

Eagle Bulk Shipping Inc.
Form 8-K
August 02, 2016
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 2, 2016**

Eagle Bulk Shipping Inc.

(Exact name of registrant as specified in its charter)

Republic of the Marshall Islands

(State or other jurisdiction of incorporation or organization)

001-33831

(Commission File Number)

98-0453513

(IRS employer identification no.)

300 First Stamford Place

5th Floor

Stamford, CT 06902

(Address of principal executive offices, including zip code)

(Registrant's telephone number, including area code): **(212) 785-2500**

(Former Name or Former Address, if Changed Since Last Report): None

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

At the Special Meeting (as defined in Item 5.07 below) the shareholders of Eagle Bulk Shipping Inc., a Republic of the Marshall Islands corporation (the “*Company*”), approved, among other things, amendments to the Company’s Second Amended and Restated Articles of Incorporation to (i) increase the number of authorized shares of the Company’s Common Stock, par value US\$0.01 per share (“*Common Stock*”), from 150,000,000 to 700,000,000 shares, and (ii) establish the number of authorized shares of preferred stock, par value US\$0.01 per share, at 25,000,000 shares (collectively, the “*Amendments*”). The Amendments became effective on August 2, 2016 upon filing of the Company’s Articles of Amendment to its Second Amended and Restated Articles of Incorporation (the “*Amended Articles*”) with the Registrar of Corporations of the Republic of the Marshall Islands.

The foregoing description of the Amended Articles does not purport to be complete and is qualified in its entirety by reference to the full text of the Amended Articles, a copy of which is attached hereto as Exhibit 3.1 to this Current Report on Form 8-K and incorporated in this Item 5.03 by reference.

Item 5.07. Submission of Matters to a Vote of Security Holders.

On August 2, 2016, the Company held a Special Meeting of Shareholders (the “*Special Meeting*”). There were a total of 38,281,960 shares of the Company’s Common Stock outstanding and entitled to vote at the Special Meeting. A total of 32,879,166 shares of Common Stock, constituting a majority of the Company’s outstanding shares of Common Stock entitled to vote at the Special Meeting, were represented at the Special Meeting either in person or by proxy. At the Special Meeting, the Company’s shareholders voted on the following matters and cast their votes as described below.

1. To ratify, for purposes of complying with The NASDAQ Stock Market LLC (“*NASDAQ*”) Listing Rule 5635(d), the issuance of shares of the Company’s Common Stock in connection with the entry into a Second Lien Loan Agreement (the “*Second Lien Loan Agreement*”), dated as of March 30, 2016, by and among Eagle Shipping LLC, as borrower, certain of its subsidiaries, as guarantors, certain lenders thereunder and Wilmington Savings Fund Society, FSB as agent for the Second Lien Lenders, in an amount equal to 20% or more of the Common Stock outstanding before the issuance of such shares.

Votes For	Votes against	Abstentions	Broker Non-Votes
27,377,715	638,436	9,407	4,853,608

2. To ratify, for purposes of complying with NASDAQ Listing Rule 5635(c), the issuance of shares of Common Stock, in connection with the entry into the Second Lien Loan Agreement, to certain directors and officers of the Company.

Votes For Votes against Abstentions Broker Non-Votes

27,353,031 659,982 12,545 4,853,608

3. To approve an amendment to Article FOURTH of the Company's Second Amended and Restated Articles of Incorporation (the "*Articles of Incorporation*") to increase the number of authorized shares of Common Stock from 150,000,000 to 700,000,000.

Votes For Votes against Abstentions Broker Non-Votes

30,512,659 2,324,068 42,439 0

4. To approve an amendment to Article FOURTH of the Articles of Incorporation to effect a reverse stock split of the Company's issued and outstanding shares of Common Stock by a ratio of between 1-for-10 and 1-for-50, inclusive.

Votes For Votes against Abstentions Broker Non-Votes

31,912,876 954,110 12,180 0

5. To approve, for purposes of complying with NASDAQ Listing Rule 5635(d), the issuance of shares of Common Stock, in connection with the entry into Common Stock Purchase Agreements (collectively, the “**Common Stock Purchase Agreements**”), dated as of July 1, 2016 and July 10, 2016, respectively, each by and among the Company and the purchasers party thereto, in an amount equal to 20% or more of the Common Stock outstanding before the issuance of such shares.

Votes For Votes against Abstentions Broker Non-Votes

27,321,582 692,941 11,035 4,853,608

6. To approve, for purposes of complying with NASDAQ Listing Rule 5635(c), the issuance of shares of Common Stock, in connection with the entry into the Common Stock Purchase Agreements, to certain directors and officers of the Company.

Votes For Votes against Abstentions Broker Non-Votes

27,308,580 708,436 8,542 4,853,608

7. To approve an amendment to Article FOURTH of the Articles of Incorporation to authorize 25,000,000 shares of preferred stock, par value US\$0.01 per share.

Votes For Votes against Abstentions Broker Non-Votes

27,139,496 872,301 13,761 4,853,608

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit Number Description

3.1	Articles of Amendment to Second Amended and Restated Articles of Incorporation of Eagle Bulk Shipping Inc.
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**EAGLE BULK SHIPPING
INC.**
(registrant)

Dated: August 2, 2016 By: /s/ Adir Katzav
Name: Adir Katzav
Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit Number Description

3.1 Articles of Amendment to Second Amended and Restated Articles of Incorporation of Eagle Bulk Shipping Inc.

eft" valign="bottom" width="1%"> 80 5 - 5 1 - 1 - -

North American Trading Company

United States

US\$

100 162 145 307 39 - 39 - -

SQM Virginia LLC

United States

US\$

100 14,834 14,379 29,213 14,834 - 14,834 - (1)

SQM Comercial de México S.A. de C.V.

