial property rights, exploitation rights of way		Intellectual property rights, patents and other industrial property rights, exploitation rights of way		Goodwill		Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Opening balance	(3,821)	(3,146)	(882)	-	-	-	-	-	-	-	(7,849)
Additions	-	-	-	-	-	-	-	-	-	-	-
Amortization	-	(3,547)	(58)	-	-	-	-	-	-	-	(3,605)
Other increases (decreases)	-	(3,303)	1	-	-	-	-	-	-	-	(3,302)
Final balance	(3,821)	(9,996)	(939)	-	-	-	-	-	-	-	(14,756)

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Note 13 Intangible assets and goodwill (continued)**13.2 Disclosures on intangible assets and goodwill, continued****f) Movements in identifiable intangible assets as of December 31, 2014, continued**

Movements in identifiable intangible assets, net	Trademarks	Software	Intellectual property rights, patents and industrial exploitation way	Intellectual property rights, patents and industrial exploitation way	Other property rights, rights of	Goodwill	Identifiable intangible assets
			ThUS\$	ThUS\$	ThUS\$		
Opening balance	-	2,196	694	97,392	4,081	38,388	142,751
Additions	-	14,462	-	-	-	-	14,462
Amortization	-	(3,547)	(58)	-	-	-	(3,605)
Other increases (decreases)	-	(45)	(51)	(6)	(383)	-	(485)
Final balance	-	13,066	585	97,386	3,698	38,388	153,123

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

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

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

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 14 Property, plant and equipment

As of December 31, 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	12/31/2014 ThUS\$	12/31/2013 ThUS\$
Property, plant and equipment, net		
Land	34,622	33,812
Buildings	233,175	190,529
Machinery	361,882	465,327
Transport equipment	81,673	105,979
Furniture and fixtures	9,016	9,534
Office equipment	6,365	6,062
Constructions in progress	237,321	415,740
Other property, plant and equipment (1)	923,900	827,394
Total	1,887,954	2,054,377
Property, plant and equipment, gross		
Land	34,622	33,812
Buildings	411,633	364,695
Machinery	1,168,018	1,179,860
Transport equipment	261,394	263,268
Furniture and fixtures	32,082	27,575
Office equipment	35,512	39,142
Constructions in progress	237,321	415,740
Other property, plant and equipment	1,731,599	1,506,708
Total	3,912,181	3,830,800
Accumulated depreciation and value impairment of property, plant and equipment, total		
Accumulated depreciation and value impairment of buildings	178,458	174,166
Accumulated depreciation and value impairment of machinery	806,136	714,533
Accumulated depreciation and value impairment of transport equipment	179,721	157,289
Accumulated depreciation and value impairment of furniture and fixtures	23,066	18,041
Accumulated depreciation and value impairment of office equipment	29,147	33,080
Accumulated depreciation and value impairment of other property, plant and equipment	807,699	679,314
Total	2,024,227	1,776,423

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

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	31/12/2014	31/12/2013
	ThUS\$	ThUS\$
Other property, plant and equipment, net		
Conveyor belt	53,648	53,783
Tank (TK)	36,236	25,781
Geomembrane/liner	158,839	169,255
Electric facilities	61,795	21,889
Lights	3,648	28,748
Other constructions	122,287	62,390
Piping	27,637	22,499
Pool	168,469	181,844
Well (water)	49,818	39,963
Pipes/HD lines	148,590	101,886
Railroad track	25,314	21,628
Other property, plant and equipment	65,619	97,728
Total	923,900	827,394

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 14 Property, plant and equipment (continued)

14.1 Reconciliation of changes in property, plant and equipment by type:

Reconciliation entries of changes in property, plant and equipment by type as of December 31, 2014, gross	Land	Buildings	Machinery	Transport equipment	Furniture and fixtures	Office equipment	Construction in progress	Other property, plant and equipment	Property, plant and equipment
	ThUS\$	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	1.506.708	3.830.800
Changes									
Additions	-	72	370	-	71	1.514	134.663	287	136.977
Divestitures	-	-	(93)	(85)	(86)	(58)	(2.235)	(1)	(2.558)
Increase(decrease) in foreign currency exchange	(87)	(6)	(56)	(33)	-	(65)	4	(193)	(436)
Reclassification	812	46.872	(12.083)	(1.742)	4.522	(4.983)	(256.528)	223.130	-
Other increases (decreases) (*)	85	-	20	(14)	-	(38)	(54.323)	1.668	(52.602)
Total changes	810	46.938	(11.842)	(1.874)	4.507	(3.630)	(178.419)	224.891	81.381
Final balance	34.622	411.633	1.168.018	261.394	32.082	35.512	237.321	1.731.599	3.912.181

Reconciliation entries of changes in property, plant and equipment by type as of December 31, 2014, Accumulated depreciation	Land	Buildings	Machinery	Transport equipment	Furniture and fixtures	Office equipment	Construction 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)	(1.776.423)
Changes									
Additions	-	-	-	-	-	-	-	-	-
Divestitures	-	-	11	54	16	125	-	-	206
Depreciation expense	-	(19.669)	(88.242)	(29.417)	(2.772)	(2.811)	-	(108.380)	(251.291)
Increase(decrease) in foreign currency exchange	-	1	40	17	-	25	-	21	104

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Reclassification	-	15.375	(3.414)	6.899	(2.269)	6.561	-	(23.152)	-
Other increases (decreases) (*)	-	1	2	15	-	33	-	3.126	3.177
Total changes	-	(4.292)	(91.603)	(22.432)	(5.025)	3.933	-	(128.385)	(247.804)
Final balance	-	(178.458)	(806.136)	(179.721)	(23.066)	(29.147)	-	(807.699)	(2.024.227)

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 14 Property, plant and equipment (continued)**14.2 Reconciliation of changes in property, plant and equipment by type, continued:**