Mexico

US\$

100 61,241 1,495 62,736 64,058 - 64,058 38,004 (1,941)

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 10 - Investments and Information to be Disclosed on Investments in Subsidiaries, continued

Subsidiary	Country of incorporation	Functional currency	Ownership %	Current ThUS\$	3/31/2010 Asset Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Liability Non-Current ThUS\$	Total ThUS\$	Ordinary income ThUS\$
Mentation	Netherlands Antilles	US\$	100	133,260	778	134,038	110,118	651	110,769	2,987
ed	Aruba	US\$	100	148,831	654	149,485	230	155,000	155,230	-
on	United States	US\$	100	15,786	3	15,789	1,265	-	1,265	-
mium	Argentina	US\$	100	548	-	548	116	-	116	-
s	Panama	US\$	100	709	-	709	1,360	-	1,360	-
h	France	US\$	100	345	6	351	114	-	114	-
entina	Mexico	US\$	100	156	-	156	895	222	1,117	662
l	Mexico	US\$	51	21	1	22	11	-	11	31
nal	Netherlands Antilles	US\$	100	92,941	72,803	165,744	119,105	-	119,105	-
nce	Spain	US\$	66.67	19,003	-	19,003	18,118	-	18,118	14,968
ración	Netherlands Antilles	US\$	100	8,765	-	8,765	4	-	4	367
os	South Africa	US\$	100	64,418	185	64,603	61,234	-	61,234	22,123
S.A.	Venezuela	US\$	100	91	-	91	399	-	399	-
ratos	Australia	US\$	100	1,819	-	1,819	1,158	-	1,158	438
.A.										
h										
B.V.										
tes										
S.A.										
inera										
ica										
a										
eania										

ro										
Ltd.	India	US\$	100	291	4	295	213	-	213	-
ing										
l	China	US\$	100	90	-	90	13	-	13	126
				3,302,598	2,023,846	5,326,444	2,612,085	511,746	3,123,831	685,109

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 10 - Investments and Information to be Disclosed on Investments in Subsidiaries, continued

Below, we detail the financial information as of December 31, 2009 of those companies on which the Group exerts significant influence.

Subsidiary	Country of incorporation	Functional currency	Ownership %	Current ThUS\$	12/31/2009		Current ThUS\$	Liability Non-current ThUS\$	Total ThUS\$	Ordinary Income ThUS\$	Net income (loss) ThUS\$
					Asset Non-current ThUS\$	Total ThUS\$					
SQM Nitratos S.A.	Chile	US\$	100.00	455,452	66,481	521,933	447,246	11,889	459,135	167,562	45,821
Compañía S.A.	Chile	US\$	60.58	209	1	210	-	-	-	-	-
SQM Internacional S.A.	Chile	US\$	60.6382	281	-	281	-	-	-	-	-
SQM Potasio S.A.	Chile	US\$	99.9974	100,238	506,474	606,712	1	198,902	198,903	-	100,238
Serv. Integrales de Tránsito y Transf. S.A.	Chile	US\$	100.00	93,505	56,361	149,866	135,104	2,156	137,260	28,066	35,104
Compañía del Norte Grande Ltda.	Chile	US\$	100.00	439	521	960	466	106	572	3,780	1,000
Compañía SQM Chile S.A.	Chile	US\$	51.00	12,816	3,829	16,645	6,221	1,662	7,883	35,752	72,000
Compañías y Depósitos S.A.	Chile	US\$	100.00	383	46	429	1	-	1	-	-
SQM Salar S.A.	Chile	US\$	100.00	388,416	526,431	914,847	301,143	77,496	378,639	477,878	160,150
Comercial S.A.	Chile	US\$	60.6382	6,105	361	6,466	44	66	110	69	27,000
SQM Industrial S.A.	Chile	US\$	100.00	848,339	574,126	1,422,465	728,276	37,142	765,418	629,444	18,821
Compañía S.A.	Chile	US\$	100.00	68,861	55,213	124,074	1,928	2,489	4,417	1,895	3,800
Exploraciones S.A.	Chile	US\$	100.00	403	31,344	31,747	3,565	-	3,565	-	(18,000)
Compañía S.A.	Chile	US\$	100.00	549	110	659	216	335	551	1,658	(4,000)
Compañía S.A.	Chile	US\$	60.6383	144,525	16,241	160,766	54,876	1,417	56,293	188,072	2,990

Quimich Comercial S.A.	Chile	US\$	42.4468	2,130	173	2,303	740	-	740	1,211	
Corporación Illegari S.A.	Chile	US\$	42.4468	2,130	173	2,303	740	-	740	1,211	
SQM North America Corp.	United States	US\$	100.00	137,329	15,540	152,869	126,097	3,644	129,741	191,520	(76)
Agroquímica S.A.	Aruba	US\$	100.00	5,232	-	5,232	-	-	-	-	
Tratados Turais do Sudeste Ltda.	Brazil	US\$	100.00	6	287	293	4,896	-	4,896	-	(57)

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 10 - Investments and Information to be Disclosed on Investments in Subsidiaries, continued

Subsidiary	Country of incorporation	Functional currency	Ownership %	12/31/2009		Total ThUS\$	Liability		Total ThUS\$	Ordinary Income ThUS\$	Net income (loss) ThUS\$
				Current ThUS\$	Asset Non-current ThUS\$		Current ThUS\$	Non-current ThUS\$			
... Corporation											
...ile Ltd.	England	US\$	100.00	5,076	-	5,076	-	-	-	-	
... Corporation											
... Netherlands Antilles	Netherlands Antilles	US\$	100.00	669	37,138	37,807	3,688	-	3,688	-	
... Peru S.A.	Peru	US\$	100.00	29,200	144	29,344	29,965	-	29,965	17,791	(2,...
... Ecuador S.A.	Ecuador	US\$	100.00	6,218	81	6,299	5,992	-	5,992	12,960	(...
... Brasil Ltda.	Brazil	US\$	100.00	245	77	322	1,149	-	1,149	844	(...
... Corporation											
... Netherlands Antilles	Netherlands Antilles	US\$	100.00	-	7	7	31	-	31	-	
... Japan Co.											
... Japan	Japan	US\$	100.00	1,075	509	1,584	103	326	429	1,395	
... IC Holding											
... oration L.L.P.	United States	US\$	100.00	1,443	7,678	9,121	358	-	358	-	1,...
... Europe N.V.	Belgium	US\$	100.00	274,514	502	275,016	265,171	-	265,171	510,837	6,...
... Italia SRL	Italy	US\$	100.00	1,485	-	1,485	19	-	19	-	
... Indonesia											
... Indonesia	Indonesia	US\$	80.00	5	-	5	1	-	1	-	
... h American											
... ing Company	United States	US\$	100.00	162	145	307	39	-	39	-	
... I Virginia LLC	United States	US\$	100.00	14,834	14,380	29,214	14,834	-	14,834	-	
... I Comercial de											
... ico S.A. de	Mexico	US\$	100.00	60,370	2,128	62,498	61,880	-	61,880	129,083	(10,...

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 10 - Investments and Information to be Disclosed on Investments in Subsidiaries, continued

	Country of incorporation	Functional currency	Ownership %	Current ThUS\$	12/31/2009 Asset Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Liability Non-Current ThUS\$	Total ThUS\$	Ordinary Income ThUS\$ Total
	Netherlands Antilles	US\$	100.00	136,110	797	136,907	115,554	568	116,122	14,746
	Aruba	US\$	100.00	255,328	793	256,121	100,123	155,000	255,123	-
	United States	US\$	100.00	15,787	3	15,790	1,264	-	1,264	-
	Argentina	US\$	100.00	564	-	564	118	-	118	-
	Panama	US\$	100.00	1,345	-	1,345	1,912	-	1,912	1,092
	France	US\$	100.00	345	6	351	114	-	114	-
	Mexico	US\$	100.00	20	-	20	664	185	849	2,830
	Mexico	US\$	51.00	19	1	20	13	-	13	110
	United Arab Emirates	US\$	-	-	-	-	-	-	-	5,198
	Netherlands Antilles	US\$	100.00	97,854	58,418	156,272	125,168	38	125,206	-
	Spain	US\$	66.67	16,872	3	16,875	16,293	-	16,293	52,872
	Netherlands Antilles	US\$	100.00	8,959	0	8,959	14	-	14	1,330
	South Africa	US\$	100.00	61,289	153	61,442	59,834	-	59,834	75,438
	Venezuela	US\$	100.00	91	-	91	399	-	399	-

nia	Australia	US\$	100.00	2,509	-	2,509	1,934	-	1,934	1,679
td.	India	US\$	100.00	242	3	245	284	-	284	-
				3,257,848	1,976,505	5,234,353	2,617,738	493,421	3,111,159	2,555,112

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 11 - Investment in Associated Companies accounted for using the equity method

Investment in Associated Companies accounted for using the equity method

As of March 31, 2010, December 31, 2009 and as of January 1, 2009, in accordance with criteria established in Note 2.5 and Note 2.14, investment in associated companies accounted for using the equity method and investments in business combinations are as follows:

	Note N°	3/31/2010 ThUS\$	12/31/2009 ThUS\$	01 /01/2009 ThUS\$
Investments in associated companies	11.1 to 11.4	37,728	35,163	36,934
Business combination	12.0 to 12.4	21,034	20,022	-
Total		58,762	55,185	36,934

11.1 Assets, liabilities, ordinary income and expenses of associated companies

Associated company	Asset		Liability		Ordinary income	Ordinary expenses	Net Income (loss)
	Current	Non-Current	Current	Non- Current			
Sales de Magnesio Ltda.	2,349	506	923	-	1,073	(775)	298
Abu Dhabi Fertilizer Industries WWL	17,498	2,970	7,391	-	9,497	(8,591)	906
Ajay North America	15,518	7,092	7,716	-	12,737	(12,463)	274
Doktor Tarsa Tarim Sanayi AS	38,519	5,790	26,786	-	13,854	(12,002)	1,852
Nutrissi Holding N.V.	(99)	15,925	1,283	-	2,479	(62)	2,417
Ajay Europe SARL	21,171	2,952	11,451	-	13,247	(12,765)	482
Mirs Specialty Fertilizers	2,931	3,724	2,821	274	827	(1,005)	(178)
SQM Eastmed Turkey	715	595	933	228	-	-	-
SQM Thailand Co. Ltd.	5,928	539	2,682	-	286	(227)	59
Total	104,530	40,093	61,986	502	54,000	(47,890)	6,110

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 11 Investment in Associated Companies, continued

11.1 Assets, liabilities, ordinary income and expenses of associated companies, continued

Associated company	Asset		Liability		Ordinary income	Ordinary expenses	Net Income (loss)
	Current	Non-current	Current	Non-current			
Sales de Magnesio Ltda.	1,850	2	1,195	-	2,362	(2,008)	354
Abu Dhabi Fertilizer Industries WWL	14,559	2,746	5,163	-	26,173	(24,626)	1,547
Ajay North America	12,471	7,046	3,848	-	28,594	(24,497)	4,097
Doktor Tarsa Tarim Sanayi AS	36,022	6,032	22,545	2,525	58,850	(55,172)	3,678
Nutrisi Holding N.V.	(552)	14,913	1,494	-	-	(2,120)	(2,120)
Ajay Europe SARL	12,830	2,325	4,181	-	20,788	(19,339)	1,449
Mirs Specialty Fertilizers	2,708	3,858	2,542	275	5,400	(4,518)	882
SQM Eastmed Turkey	764	636	998	-	793	(804)	(11)
SQM Thailand Co. Ltd.	6,119	574	2,999	-	9,691	(9,261)	430
Total	86,771	38,132	44,965	2,800	152,651	(142,345)	12,306

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 11 - Investment in Associated Companies, continued

11.2 Detail of investments in associated companies

The Company's ownership in its associated companies is detailed as follows:

Taxpayer No.	Associated company	Investment 3/31/2010 ThUS\$	Investment 12/31/2009 ThUS\$	Investment 09/01/2009 ThUS\$	Country of incorporation	Functional currency	Ownership %	Main activities of the associated
77.557.430-5	Sales de Magnesio Ltda.	713	328	473	Chile	Chilean \$	50%	Commercialization of magnesium salts.
Foreign	Abu Dhabi Fertilizer Industries Co. W.W.L.	6,538	6,072	5,278	Arabia	US Dollar	50%	Distribution and commercialization of specialty plant nutrients in the Middle East.
Foreign	Ajay North America L.L.C	6,155	6,653	4,892	United States	US Dollar	49%	Production and commercialization of iodine derivatives.
Foreign	Doktor Tarsa Tarim Sanayi AS	8,762	8,492	11,212	Turkey	Euro	50%	Distribution and commercialization of specialty plant nutrients
Foreign	Nutrisi Holding N.V.	6,976	6,239	6,823	Belgium	Euro	50%	Holding company
Foreign	Ajay Europe SARL	5,191	3,920	4,282	France	Euro	50%	Production and distribution of iodine and iodine derivatives
Foreign	Mirs Specialty Fertilizers S.A.E.	1,691	1,780	2,247	Egypt	US Dollar	47.4857%	Production and commercialization of specialty liquids for Egypt.
Foreign	SQM Agro India PVT Ltda.	-	-	94	India	US Dollar	49%	Agent and distributor of specialty plant nutrients.
Foreign	SQM Eastmed Turkey	188	201	219	Turkey	Euro	50%	Production and commercialization of specialty products.
Foreign	SQM Thailand Co. Ltd.	1,514	1,478	1,414	Thailand	US Dollar	40%	Distribution and commercialization of specialty plant nutrients.
	Total	37,728	35,163	36,934				

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 11 - Investment in Associated Companies, continued

11.3	Movements in investments in associated companies	3/31/2010 ThUS\$	12/31/2009 ThUS\$
	Investments in associated companies accounted for using the equity method, initial balance	35.163	36.934
	Changes in investments in associated entities:		
	Additions		(94)
	Participation in ordinary income (loss)	3.251	4.438
	Dividends received		(838)
	Other increases (decreases)	(686)	(656)
	Total changes in investments in associated entities		(4.715)
	Investments in associated companies accounted for using the equity method, ending balance	37.728	35.163

The Company has no participation in unrecognized losses in investments in associated companies.