Reconciliation entries of changes in property, plant and equipment by type as of December 31, 2014, net	Land	Buildings	Machinery	Transport equipment	Furniture and fixtures	Office equipment	Construction in progress	Other property, plant and equipment	Property, plant and equipment
	ThUS\$	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	2.054.377
Changes									
Additions	-	72	370	-	71	1.514	134.663	287	136.977
Divestitures	-	-	(82)	(31)	(70)	67	(2.235)	(1)	(2.352)
Depreciation expense	-	(19.669)	(88.242)	(29.417)	(2.772)	(2.811)	-	(108.380)	(251.291)
Increase(decrease) in foreign currency exchange	(87)	(5)	(17)	(16)	-	(40)	4	(172)	(333)
Reclassification	812	62.248	(15.496)	5.158	2.253	1.577	(256.528)	199.976	-
Other increases (decreases) (*)	85	-	22	-	-	(4)	(54.323)	4.796	(49.424)
Total changes	810	42.646	(103.445)	(24.306)	(518)	303	(178.419)	96.506	(166.423)
Final balance	34.622	233.175	361.882	81.673	9.016	6.365	237.321	923.900	1.887.954

(*) 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 December 31, 2014

Note 14 Property, plant and equipment (continued)**14.2 Reconciliation of changes in property, plant and equipment by type, 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	Construction in progress	Other property, plant and equipment	Property, plant and equipment
	ThUS\$	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	1.336.991	3.471.875
Changes									
Additions	778	47	2.100	3	60	835	416.471	3.327	423.621
Divestitures	-	(38)	(521)	(35)	-	(2)	(5.045)	(24)	(5.665)
Increase(decrease) in foreign currency exchange	(36)	(8)	(39)	(24)	-	(43)	-	(98)	(248)
Reclassification	-	35.700	115.281	38.847	4.874	2.154	(366.516)	169.660	-
Other increases (decreases) (*)	(250)	(403)	(2.602)	15	(24)	(17)	(52.354)	(3.148)	(58.783)
Total changes	492	35.298	114.219	38.806	4.910	2.927	(7.444)	169.717	358.925
Final balance	33.812	364.695	1.179.860	263.268	27.575	39.142	415.740	1.506.708	3.830.800

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	Construction 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)	(1.559.326)
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

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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)	(1.776.423)

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 14 Property, plant and equipment (continued)**14.3 Reconciliation of changes in property, plant and equipment by type, continued:**

Reconciliation entries of changes in property, plant and equipment by type as of December 31, 2013, net	Land	Buildings	Machinery	Transport equipment	Furniture and fixtures	Office equipment	Construction in progress	Other property, plant and equipment	Property, plant and equipment
	ThUS\$	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	1.912.549
Changes									
Additions	778	47	2.100	3	60	845	416.471	3.327	423.631
Divestitures	-	(14)	(49)	(35)	-	-	(5.045)	(24)	(5.167)
Depreciation expense	-	(14.520)	(87.989)	(21.787)	(2.112)	(2.055)	-	(88.358)	(216.821)
Increase(decrease) in foreign currency exchange	(36)	(12)	(12)	(15)	-	(36)	-	(86)	(197)
Reclassification	-	35.700	115.281	38.845	4.874	2.156	(366.516)	169.660	-
Other increases (decreases) (*)	(250)	(403)	(2.335)	14	(24)	(97)	(52.354)	(4.169)	(59.618)
Total changes	492	20.798	26.996	17.025	2.798	813	(7.444)	80.350	141.828
Final balance	33.812	190.529	465.327	105.979	9.534	6.062	415.740	827.394	2.054.377

(*) The net balance of other increases (decreases) corresponds to: 1) investment plan expenses which are 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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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\$7,732 as of December 31, 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 December 31, 2014, no impairment adjustments were generated.

Note 15 Employee benefits

15.1 Provisions for employee benefits

Classes of employee benefits and expenses	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Current		

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Profit sharing and bonuses	18.384	25.236
Total	18.384	25.236

Non-current		
Profit sharing and bonuses	2.849	277
Severance indemnity payments	30.952	32.137
Total	33.801	32.414

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 15 Employee benefits (continued)

15.1

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 December 31, 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.

Staff severance indemnities at actuarial value	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Staff severance indemnities, Chile	30.336	31.470
Other obligations in companies elsewhere	616	667
Total other non-current liabilities	30.952	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 5.5%.

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 December 31, 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", whereby 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 employee benefits related to pension plans based on the 401-K system, which do not generate obligations for the Company.

The table below shows the plan financing status and the amounts recognized in the consolidated Statement of Financial Position.

Reconciliation table	12/31/2014	12/31/2013
Variation in the benefit obligation	ThUS\$	ThUS\$
Benefit obligation at January 1	6,922	6,482
Service cost	2	2
Interest cost	403	412
Actuarial gain (loss)	361	386

Benefits paid	(364)	(360)
Benefit obligation at December 31	7,324		6,922	

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Las Condes, Santiago, Chile 123

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 15 Employee benefits (continued)**15.4 Post-employment benefit obligations, continued**

	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Variation in plan assets:		
Fair value of plan assets as of January 1	7,909	6,073
Employer contributions	173	453
Actual return (loss) on plan assets	249	1,743
Benefits paid	(364)	(360)
Fair value of plan assets as of December 31	7,967	7,909
Financing status	643	987
Items not yet recognized as net periodical pension and healthcare cost elements:		
Net actuarial loss at the beginning of the period	(1,231)	(2,243)
Amortization during the period	30	109
Net profit or loss expected to occur during the period	(702)	903
Adjustment to recognize a minimum pension and healthcare obligation	(1,903)	(1,231)

As of December 31, 2014 and 2013, the net periodical pension and healthcare expense comprised the following elements.

Reconciliation	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Cost of benefits from services obtained during the period	2	2
Interest cost on benefit obligation	403	412
Actual return on plan assets	249	1,743
Amortization for prior period losses	30	109
Net loss during the period	340	(1,290)
Net periodic provisional expense	(155)	69

15.5 Staff severance indemnities

As of December 31, 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	(1,294)	(107)
Interest cost	(2,020)	(2,248)
Actuarial gain/loss	(665)	(127)
Exchange rate difference	4,450	2,946
Benefits paid during the year	714	1,830
Balance	(30,952)	(32,137)

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Note 15 Employee benefits (continued)**15.6 Staff severance indemnities, continued***a) Actuarial assumptions*

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

	12/31/2014		12/31/2013	
Mortality rate		RV - 2009		RV - 2009
Actual annual interest rate	5.5	%	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

*b)**Sensitivity analysis of assumptions*

As of December 31, 2014, the sensitivity analysis of the main assumptions is as follows:

Sensitivity analysis	Effect + 100 basis points ThUS\$		Effect - 100 basis points ThUS\$	
Discount rate	(1,960	)	(2,181)
Employee turnover rate	(112	)	(130)

Sensitivity relates to an increase/decrease of 100 basis points.