The Company has no associated companies not recognized using the equity method,

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 11 - Investment in Associated Companies, continued

11.4 Reconciliation of income from associated entities

Item	3/31/2010 ThUS\$	12/31/2009 ThUS\$
Participation in ordinary income (loss) in associated companies	3,251	4,438
Effect of differences in depreciation and amortization on adjustments at fair value	-	-
Effect of amortization or impairment in the value of goodwill acquired	-	-
Total adjustments to reconcile the income (loss) reported by associated companies to the amount reported by the Group total	-	-
Participation in ordinary income (loss) in associated companies presented by the Group	3,251	4,438

Note 12- Policy and Information to be Disclosed on Participations in Joint Ventures

12.1 Policy for the recognition of joint ventures in financial statements separate from a controlling entity

The method for the recognition of joint ventures in which participation initially is 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. Net income 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 Information to be disclosed on participation in joint ventures

a) Operations conducted in 2010

On March 4, 2010, SQM Industrial signed an agreement with Qingdao Star Plant Proteccion Technology Co., Ltd., through which the companies formed a joint venture SQM Qingdao-Star Co, Ltd. Each party contributed capital amounting of ThUS\$2,000 for share of 50%.

b) Operations conducted in 2009

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

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 12 - Policy and Information to be Disclosed on Participations in Joint Ventures, continued

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

SQM Industrial S.A. made its first capital contribution of ThUS\$3,000 on November 6, 2009 from a total committed of ThUS\$10,000 that each party will contribute. These additional contributions will be made during 2010.

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

We recorded a gain from that transaction of ThUS\$3,019, which is presented in Other non-operating income.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 12 - Policy and Information to be disclosed on Participations in Joint Ventures, continued

12.3 Detail of assets, liabilities and income or loss on investments in significant joint ventures by company as of March 31, 2010 and December 31, 2009, respectively:

Name of significant joint venture	Country of Incorporation	Ownership percentage	Addition of assets		Addition of liabilities			Ordinary income	Ordinary expenses	Net Income
			Current	Non-current	Current	Current	Non-Ordinary			
3/31/2010 ThUS\$										
Coromandel SQM	India	50%	683	268	109	-	-	(26)	(26)	
SQM Migao Chemical Fertilizers Co Ltda.	China	50%	6,113	2,639	295	-	7	(18)	(11)	
SQM Vitas	United Arab Emirates	50%	25,883	5,540	(1,869)	-	3,155	(2,869)	286	
SQM Quindao-Star Co. Ltda.	China	50%	995	5	17	-	-	(17)	(17)	
Total			33,674	8,452	(1,448)	-	3,162	(2,930)	232	

Name of significant joint venture	Country of Incorporation	Ownership percentage	Addition of assets		Addition of liabilities			Ordinary income	Ordinary expenses	Net Income
			Current	Non-current	Current	Current	Non-Ordinary			
12/31/2009 ThUS\$										
Coromandel SQM	India	50%	-	1,060	-	-	-	-	-	
SQM Migao Chemical Fertilizers Co Ltda.	China	50%	6,414	2,146	92	-	-	(33)	(33)	
SQM Vitas	United Arab Emirates	50%	25,913	5,543	(1,551)	-	1,893	(1,821)	72	
Total			32,327	8,749	(1,459)	-	1,893	(1,854)	39	

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12.4 Detail of Gain (Loss) Net of Investments in Significant Joint Ventures by Company:

Taxpayer No.	Associated company name	Investment			Country of incorporation	Functional currency	Ownership	Main activities of the as
		3/31/2010	12/31/2009	12/31/2009				
		ThUS\$	ThUS\$	ThUS\$				
Foreign	Coromandel SQM	421	530	-	India	US\$	50%	Production and distribut potassium nitrate.
Foreign	SQM Migao Chemical Fertilizer	2,985	2,988	-	China	US\$	50%	Production and distribut soluble fertilizers.
Foreign	SQM Vitas	16,645	16,504	-	United Arab Emirates	United Arab Emirates Dirham	50%	Production and commercialization of spe plant and animal nutritio industrial hygiene.
Foreign	SQM Quindao-Star Co. Ltda.	983	-	-	China	US\$	50%	Production and distribut nutrient plant solutions v specialties NPK soluble.
	Total	21,034	20,022	-				

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 13 - Intangible assets and Goodwill

13.1 Balances

Balances	3/31/2010 ThUS\$	12/31/2009 ThUS\$	01/01/2009 ThUS\$
Intangible assets	3,103	2,836	3,525
Goodwill	38,388	38,388	38,388
Total	41,491	41,224	41,913

13.2 Information to be disclosed on intangible assets

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

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

Description of classes of intangible assets	Useful life	Gross amount ThUS\$	3/31/2010 Accumulated amortization ThUS\$	Net Amount ThUS\$
Goodwill	Indefinite	39,961	(1,573)	38,388
Water rights	Indefinite	3,627	(2,079)	1,548
Rights of way	Indefinite	548	(152)	396
Industrial patents	Finite	1,197	(645)	552
Trademarks	Finite	3,984	(3,886)	98
IT programs	Finite	1,071	(562)	509
Total		50,388	(8,897)	41,491

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 13 - Intangible assets and Goodwill, continue

13.2 Information to be disclosed on intangible assets, continue

Description of classes of intangible assets	Useful life	Gross amount ThUS\$	12/31/2009 Accumulated amortization ThUS\$	Net amount ThUS\$
Goodwill	Indefinite	39,961	(1,573)	38,388
Water rights	Indefinite	3,539	(1,990)	1,549
Rights of way	Indefinite	547	(152)	395
Industrial patents	Finite	1,204	(634)	570
Trademarks	Finite	3,989	(3,989)	-
IT programs	Finite	825	(503)	322
Total		50,065	(8,841)	41,224

Description of classes of intangible assets	Useful life	Gross amount ThUS\$	01/01/2009 Accumulated amortization ThUS\$ MUS\$	Net amount ThUS\$
Goodwill	Indefinite	39,961	(1,573)	38,388
Water rights	Indefinite	3,488	(1,591)	1,897
Rights of way	Indefinite	547	(138)	409
Industrial patents	Finite	1,204	(554)	650
Trademarks	Finite	3,989	(3,830)	159
IT programs	Finite	701	(291)	410
Total		49,890	(7,977)	41,913

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 13 - Intangible assets and Goodwill, continue

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

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

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

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

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

The method used to express the amortization is useful life.

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

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

d) Information to be disclosed on assets generated internally

The Company has no intangible assets generated internally.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 13 - Intangible assets and Goodwill, continue

e) Movements in identifiable intangible assets as of March 31, 2010

Movements in identifiable intangible assets	Net goodwill ThUS\$	Water rights, net ThUS\$	Rights of way ThUS\$	Industrial patents, net ThUS\$	Trademarks, net ThUS\$	Computer software, net ThUS\$	Identifiable Intangible assets, net ThUS\$
Opening balance	38,388	1,549	395	570	-	322	41,224
Additions	-	37	-	-	99	246	382
Amortization	-	(38)	-	(18)	-	(59)	(115)
Ending balance	38,388	1,548	395	552	99	509	41,491

f) Movements in identifiable intangible assets as of December 31, 2009

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

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 14 - Property, Plant and Equipment

As of December 31, 2009, December 31, 2009 and January 1, 2009, the detail of property, plant and equipment is as follows:

14.1	Classes of property, plant and equipment	3/31/2010	12/31/2009	01/01/2009
Description of classes of property, plant and equipment		ThUS\$	ThUS\$	ThUS\$
Property, plant and equipment, net				
Construction-in-progress		415,014	379,416	234,757
Land		108,401	108,356	106,800
Buildings		83,769	86,252	66,813
Plant and equipment		433,760	453,859	461,277
IT equipment		3,526	3,853	3,526
Fixed facilities and accessories		187,087	193,893	152,176
Motor vehicles		52,746	55,341	41,309
Other property, plant and equipment		18,832	19,576	9,873
Total		1,303,135	1,300,546	1,076,531
Property, plant and equipment, gross				
Construction-in-progress		415,014	379,416	234,757
Land		108,401	108,356	106,800
Buildings		212,790	212,751	184,061
Plant and equipment		1,091,218	1,090,769	1,012,711
IT equipment		21,595	21,573	19,540
Fixed facilities and accessories		368,477	368,419	304,360
Motor vehicles		154,879	154,887	130,154
Other property, plant and equipment		38,052	37,962	32,410
Total		2,410,426	2,374,133	2,024,793
Accumulated depreciation and value impairment of property, plant and equipment				
Accumulated depreciation and value impairment of buildings		129,021	126,499	117,248
Accumulated depreciation and value impairment of plant and equipment		657,458	636,910	551,434
Accumulated depreciation and value impairment of IT equipment		18,069	17,720	16,014
Accumulated depreciation and value impairment of fixed facilities and accessories		181,390	174,526	152,184
Accumulated depreciation and value impairment of motor vehicles		102,133	99,546	88,845
Accumulated depreciation and value impairment of other		19,220	18,386	22,537
Total		1,107,291	1,073,587	948,262

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 14 - Property, Plant and Equipment, continued

14.2 Reconciliation of changes in property, plant and equipment by class as of March 31, 2010:

Reconciliation entries of changes in property, plant and equipment by class as of March 31, 2010	Construction in-progress	Land	Buildings, net	Plant and equipment, net	IT equipment, net	Fixed facilities and accessories, net	Motor vehicles, net	Improvements, net	Other fixed assets, net	Property, plant and equipment, net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	379,416	108,356	86,252	453,859	3,853	193,893	55,341	-	19,576	1,300,546
Changes										
Additions	75,031	-	-	62	22	-	-	-	6	75,121
Divestitures	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	-	(2,521)	(20,445)	(349)	(6,829)	(2,577)	-	(823)	(33,544)
Increase (Decrease) in foreign currency exchange	-	-	-	7	-	23	(5)	-	3	28
Other increases (Decreases)	(39,433)	45	38	277	-	-	(13)	-	70	(39,016)
Total Changes	35,598	45	(2,483)	(20,099)	(327)	(6,806)	(2,595)	-	(744)	2,589
Ending balance	415,014	108,401	83,769	433,760	3,526	187,087	52,746	-	18,832	1,303,135

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 14 - Property, Plant and Equipment, continued

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

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

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 14 - Property, Plant and Equipment, continued

14.3 Detail of property, plant and equipment collateralized as guarantee

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

14.3 Additional Information

1) Assets recognized at fair value

As part of the process for the first-time adoption of IFRS, the Company opted to measure certain assets at fair value as attributed cost at the transition date of January 1, 2009. These amounts were determined by an external specialist. The revaluation of assets implied an adjustment against retained earnings as of January 1, 2009 of ThUS\$52,755. The adjusted balance of property, plant and equipment assets is detailed as follows:

	3/31/2010 ThUS\$	12/31/2009 ThUS\$	01/01/2009 ThUS\$
Land	1,332	1,332	1,332
Buildings, net	2,210	2,241	2,426
Plant and equipment, net	38,746	42,335	53,576
IT equipment, net	1	1	1
Fixed facilities and accessories, net	1,799	1,840	2,031
Other property, plant and equipment, gross	882	918	1,091
Total	44,970	48,667	60,457

2) Lease fixed assets

Investment properties include lease assets. The detail is as follows:

Description of assets	3/31/2010 ThUS\$	12/31/2009 ThUS\$	01/01/2009 ThUS\$
2 floors of the Las Americas Building, net	1,397	1,405	1,436
Total (net)	1397	1,405	1,436

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 14 - Property, Plant and Equipment, continued

3) Interest capitalized in construction-in-progress

The amount capitalized for this concept amounted to ThUS\$ 5,756 as of March 31, 2010 (ThUS\$3,132 as of March 31, 2009) and ThUS\$ 19,231 as of December 31, 2009

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.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 15 - Leases

15.1 Information to be disclosed on financial lease, lessee

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

The Company maintains financial lease arrangements as lessee for which there are no contingent installments or restrictions which should be reported.

The net amount as of December 31, 2009 and January 1, 2009 is ThUS\$1,405 and ThUS\$1,436, respectively. The net amount in book value as of March 31, 2010 amounted to ThUS\$1,397 and as of December 31, 2009 and January 1, 2009 amounted to ThUS\$ 1,405 and ThUS\$ 1,436, respectively.