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).

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Note 16 Executive compensation plan (continued)

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 exercised. The dates for exercising the options will be the first 7 calendar days of May of the year in which the options are exercised.

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 December 31, 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	-	45.000
Redundant workers	-	(187.500)
Exercised during the fiscal year	-	(522.000)
Changes in benefit plan	-	(522.000)
In circulation	1.536.000	1.536.000
Average contractual life	16 months	25 months
Executives	10	10

The amounts accrued by the plan, as of December 31, 2014 and December 31, 2013, amount to:

Effect on profit or loss	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Effect on profit or loss	(553)	8.200

2)

Average Share Price Spread

Plan characteristics

This compensation plan is also related to the Company's performance through the SQM Series B share price (Santiago Stock Exchange).

Plan participants

This compensation plan includes 30 of the Company's executives, who obtain this benefit, provided they remain in the Company at the payment dates. The payments dates, if any, will be the first week of January 2016, 2017 and 2018.

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Note 16 Executive compensation plan (continued)**Compensation**

The compensation for each executive is the differential between the average share price during each of the months of December 2015, December 2016 and December 2017, respectively, in its equivalent in US dollars and the reference prices. The latter represents the value between US\$23.48 and the average weighted price of the trading of SQM Series B shares in the Santiago Stock Exchange during December 2014. The differential cannot exceed US\$15.00 and will be multiplied by 5,000. If the amount calculated is negative or zero, no bond will be paid during that period, but in such case, the bond of benefit payable in the following period to the employee will be equal to the product of multiplying the difference by 10,000. If the value was negative or zero in December 2015 and also in December 2016, for calculating the bond of December 2017, the differential will be multiplied by 15,000.

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

Movement for the period	2014	2013
In effect as of January 1	450.000	450.000
Redundant workers	60.000	-
In circulation	390.000	450.000
Average weighted contractual life	36 months	48 months
Executives	26	30

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Note 17 Disclosures on equity

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

17.1

Capital management

The main object of capital management relative to the administration of the Company's financial debt and equity is to ensure the regular conduct of operations and business continuity in the long term, with the constant intention of maintaining an adequate level of liquidity and in compliance with the financial safeguards established in the debt contracts in force. Within this framework, decisions are made in order to maximize the value of SQM.

Capital management must comply with, among others, the limits contemplated in the Financing Policy approved Board of Directors, which establish a maximum consolidated indebtedness level of 1.5 times the debt/equity. This limit can be exceeded only if the Company's management has a written and previously granted authorization issued at the Extraordinary Shareholders' Meeting.

In addition, capital management must comply with the external capital requirements imposed (or covenants) in its financial obligations, which regulate the indebtedness level by 1.2 times, in its more strict level.

In conjunction with the level of indebtedness, it is also important for the Company to maintain a comfortable profile of maturities for its financial obligations, in order to oversee the relation between its short-term financial obligations and the long-term maturities, and the relation they have with the Company's asset distribution. Consequently, the Company has maintained a liquidity level of 3 times during the last periods.

The Company's management controls capital management based on the following ratios:

CAPITAL MANAGEMENT	12/31/2014	12/31/2013	Description (1)	Calculation (1)
Net Financial Debt ThUS\$	762.229	882.020	Financial Debt – Financial Resources	Other current Financial Liabilities + Other Non-Current Financial Liabilities – Cash and Cash Equivalents – Other Current Financial Assets – Hedging Assets, non-current

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Liquidity	4.80	3.40		Current Asset divided by Current Liability	Total Current Assets / Total Current Liabilities
Net Debt / Capitalization	0.25	0.27		Net Financial Debt divided by Total Equity	Net financial debt / (Net financial debt + Total Equity)
ROE	13.2	% 19.5	%	Income divided by Total Equity	Total Income / Equity (UH 12 months)
ROA	13.7	% 16.4	%	EBITDA – Depreciation divided by Net Total Assets of financial resources less related parties investments	(Gross Income – Administrative Expenses)/ (Total Assets – Cash and Cash Equivalents – Other Current Financial Assets – Other Non-Current Financial Assets – Equity-accounted Investees) (UH 12 months)
Indebtedness	1.03	0.96		Total Liability on Equity	Total Liabilities / Total Equity

(1) Assumes the absolute value of the accounting records

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Note 17 Disclosures on equity (continued)

17.1 Capital management, continued

The Company's capital requirements change depending on variables such as working capital requirements, new investment financing and dividends, among others. The Company manages its capital structure and makes adjustments on the basis of the prevailing economic conditions so as to mitigate the risks associated with adverse market conditions and take advantage of the opportunities there may be to improve the liquidity position.

There have been no changes in the capital management objectives or policy within the years reported in this document. No breaches of external requirements of capital imposed (or covenants) have been recorded.

17.2 Disclosures on preferred share capital

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

The preferential voting rights for each series are detailed as follows:

Series "A":

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

Series "B":

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

2)

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An extraordinary meeting of the Board of Directors may be called with or without the agreement of the Company's President, at the request of the director elected by Series B shareholders.

As of December 31, 2014 and December 31, 2013, the Group does not maintain shares in the parent either directly or through its companies in which it has investments.

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Note 17 Disclosures on equity (continued)**17.2 Disclosures on preferred share capital, continued**

Detail of types of capital in preference shares:

Type of capital in preferred shares Description of type of capital in preferred shares	12/31/2014		12/31/2013	
	Series A	Series B	Series A	Series B
Number of authorized shares	142,819,552	120,376,972	142,819,552	120,376,972
Number of fully subscribed and paid shares	142,819,552	120,376,972	142,819,552	120,376,972
Number of subscribed, partially paid shares	-	-	-	-
Par value of shares in ThUS\$	0.9435	2.8464	0.9435	2.8464
Increase (decrease) in the number of current shares	-	-	-	-
Number of current shares	142,819,552	120,376,972	142,819,552	120,376,972
Number of shares owned by the entity or its subsidiaries or associates	-	-	-	-
Number of shares whose issuance is reserved due to the existence of options or agreements to dispose shares	-	-	-	-
Capital amount in shares ThUS\$	134,750	342,636	134,750	342,636
Amount of premium issuance ThUS\$	-	-	-	-
Amount of reserves ThUS\$	-	-	-	-
Total number of subscribed shares, total	142,819,552	120,376,972	142,819,552	120,376,972

As of December 31, 2014 and December 31, 2013, the Company has not placed any new issuances of shares on the market.

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Note 17 Disclosures on equity (continued)

17.3

Disclosures on reserves in equity

As of December 31, 2014 and December 31, 2014, reserves in equity are detailed as follows:

	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Reserve for currency exchange conversion	(7,701)	(3,817)
Reserve for cash flow hedges	(1,881)	(3,766)
Reserve for actuarial gains or losses in defined benefit plans	(1,903)	(1,231)
Other reserves	(1,677)	(1,677)
Total other reserves	(13,162)	(10,491)

Reserves for currency exchange conversion

This balance reflects retained earnings for changes in the exchange rate when converting financial statements of subsidiaries whose functional currency is that of each company's country of origin and the presentation currency is the US dollar.

Reserve for cash flow hedges

The Company maintains, as hedge instruments, financial derivatives related to obligations with the public issued in Unidades de Fomento and Chilean pesos. Changes from the fair value of derivatives designated and classified as hedges are recognized under this classification.

Reserve for actuarial gains or losses in defined benefit plans

Our subsidiary SQM North America has established pension plans for its retired employees that are calculated by measuring the projected obligation of IAS using a net salary progressive rate net of adjustments to inflation, mortality and turnover assumptions, deducting the resulting amounts at present value using a 6.5% interest rate for 2014 and 2013.

Other reserves

Corresponds to the acquisition of the subsidiary SQM Iberian S.A., which was already under ownership of the Company at the acquisition date (IAS 27 R).

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Note 17 Disclosures on equity (continued)

17.4 Dividend policies

As required by Article 79 of the Chilean Companies Act, unless otherwise decided by unanimous vote of the holders of issued and subscribed shares, we must distribute a cash dividend in an amount equal to at least 30% of our consolidated Profit for the period for year ended as of December 31, unless and except to the extent it has a deficit in retained earnings (losses not absorbed in prior years).

The Company's dividend policy for 2014 is as follows:

- Distribution and payment in favor of each shareholder of a final dividend which will be equivalent to 50% of Profit for the period obtained in 2014.

- Distribution and payment, if possible during 2014, of a provisional dividend which will be recorded against the aforementioned final dividend. This provisional dividend will be paid probably during the last quarter of 2014 and its amount could not exceed 50% of the retained earnings for distribution obtained during 2014, which are reflected in the Company's financial statements as of December 31, 2014.

- The distribution and payment by the Company of the remaining balance of the final dividend related to Profit for the period for the 2014 commercial year in up to two installments, which will have to be effectively paid and distributed prior to June 30, 2014.

- An amount equivalent to the remaining 50% of the Company's Profit for the period for 2014 will be retained and destined to the financing of operations of one or more of the Company's investment projects with no prejudice of the possible future capitalization of the entirety or a portion of this.

- The Board of Directors does not consider the payment of any additional and interim dividends.

The Board of Directors considers as necessary to indicate that the aforementioned dividends policy corresponds to the intention or expectation of the Board regarding this matter. Consequently, the enforcement of such dividends policy is necessarily conditioned to net incomes finally obtained, to the results indicating the Company's regular forecasts or the existence of certain conditions that could affect them. Notwithstanding the above and to the extent that such dividend policy undergoes a significant change, SQM S.A. will inform its shareholders in a timely manner.

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 17- Disclosures on equity (continued)

17.5 Provisional dividends

At the Extraordinary Board of Directors' Meeting of November 18, 2014, the directors unanimously agreed to pay and distribute a provisional dividend as contained in SQM's "Dividend Policy for the Commercial Year 2014."

It was agreed that beginning on December 12, 2014, SQM would pay and distribute a provisional dividend of US\$0.41493 per share, which is equivalent to a total amount of approximately ThUS\$102,208 or 50% of net profit for distribution in the commercial year 2014, accumulated as of September 30, 2014. This dividend is charged to profit for such the commercial year, in favor of the shareholders registered with SQM's Shareholder's Register on the fifth business day prior to December 12, 2014. It is paid in its equivalent amount in Chilean pesos per the "Observed U.S. dollar" exchange rate or "U.S. dollar" exchange rate, as published in the Official Gazette on December 5, 2014.

On July 7, 2014, at the Extraordinary Shareholders' Meeting, the shareholders agreed to partially modify the current "2014 Dividends Policy of Sociedad Química y Minera de Chile S.A.". This was informed at the General Annual Ordinary Shareholders Meeting held on April 25, 2014 with the main purpose of incorporating in such "Policy" the payment of a possible dividend of ThCh\$230,000 equivalent to US\$0.87387 per share. This will be distributed during the course of 2014 with a charge to retained earnings and, if applicable, it will be paid in its equivalent amount in Chilean pesos per "Observed U.S. dollar" exchange rate or "U.S. dollar" exchange rate, as published in the Official Gazette on such date.

At the Extraordinary Meeting held on June 6, 2014, the following was agreed by simple majority:

1. To partially amend the current "2014 Dividends Policy of Sociedad Química y Minera de Chile S.A.", informed at the General Annual Ordinary Shareholders Meeting held on April 25, 2014, with the main purpose of incorporating in such "Policy" the payment of a possible dividend of ThCh\$230,000 equivalent to US\$0.87387 per share that will be distributed during 2014 and charged to the caption retained earnings.