15.2 Investment properties under financial lease:

Description of total investment properties under financial lease, net:	3/31/2010 ThUS\$	12/31/2009 ThUS\$	01/01/2009 ThUS\$
Financial lease, Las Americas Building	1,397	1,405	1,436
Total	1,397	1,405	1,436

15.3 Reconciliation of minimum payments of the financial lease, lessee:

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

Minimum payments to be made	Gross investment	3/31/2010 ThUS\$			12/31/2009 ThUS\$			01/01/2009 ThUS\$		
		Deferred interest	Present value	Gross investment	Deferred interest	Present value	Gross investment	Deferred interest	Present value	
Not exceeding one year	319	(22)	297	329	(29)	300	268	(43)	225	
Between 1 and 5 years	106	(2)	104	192	(5)	187	425	(28)	397	
Total	425	(24)	401	521	(34)	487	693	(71)	622	

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 16 Accrued Liabilities and Employee Benefits

16.1	Accrued liabilities			
Classes of benefits and expenses by employee		3/31/2010 ThUS\$	12/31/2009 ThUS\$	01/01/2009 ThUS\$
Current				
Profit sharing and bonuses		12,938	16,375	22,112
Total		12,938	16,375	22,112
Current				
Profit sharing and bonuses		20,982	20,082	12,000
Severance indemnities		25,296	28,682	20,186
Pension Plan		1,709	1,709	2,873
Total		47,987	50,473	35,059

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 16 Accrued Liabilities and Employee Benefits, continued

16.2 Defined benefit plan policy

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.

Staff severance indemnities

The Company only provides compensation and benefits to active employees.

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 net income at the end of each period applying a factor obtained subsequent to the employee appraisal process.

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

The benefit relates to vacations (short-term benefits to employees), 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.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 16 Accrued Liabilities and Employee Benefits, continued

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 14, 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.

All benefits provided by the company are current. Certain benefits such as vacation and severance indemnities are long-term benefits which are accumulative. These relate to services provided in which there are future disbursements which will be subsequent to twelve months

16.3 Other Long-term Benefits

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

	3/31/2009	12/31/2009	01/01/2009
	ThUS\$	ThUS\$	ThUS\$
Staff severance indemnities at actuarial value			
Staff severance indemnities, Chile	24,751	28,170	19,478
Other obligations in companies elsewhere	545	512	708
Total other non-current liabilities	25,296	28,682	20,186
SQM North America’s pensions plan	1,709	1,709	2,873
Total post employment obligations	1,709	1,709	2,873

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.

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

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 16 Accrued Liabilities and Employee Benefits, continued

About the characteristics of the indemnity fund

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

Benefit payment conditions

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

Methodology

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

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

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-2004 established by the Chilean Superintendence of Securities and Insurance to calculate pension-related life insurance reserves in Chile according to the Accumulated Benefit Valuation or Accrued Cost of Benefit Method. This methodology is established in IAS 19 Retirement Benefit Costs.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 16 Accrued Liabilities and Employee Benefits, continued

16.4 Employee Post Retirement Obligations

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

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

	2010 ThUS\$	2009 ThUS\$
Variation in the benefit liability:		
Benefit liability at the beginning of year	6,631	6,631
Cost of service	1	1
Interest cost	423	423
Actuarial loss	33	33
Benefits paid	(297)	(297)
Benefit liability at year-end	6,791	6,791
Change in the plan's assets:		
Fair value of the plan's assets at beginning of year	3,758	3,758
Contributions by the employer	448	448
Actual return (loss) on plan assets	1,173	1,173
Benefits paid	(297)	(297)
Fair value of the plan assets' at year-end	5,082	5,082
Status of financing		
	(1,709)	(1,709)
Items not yet recognized as net regular provisional cost elements:		
Net actuarial loss at the beginning of year	(4,186)	(4,186)
Amortization during the period	198	198
Net gain or loss during the period	857	857
Adjustment made to recognize the minimum pension-related liability	(3,131)	(3,131)
Accrued pension-related (liability) / prepaid pension-related cost	(1,709)	(1,709)

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 16 Accrued Liabilities and Employee Benefits, continued

16.5 Employee Post Retirement Obligations, continued

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

	2010 ThUS\$
Costs or benefits of services earned during the period	1
Cost of interest in benefit liability	423
Actual return in plan's assets	(1,173)
Amortization of loss from prior periods	198
Net gain for the period	889
Net regular pension-related expense	338

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

	2010
Growth amounts	59%
International amounts	25%
Growth and income amounts	-
Taxable bonus	14%
Treasury amounts	0%
Money market funds	2%
	100%

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 17 - Information to be disclosed on net shareholders' equity

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

17.1 Information to be disclosed on issued share capital

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

17.2 Information to be disclosed on capital in preferred shares

The preferential voting rights of each series are as follows:

Series "A":

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

Series "B":

- 1) A general or extraordinary shareholders' meeting may be called at the request of shareholders representing 5% of the Company's Series B shares.
- 2) An extraordinary meeting of the Board of Directors may be called with or without the agreement of the Company's President, at the request of the director elected by Series B shareholders.

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

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 17 - Information to be disclosed on net shareholders' equity, continued

Detail of classes of capital in preferred shares:

Class of capital in preferred shares	3/31/2010		12/31/2009		01/01/2009	
	A Series	B Series	A Series	B Series	A Series	B Series
Description of class of capital in preferred shares						
Number of authorized shares	142,819,552	120,376,972	142,819,552	120,376,972	142,819,552	120,376,972
Par value of shares in ThUS\$	-	-	-	-	-	-
Capital amount in shares ThUS\$	134,750	342,636	134,750	342,636	134,750	342,636
Amount of premium issuance ThUS\$	-	-	-	-	-	-
Amount of reserves ThUS\$	-	-	-	-	-	-
Number of fully subscribed and paid shares	142,819,552	120,376,972	142,819,552	120,376,972	142,819,552	120,376,972
Number of subscribed, partially paid shares	-	-	-	-	-	-
Total number of subscribed shares	142,819,552	120,376,972	142,819,552	120,376,972	142,819,552	120,376,972

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

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 17 - Information to be disclosed on net shareholders' equity, continued

17.3 Dividend policy

As required by 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 net income for year ended as of December 31, 2009 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 2010 is as follows:

- Distribution and payment in favor of each shareholder of a final dividend which will be equivalent to 50% of net income obtained in 2010.
- Distribution and payment, if possible during 2010, of a provisional dividend which will be recorded against the aforementioned final dividend. This provisional dividend will be paid probably during the last quarter of 2010 and its amount could not exceed 50% of the retained earnings for distribution obtained during 2010, which are reflected in the Company's financial statements as of September 30, 2010.
- The distribution and payment by the Company of the remaining balance of the final dividend related to net income for the 2010 commercial year in up to two installments, which will have to be effectively paid and distributed prior to June 30, 2011.
- An amount equivalent to the remaining 50% of the Company's net income for 2010 will be retained and destined to the financing of operations of one or more of the Company's investment projects with no prejudice 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 or interim dividends.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 17 - Information to be disclosed on net shareholders' equity, continued

17.4 Provisional Dividends

At a Board of Directors meeting held on November 17, 2009, the Directors agreed to pay and distribute an interim dividend of US\$0.37994 per share. This dividend totals approximately ThUS\$100,000 and is equivalent to 40% of distributable net income for 2009, accumulated as of September 30, 2009. This dividend is payable with a charge to net income for that commercial year to SQM shareholders registered in the respective shareholders' registry as of the fifth business day prior to December 16, 2009, in its equivalent in Chilean pesos, based on the observed dollar exchange rate as published in the Official Gazette of December 10, 2009.