2. To call for an Extraordinary Shareholders' Meeting on Monday July 7, 2014 at 10:00, to communicate and resolve the payment of the aforementioned dividend.

On April 25, 2014 at the 39th General Shareholders' meeting, the payment of a final dividend of US\$0.88738 per share was agreed in relation to the net profit for 2013. US\$0.75609 per share was already paid as an interim dividend, and it was agreed that this amount should be subtracted from the final dividend detailed above. In line with this, the balance, amounting to US\$0.13129 per share it is to be paid and distributed among shareholders of the Company who

are registered with their respective shareholders' registry as of the fifth business day prior to the day in which this dividend is to be paid. Such amount, if applicable, is to be paid in its equivalent amount in Chilean pesos per the value of the "Observed U.S. dollar" or "U.S. dollar" that appears published in the Official Gazette on April 25, 2014.

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Note 17 Disclosures on equity (continued)**17.5 Provisional dividends, continued**

On November 19, 2013, the Board of Directors of Sociedad Química y Minera de Chile S.A, agreed to pay and distribute to the Company's shareholders, starting from December 12, 2013, a provisional dividend of US\$0.75609 per share, equivalent, approximately, to ThUS\$199,000 or 49.9% of the net distributable profit for the commercial year 2013, accumulated at December 31 of such year. The latter is also charged against income of said commercial year, in favor of the Shareholders who appeared registered in SQM's Shareholders Registry by the 5th working day prior to December 12, and in its equivalent in Chilean pesos according to the value of the "Observed US Dollar" or "US Dollar" that appears published in the Official Gazette on December 6, 2013.

On April 25th, 2013, at the 38th Ordinary Shareholders' Meeting, a definitive dividend payment of US\$1.23323 per share was approved, based on the net profit earned during the commercial year 2012. US\$0.94986 per share that was already paid as provisional dividend should be discounted from the abovementioned dividend, and the balance, amounting to US\$0.28337 per share will be paid and distributed in favor of the Shareholders who appeared registered in SQM's Shareholders Registry by the 5th working day prior the day in which the dividend will be paid. The last amount, if corresponds, will be paid in its equivalent in Chilean pesos according to the value of the "Observed US Dollar" or "US Dollar" that appears published in the Official Gazette on April 25, 2013.

Dividends presented deducted from equity are:

	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Dividends attributable to owners of the parent	114,487	203,401
Possible provisional dividend	230,000	-
Dividends payable	38,983	36,583
Total	383,470	239,984

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 18 Provisions and other non-financial liabilities

18.1 Types of provisions

	12/31/2014			12/31/2013		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Provision for legal complaints (*)	17,067	3,000	20,067	8,567	3,000	11,567
Restructuring	-	-	-	-	-	-
Provision for dismantling, restoration and rehabilitation cost	-	5,890	5,890	-	5,633	5,633
Other provisions	10,680	-	10,680	9,386	-	9,386
Total	27,747	8,890	36,637	17,953	8,633	26,586

(*) Provisions for legal complaints relate to legal expenses for lawsuits whose resolution are pending, and correspond to funds estimated necessary to make the disbursement of expenses incurred for this purpose. This provision relates mainly to the litigation of its subsidiaries located in Brazil and the United States (see note 19.1) and other litigations.

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Note 18 Provisions and other non-financial liabilities (continued)

18.2 Description of other provisions

Current provisions, other short-term provisions	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Provision for tax loss in fiscal litigation	1,235	1,401
Royalties, agreement with CORFO (the Chilean Economic Development Agency)	6,178	4,782
Fine to Brazil	2,500	2,500
Miscellaneous provisions	767	703
Total	10,680	9,386
Other long-term provisions		
Mine closure	5,890	5,633
Total	5,890	5,633

18.3 Other non-financial liabilities, current

Description of other liabilities	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Tax withholdings	7,305	12,334
VAT payable	2,267	2,531
Guarantees received	746	1,000
Accrual for dividend	41,364	36,583
Monthly tax provisional payments	8,549	6,601
Deferred income	8,218	13,475
Withholdings from employees and salaries payable	3,764	4,087
Accrued vacations	17,369	18,652
Other current liabilities	428	90
Total	90,010	95,353

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 18 Provisions and other non-financial liabilities (continued)

18.4 Changes in provisions

12/31/2014

Description of items that gave rise to variations	Guarantees	Restructuring	Legal complaints	Onerous contracts	Provision for dismantling, restoration and rehabilitation cost	Other provisions	Total
Total provisions, initial balance	-	-	11,567	-	5,633	9,386	26,586
Changes in provisions:							
Additional provisions	-	-	8,500	-	257	2,583	11,340
Provision used	-	-	-	-	-	(1,107)	(1,107)
Increase(decrease) in foreign currency exchange	-	-	-	-	-	(182)	(182)
Total provisions, final balance	-	-	20,067	-	5,890	10,680	36,637

12/31/2013

Description of items that gave rise to variations	Guarantees	Restructuring	Legal complaints	Onerous contracts	Provision for dismantling, restoration and rehabilitation cost	Other provisions	Total
Total provisions, initial balance	-	-	8,567	-	4,357	12,922	25,846
Changes in provisions:							
Additional provisions	-	-	3,000	-	1,276	12,608	16,884
Provision used	-	-	-	-	-	(15,943)	(15,943)
Increase (decrease) in foreign currency exchange	-	-	-	-	-	(201)	(201)
Total provisions, final balance	-	-	11,567	-	5,633	9,386	26,586

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Los Militares 4290,
Las Condes, Santiago, Chile 137
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Note 18 Provisions and other non-financial liabilities (continued)

18.4 Detail of main types of provisions

Legal expenses: This provision depends on the pending resolution of a legal lawsuit, to pay the expenses associated to and incurred during such lawsuit (incurred mainly in Brazil and the United States).

Tax accrual in tax litigation: This accrual relates to lawsuits pending resolution related to taxes in Brazil for two of our subsidiaries, SQM Brazil and NNC.

CORFO (Economic Development Agency) Royalties agreement: Relates to the commercialization of mining properties that SQM Salar S.A. pays the Economic Development Agency for on a quarterly basis. The amount of the lease payable is calculated based on sales of products extracted from the Salar de Atacama.

The settlement of the aforementioned amounts is performed on a quarterly basis.

To date, the Company and its subsidiaries have no significant uncertainties about the timing and amount of one class of provision.

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 19 Contingencies and restrictions

According to note 18.1 the Company has only registered a provision for the lawsuits in which the probability to lose is “more likely than not”. The Company is party to lawsuits and other relevant legal actions that are detailed as follows:

19.1 Lawsuits and other relevant events

1. Plaintiff :JB Comércio de Fertilizantes and Defensivos Agrícolas Ltda. (JB)
 Defendant :Nitratos Naturais do Chile Ltda. (NNC)
 Date :December 1995
 Court :MM 1ª, Vara Cível de Comarca de Barueri, Brazil.
 Reason : Compensation claim filed by JB against NNC for having appointed a distributor in a territory of Brazil for which JB had an exclusive contract.
 Status :Lower court ruling against Nitratos Naturais do Chile Ltda. and recourse of appeal pending resolution.
 Nominal value :ThUS\$1,800

2. Plaintiff :Nancy Erika Urrea Muñoz
 Defendants :Fresia Flores Zamorano, Duratec-Vinilit S.A. and SQM S.A. and their insurers
 Date :December 2008
 Court :1st Civil Court of Santiago
 Reason :Labor Accident
 Status :Evidence
 Nominal value :ThUS\$550

3. Plaintiff :City of Pomona, California USA
 Defendant :SQM North America Corporation
 Date :December 2010
 Court :United States District Court Central District of California
 Reason : Payment of expenses and other amount related to the treatment of groundwater to allow for consumption by removing the existing perchlorate in such groundwater and that supposedly come from Chilean fertilizer.
 Status : The Ninth Court of Appeals revoked the resolution of the District Judge that had invoked the Daubert Doctrine to prevent the declaration in the legal process of a supposed expert from the plaintiff.
 :SQMNA has resorted to writ of certiorari with the US Supreme Court for this to unify the application of the Daubert Doctrine by the Courts of Appeals. This process has been suspended awaiting the resolution of such Supreme Court.
 Nominal value :ThUS\$20,000

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Note 19 Contingencies and restrictions (continued)

19.1 Lawsuits and other relevant events, continued

4. Plaintiff : City of Lindsay, California USA
 Defendant : SQM North America Corporation The lawsuit also was filed against Sociedad Química y Minera de Chile S.A. this lawsuit has not yet been notified to the Company
 Date : December 2010
 Court : United States District Court Eastern District of California
 Reason : Payment of expenses and other amount related to the treatment of groundwater to allow for consumption by removing the existing perchlorate in such groundwater and that supposedly come from Chilean fertilizer.
 Status : Claim. Processing suspended
 Nominal value : Not possible to determine
5. Plaintiff : María Angélica Alday Fuentes
 Defendant : Vladimir Roco Alvarez, Compass Catering S.A. and SQM S.A.
 Date : August 2012
 Court : 1st Civil Court in Antofagasta
 Reason : Compensation for moral damages for attempt to sexual abuse.
 Status : Replay to claim.
 Nominal value : ThUS\$200
6. Plaintiff : H&V Van Mele N.V.
 Defendant : SQM Europe N.V. and its insurance companies
 Date : July 2013
 Court : Commercial Court
 Reason : Alleged indirect responsibility for the absence of adequate specification for the SOP-WS by the Belgian distributor
 Status : Evidence
 Nominal value : ThUS\$430
7. Plaintiff : E-CL S.A
 Defendant : Sociedad Química y Minera de Chile S.A.
 Date : September 2013
 Court : Arbitration
 Reason : Early termination of the Power Supply Contract entered into on February 12, 1999 (which matures in March 2016), on the basis of the alleged incompliance of a prior sentence between both parties that was resolved in favor of SQM S.A..
 Status : Evidentiary stage
 Nominal value : ThUS\$5,100

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Note 19 Contingencies and restrictions (continued)

19.1 Lawsuits and other relevant events, continued

8. Plaintiff : Carlos Aravena Carrizo et al.
Defendant : SQM Nitratos S.A. and its insurers
Date : May 2014
Court : 18th Civil Court of Santiago
Reason : Compensation claim for alleged civil liability under tort as a result of a explosion that occurred on September 6, 2010 near Baquedano, causing the death of 6 workers.
Status : Claim
Nominal value : ThUS\$8.200
9. Plaintiff : Corporación de Fomento de la Producción (CORFO)
Defendant : SQM Salar S.A. and Sociedad Química y Minera de Chile S.A.
Date : May 2014
Court : Arbitral court
Reason : Early termination of lease agreement entered into on November 12, 1993 maturing on December, 2030 -i- because of alleged noncompliance of the full payment of quarterly income related to certain products between 2009-2013 and -ii- and alleged lack of demarcation of certain mining properties owned by CORFO for which a demarcation was never required in such agreement, and in addition, compensation for damages.
Status : Settlement
Nominal value : ThUS\$9,000
- 10 Plaintiff : Evt Consulting SpA
Defendant : SQM Nitratos S.A.
Date : October 2014
Court : 23th Civil Court of Santiago
Reason : Claim requesting compensation for damages for purchase and sale of metallic structures contract termination.
Status : Rejoinder
Nominal value : ThUS\$835

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Note 19 Contingencies and restrictions (continued)

19.1 Lawsuits and other relevant events, continued

The Company and its subsidiaries have been involved and will probably continue to be involved either as plaintiffs or defendants in certain judicial proceedings that have been and will be heard by the Arbitral or Ordinary Courts of Justice that will make the final decision. Those proceedings that are regulated by the appropriate legal regulations are intended to exercise or oppose certain actions or exceptions related to certain mining claims either granted or to be granted and that do not or will not affect in an essential manner the development of the Company and its subsidiaries.

Soquimich Comercial S.A. has been involved and will probably continue being involved either as plaintiff or defendant in certain judicial proceedings through which it intends to collect and receive the amounts owed, the total nominal value of which is approximately ThUS\$700.