Note 18 – Accrued Expenses and Other non-financial Liabilities

18.1 Classes of Accruals

Description of classes of accrued expenses	3/31/2010 ThUS\$	12/31/2009 ThUS\$	01/01/2009 ThUS\$
Current accrued expenses			
Provision for legal complaints	590	590	715
Other accrued expenses	18,037	17,632	8,836
Total	18,627	18,222	9,551
Non-current accrued expenses			
Other accrued expenses	3,500	3,500	3,181
Total	3,500	3,500	3,181

Provisions for legal complaints relate to legal expenses the resolution of which is pending in the lawsuit to make the disbursement for expenses incurred for this purpose.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 18 – Accrued Expenses and Other non-financial Liabilities, continued

18.2 Description of other accrued expenses

Description of other accrued expenses	3/31/2010 ThUS\$	21/31/2009 ThUS\$	01/01/2009 ThUS\$
Current accrued expenses, other accrued expenses			
Provision for tax loss in fiscal litigation	1,529	1,564	1,284
royalties, agreement with CORFO (the Chilean Economic Development Agency)	4,654	3,752	5,256
Temporary closure of El Toco operation	6,298	6,500	-
Retirement plan	3,700	2,500	-
Miscellaneous accruals	1,856	3,316	2,296
Total	18,037	17,632	8,836
Other non-current accrued expenses			
Mine closure	3,500	3,500	3,181
Total	3,500	3,500	3,181

18.3 Other liabilities:

Description of other liabilities	3/31/2010 ThUS\$	21/31/2009 ThUS\$	01/01/2009 ThUS\$
Tax withholdings	3,174	6,043	594
VAT payable	2,334	4,733	5,322
Guarantees received	2,600	1,016	2,511
Provision for minimum dividend	1,105	-	50,422
Monthly Tax Provisional Payments	9,765	5,071	10,345
Deferred income	19,769	16,537	31,722
Withholdings from employees and salaries payable	7,394	4,858	4,199
Vacation accrual	10,966	13,897	10,518
Other current liabilities	117	50	49
Total	57,224	52,205	115,682

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 18 – Accrued Expenses and Other non-financial Liabilities, continued

18.4 Movements in accrued expenses as of March 31, 2010

Description of items which gave rise to variations	Guarantee ThUS\$	Restructuring ThUS\$	Legal complaints ThUS\$	Expensive contracts ThUS\$	Restoration and rehabilitation dismantling costs ThUS\$	Other accruals ThUS\$	Total ThUS\$
Total accrued expenses, initial balance	-	-	590	-	-	46,285	46,875
Changes in accruals:	-	-	-	-	-	-	-
Additional accruals	-	-	-	-	-	13,053	13,053
Increase (decrease) in existing accruals	-	-	-	-	-	-	-
Acquisition through business combinations	-	-	-	-	-	-	-
Divestitures through business disposals	-	-	-	-	-	-	-
Provision used	-	-	-	-	-	(16,783)	(16,783)
Reversal of unused provision	-	-	-	-	-	-	-
Increase due to adjustment in value of money throughout time	-	-	-	-	-	-	-
Increase (decrease) in discount rate	-	-	-	-	-	-	-
Increase (decrease) in foreign currency translation	-	-	-	-	-	(36)	(36)
Other increases (decreases)	-	-	-	-	-	-	-
Total accrued expenses, final balance	-	-	590	-	-	42,519	43,109

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 18 – Accrued Expenses and Other non-financial Liabilities, continued

18.5 Movements in accrued expenses as of December 31, 2009

Description of items which gave rise to variations	Guarantee ThUS\$	Restructuring ThUS\$	Legal complaints ThUS\$	Expensive contracts ThUS\$	Restoration and rehabilitation dismantling costs ThUS\$	Other accruals ThUS\$	Total ThUS\$
Total accrued expenses, initial balance	-	-	715	-	-	34,362	35,077
Changes in accruals:							
Additional accruals	-	-	200	-	-	29,537	29,737
Increase (decrease) in existing accruals	-	-	-	-	-	-	-
Acquisition through business combinations	-	-	-	-	-	-	-
Divestitures through business disposals	-	-	-	-	-	-	-
Provision used	-	-	(325)	-	-	(17,243)	(17,568)
Reversal of unused provision	-	-	-	-	-	-	-
Increase due to adjustment in value of money throughout time	-	-	-	-	-	-	-
Increase (decrease) in discount rate	-	-	-	-	-	-	-
Increase (decrease) in foreign currency translation	-	-	-	-	-	(371)	(371)
Other increases (decreases)	-	-	-	-	-	-	-
Total accrued expenses, final balance	-	-	590	-	-	46,285	46,875

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 18 – Accrued Expenses and Other non-financial Liabilities, continued

18.6 Detail of main classes of accruals

Legal expenses: this provision depends on the pending resolution of a lawsuit to conduct the disbursement for expenses associated with and incurred for this purpose.

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

Monthly tax provisional payments: a provision for monthly tax provisional payments is calculated based on sales of SQM and its subsidiaries.

It is paid on the 12th day of the month following in the income tax return.

Royalties CORFO (Economic Development Agency) agreement: relates to the exploitation of mining properties which SQM Salar S.A. pays on a quarterly basis to the Economic Development Agency. The amount of the lease payable is calculated based on sales of products extracted from the Atacama Saltpeter deposit.

The settlement of these will be performed on a quarterly basis.

Temporary closure of El Toco operation: The Company's Board of Directors unanimously agreed to approve the temporary closure of Toco and Pampa Blanca mining sectors. The Company accrued the legal severance indemnity for the employees subject to this closure. Additional benefits which will be paid to employees will correspond to 2010 expenses.

Retirement plan: corresponds to a benefit agreed with employees to retire from the Company. Those employees who invoked the agreed plan signed their consent as of December 31, 2009 and the effective retirement date will be the first quarter of 2010.