The Company has made efforts and continues making efforts to obtain payment of certain amounts that are still owed it on occasion of their activities. Such amounts will continue to be required using judicial or non-judicial means by the plaintiffs, and the actions and exercise related to these are currently in full force and effect.

The Company and its subsidiaries have not received legal notice of any claims other than those mentioned in paragraph I above. The claims detailed above seek to annul certain mining claims that were purchased by SQM S.A. and Subsidiaries, the proportional purchase value of which, with respect to the portion affected by the superimposition, exceeds the nominal and approximate amount of ThUS\$150. The claims seek payment of certain amounts allegedly owed by the Company due to its own activities, which exceed the approximate, nominal and individual amount of ThUS\$150.

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Note 19 Contingencies and restrictions (continued)

19.2 Restrictions to management or financial limits

Credit contracts subscribed by the SQM Group with domestic and foreign banks and the issuance of bonuses in the local and international market require that the Company comply with the following level of consolidated financial indicators, calculated for a moving period which considers the last twelve months:

- To maintain a minimum equity of ThUS\$1,000,000.

- To maintain a Net Financial Debt to EBITDA ratio not higher than 3 times.

To maintain a total Indebtedness Ratio not higher than 1.2 times. The total Indebtedness Ratio is defined as the total liabilities divided by total equity.

To maintain a ratio between the financial debt of the operating subsidiaries SQM Industrial S.A. and SQM Salar S.A., or their respective legal successors, and the Issuer's total consolidated current assets not higher than 0.3 times.

As of December 31, 2014, the aforementioned financial indicators are as follows:

Indicator	12/31/2014	12/31/2013
Equity ThUS\$	2,299,703	2,432,241
Net Financial Debt/EBITDA	1.03	1.06
Indebtedness	1.03	0.96
SQM Industrial and SQM Salar debt/Current assets	0.02	0.02

Issuance contracts for bonds issued abroad does not require that the Company merge or dispose at any title the asset as a whole or as a substantial part of it, unless the following copulative conditions are met: (i) the legal successor company is an entity subject to Chilean or American laws, and assumes under a complimentary contract the Company's obligations, (ii) the Issuer does not fail to comply immediately after the merge or disposal, and (iii) the Issuer delivers a legal opinion stating the merge or disposal and the complimentary contract meet the requirements described in the original contract.

In addition, SQM S.A. is committed to disclose financial information on quarterly basis.

The Company and its subsidiaries have complied and are fully complying with all aforementioned limitations, restrictions and obligations.

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Note 19 Contingencies and restrictions (continued)

19.3 Commitments

The subsidiary SQM Salar S.A. has signed a rental contract with the Economic Development Agency (CORFO), which establishes that the subsidiary will pay rent to CORFO for the concept of commercialization of certain mining properties owned by CORFO and for the products resulting from the commercialization. The annual rent stated in the aforementioned contract is calculated on the basis of sales of each type of product. The contract is in force until 2030, and rent began being paid in 1996 reflecting an expense amount of ThUS\$ 21,070 as of December 31, 2014 (ThUS\$ 22,885 as of December 31, 2013).

On 15 November 2013, Corporación de Fomento de la Producción (CORFO) sent a letter to SQM Salar S.A. (SQMS) stating its intention to a) collect the amount of Ch\$2,530,298,919 (ThUS\$4,823) that in CORFO's opinion, SQMS would owe to it for the calculation and payment of rental payments according to the "Lease Agreement of OMA Mining Claims located in the Salar de Atacama" entered into between CORFO and SQMS on November 12, 1993 (the AGREEMENT) and b) require the constitution of an instance of arbitration stated in the AGREEMENT with the purpose that the arbitrator appointed by the "Arbitration Center of the Santiago Chamber of Commerce" determines if other alleged lease payment obligations may exist that SQMS could owe to CORFO under the AGREEMENT. SQMS differs completely from CORFO's claims. In fact, the AGREEMENT has been in force for more than 20 years and during all this time, SQMS has paid to CORFO more than 80 quarterly payments in their entirety and on a timely basis that CORFO has received satisfactorily. Each of the parties, CORFO and SQMS, have requested the formation of an appropriate arbitration and such processes have not yet began.

CORFO's total claimed amount is of at least US\$8,940,829 - plus interest and expenses. The SQM Salar S.A. v. CORFO, and CORFO v. SQM Salar S.A. lawsuits have been compiled into a single proceeding which is soon to reach the evidence stage. CORFO and SQM waived all appeal procedures against the arbitrator's sentence. However, it is not possible to rule out the filing of a new appeal against a complaint proceeding or extraordinary appeal arbitration ruling due to incompetence or ultra petita, invoking jurisprudence of the courts of justice indicating that both appeals cannot be waived.

During 2014, revenues related to products from the Salar de Atacama represented 38.7% of total consolidated revenues of the Company for the same period. This corresponds to revenues from the Potassium and Lithium product business lines.

Additionally, during the same period, SQM Salar, a SQM subsidiary which operates plants located in the Atacama saltpeper deposit, sold potassium salts (sylvinite) and moist potassium chloride amounting to ThUS\$88,872 to SQM Industrial, a SQM subsidiary, to use as supplies in the production of potassium nitrate.

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Note 19 Contingencies and restrictions (continued)

19.4 Restricted or pledged cash

The subsidiary Isapre Norte Grande Ltda., in compliance with that established by the Chilean Superintendence of Healthcare which regulates the running of pension-related health institutions, maintains a guarantee in financial instruments delivered in deposits, custody and administration to Banco de Chile.

This guarantee, according to the regulations issued by the Chilean Superintendence of Healthcare is equivalent to the total sum owed to its members and medical providers Banco de Chile reports the present value of the guarantee to the Chilean Superintendence of Healthcare and Isapre Norte Grande Ltda. on a daily basis. As of December 31, 2014, the guarantee amounts to ThUS\$682.

SQM S.A. maintains funds with Morgan Stanley for margin call, which provide collateral for the exposure by the bank with respect to the Company.

Such collateral hedges the fair value of the Cross Currency Swap that SQM SA has entered into to hedge a portion of the Series H Bond.

Through the present date, SQM S.A. has delivered ThUS\$ 3,250 to Morgan Stanley, which will be released when one of the following conditions occurs:

1. The market value of the Cross Currency Swap is lower than the sum delivered ThUS\$ 3,250 and the collateral threshold ThUS\$ 5,000.
2. The Cross Currency Swap associated with the Series H Bond expires on January 5, 2018.

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Notes to the Consolidated Financial Statements as of December 31, 2014

Note 19 Contingencies and restrictions (continued)

19.5 Securities obtained from third parties

The main security received from third parties to guarantee Soquimich Comercial S.A.'s compliance with obligations in contracts of commercial mandates for the distribution and sale of fertilizers amounted to ThUS\$9,176 and ThUS\$14,178 on December 31, 2014 and December 31, 2013 respectively; which is detailed as follows:

Grantor	Relationship	12/31/2014	12/31/2013
		ThUS\$	ThUS\$
Agrícola Lobert Ltda.	Unrelated third party	837	1,271
Agroc Patricio Bornand L. Eirl	Unrelated third party	363	392
Agrocomercial Bornand Ltda.	Unrelated third party	-	344
Agroindustrial Orzonaga Ltda.	Unrelated third party	-	133
Bernardo Guzman Schmidt	Unrelated third party	129	139
Bioleche Comercial Ltda.	Unrelated third party	-	3,431
Comercial Agrosal Ltda.	Unrelated third party	108	116
Contador Frutos S.A.	Unrelated third party	1,623	1,447
Llanos Y Wannas Soc. Com. Ltda	Unrelated third party	1,633	953
Dante Hauri Gomez	Unrelated third party	109	126
Gilberto Rivas Y Cia. Ltda.	Unrelated third party	129	136
Hortofruticola La Serena	Unrelated third party	301	323
Jose Antonio Gonzalez	Unrelated third party	-	118
Johannes Epple Davanzo	Unrelated third party	691	935
Juan Luis Gaete Chesta	Unrelated third party	266	425
Lemp Martin Julian	Unrelated third party	115	124
Neyib Farran Y Cia. Ltda.	Unrelated third party	124	133
Patricio Meneses Saglieto	Unrelated third party	-	953
Sebastian Urrutia Araya	Unrelated third party	117	116
Soc.Agr. Huifquenco Cia Ltda.	Unrelated third party	108	117
Soc. Agrocom. Julio Polanco	Unrelated third party	296	132
Tattersall Agroinsumos S.A.	Unrelated third party	2,000	1,789
Vicente Oyarce Castro	Unrelated third party	227	525
Total		9,176	14,178

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Note 19 Contingencies and restrictions (continued)**19.6 Indirect guarantees**

Guarantees in which there is no pending balance indirectly reflect that the respective guarantees are in force and approved by the Company's Board of Directors and have not been used by the respective subsidiary.

Creditor of the guarantee	Debtor		Type of guarantee	Balances as of the closing date of the financial statements	
	Name	Relationship		12/31/2014	12/31/2013
				ThUS\$	ThUS\$
Australian and New Zealand Bank	SQM North America Corp	Subsidiary	Bond	-	-
Australian and New Zealand Bank	SQM Europe N.V.	Subsidiary	Bond	-	-
Generale Bank	SQM North America Corp	Subsidiary	Bond	-	-
Generale Bank	SQM Europe N.V.	Subsidiary	Bond	-	-
Kredietbank	SQM North America Corp	Subsidiary	Bond	-	-
Kredietbank	SQM Europe N.V.	Subsidiary	Bond	-	-
Banks and financial institutions	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
Banks and financial institutions	SQM Europe N.V.	Subsidiary	Bond	-	-
Banks and financial institutions	SQM North America Corp	Subsidiary	Bond	-	-
Banks and financial institutions	Nitratos Naturais do Chile Ltda.	Subsidiary	Bond	-	-
Banks and financial institutions	SQM México S.A. de C.V.	Subsidiary	Bond	-	-
Banks and financial institutions	SQM Brasil Ltda.	Subsidiary	Bond	-	-
“BNP”	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
Sociedad Nacional de Minería A.G.	SQM Potasio S.A.	Subsidiary	Bond	-	-
JP Morgan Chase Bank	SQM Industrial S.A.	Subsidiary	Bond	-	-
The Bank of Nova Scotia	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
Morgan Stanley Capital Services	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
The Bank of Tokyo-Mitsubishi UFJ Ltd.	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
HSBC	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
Deutsche Bank AG	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
Credit Suisse International	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-

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Note 19 Contingencies and restrictions (continued)**19.6 Indirect guarantees, continued**

The bonds which disclose a balance as of December 31, 2014 and December 31, 2013 are detailed below:

Creditor of the guarantee	Debtor Name	Relationship	Type of guarantee	Pending balances as of the closing date of the financial statements	
				12/31/2014 ThUS\$	12/31/2013 ThUS\$
Scotiabank & Trust (Cayman) Ltd.	Royal Seed Trading A.V.V.	Subsidiary	Bond	-	50,189
Scotiabank & Trust (Cayman) Ltd.	Royal Seed Trading A.V.V.	Subsidiary	Bond	50,137	50,139
Bank of America	Royal Seed Trading A.V.V.	Subsidiary	Bond	40,117	40,120
Export Development Canada	Royal Seed Trading A.V.V.	Subsidiary	Bond	40,012	50,014
The Bank of Tokyo-Mitsubishi UFJ Ltd.	Royal Seed Trading A.V.V.	Subsidiary	Bond	40,084	50,108

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Note 20 Revenue

As of December 31, 2014 and 2013, revenue is detailed as follows:

Types of revenue	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Sales of goods	2,006,452	2,191,650
Provision of services	7,762	11,490
Total	2,014,214	2,203,140

Note 21 Earnings per share

Basic earnings per share are calculated by dividing net income attributable to the Company's shareholders by the weighted average of the number of shares in circulation during that period.

As expressed, earnings per share are detailed as follows:

	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Basic earnings per share		
Earnings (losses) attributable to owners of the parent	296,381	467,113

12/31/2014	12/31/2013
Units	Units