Through the present date, SQM and its subsidiaries do not present any uncertainty on the timing and amount of a class of accrual.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 19 - Contingencies and Restrictions

The Company maintains lawsuits or other relevant legal actions which are detailed as follows:

19.1 Lawsuits or other relevant events

1. Plaintiff : Compañía de Salitre y Yodo Soledad S.A.
Defendant : Sociedad Química y Minera de Chile S.A.
Date of lawsuit : December 1994
Court : Civil Court of Pozo Almonte
Cause : Partial annulment of mining property, Cesard 1 to 29
Instance : Evidence provided
Nominal amount : ThUS\$21 1
2. Plaintiff : Compañía Productora de Yodo y Sales S.A.
Defendant : Sociedad Química y Minera de Chile S.A.
Date of lawsuit : November 1999
Court : Civil Court of Pozo Almonte
Cause : Partial annulment of mining property, Paz III 1 to 25
Instance : Evidence provided
Nominal amount : ThUS\$162
3. Plaintiff : Compañía Productora de Yodo y Sales S.A.
Defendant : Sociedad Química y Minera de Chile S.A.
Date of lawsuit : November 1999
Court : Civil Court of Pozo Almonte
Cause : Partial annulment of mining property, Paz III 1 to 25
Instance : Evidence provided
Nominal amount : ThUS\$204
4. Plaintiff : Angélica Allende and their sons Iván Molina and Cristóbal Molina
Defendant : Ingeniería, Construcción y Servicios SMR Limitada and jointly and severally SQM Nitratos S.A. and its insurance companies.
Date of lawsuit : May 2008
Court : Arbitration Court of Antofagasta
Cause : Work accident
Instance : Evidence
Nominal amount : ThUS\$670

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 19 - Contingencies and Restrictions, continued

19.1

Lawsuits or other relevant events, continued

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

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

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

8. Plaintiff : María Elena Dorantes and their daughters
 Defendant : SQM North America Corp. (SQM)
 Date of lawsuit : October-November 2009
 Court : High Court of Justice of San Francisco, California, USA
 Cause : Indemnity claim presented against SQM and other 17 companies as a result of the alleged responsibility for the death of Mr. Victorino Dorantes which, in the opinion of the plaintiff, would have occurred after inhaling, ingesting or absorbing certain products, which the defendants provided to the employers of Mr. Dorantes for commercialization
 Instance : Defense plea
 Nominal amount : Undetermined amount

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 19 - Contingencies and Restrictions, continued

Lawsuits or other relevant events, continued

9. Plaintiff : Marcelo Figueroa Zenteno
Defendant : Excon Construcción Limitada and SQM S.A. and its insurance companies
Date of lawsuit : April 2010
Court : 1st Labor Court of Santiago
Cause : Work accident
Instance : Notice of complaint
Nominal amount : ThUS\$ 514

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

Soquimich Comercial S.A. has been participating and probably will continue to participate habitually as a plaintiff in various judicial proceedings through which it seeks mainly to collect and receive the amounts owed to it. As of December 31, 2009 in the total amount claimed in such proceedings is approximately ThUS \$900.

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

SQM S.A. and its subsidiaries have not been legally notified of other complaints other than those listed above and which pursue the voidance of certain mining properties purchased by SQM S.A. and its subsidiaries and whose proportional purchase price, in respect to the part affected by the respective overlap, exceeds the nominal and approximate amount of ThUS\$150 or which seek to obtain payment of certain amounts allegedly owed from exercising their own activities and which exceed the nominal individual amount of approximately ThUS\$1 50.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 19 - Contingencies and Restrictions, continued

19.1 Restrictions:

Bank loans of SQM S.A. and its subsidiaries contain restrictions similar to those of other comparable loans existing at the dates when those debt agreements were entered into. These restrictions involve maximum indebtedness and minimum equity. Other than these restrictions, SQM S.A. is not exposed to any other management restrictions or limits to financial ratios in contracts or agreements with creditors.

19.2 Commitments:

The subsidiary SQM Salar S.A. has signed a rental contract with the Economic Development Agency (CORFO) which establishes that such subsidiary, will pay to CORFO, for the concept of exploitation of certain mining properties owned by CORFO and for the products resulting from such exploitation, the annual rent stated in the aforementioned contract, the amount of which is calculated on the basis of the sales of each type of product. The contract is in force until 2030 and rent began being paid in 1996 reflecting in income an amount of ThUS\$ 4,643 as of March 31, 2010 (ThUS\$ 4.383 as of March 31, 2009).

19.3 Restricted or pledged cash

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

This guarantee, according to the regulations issued by the Chilean Superintendence of Healthcare is equivalent to the total sum owed to its members and medical providers. Banco de Chile on a daily basis reports the present value of the guarantee to the Chilean Superintendence of Healthcare and Isapre Norte Grande Ltda. As of March 31, 2010, the guarantee amounts to ThUS\$ 437.

The subsidiary SQM Brasil Ltda. delivered as guarantee a cash amount paid directly to Brazilian governmental agencies related to legal processes under development as of March 31, 2010 amount to ThUS\$21.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 19 - Contingencies and Restrictions, continued

19.4

Sureties obtained from third parties

The main sureties received from third parties (distributors) to guarantee Soquimich Comercial S.A. the compliance with obligations in contracts of commercial mandates for the distribution and sale of fertilizers amounted to ThUS\$6,433 as of March 31, 2010; as of December 31, 2009 amounted to ThUS\$6,523 and as of January 1, 2009 amounted to ThUS\$5,302 which are detailed as follows:

Entity name	3/31/2010 ThUS\$	12/31/2009 ThUS\$	01/01/2009 ThUS\$
Llanos y Wammes Soc. Com. Ltda	2,096	2,037	1,727
Fertglobal Chile Ltda. y Bramelli	3,241	3,352	2,671
Tattersall S.A.	1,096	1,134	904

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 19 - Contingencies and Restrictions, continued

19.5

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 Name	Relationship	Type of guarantee	Pending balances as of the closing date of the financial statements		
				3/31/2010	12/31/2009	01/01/2009
Australian and New Zealand Bank	SQM North America Corp	Subsidiary	Bond	-	-	-
Australian and New Zealand Bank	SQM Europe N.V.	Subsidiary	Bond	-	-	-
Generale Bank	SQM North America Corp	Subsidiary	Bond	-	-	-
Generale Bank	SQM Europe N.V.	Subsidiary	Bond	-	-	-
Kredietbank	SQM North America Corp	Subsidiary	Bond	-	-	-
Kredietbank	SQM Europe N.V.	Subsidiary	Bond	-	-	-
Banks and financial institutions	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-	-
Banks and financial institutions	SQM Europe N.V.	Subsidiary	Bond	-	-	-
Banks and financial institutions	SQM North America Corp	Subsidiary	Bond	-	-	-
Banks and financial institutions	Nitratos Naturais do Chile Ltda.	Subsidiary	Bond	-	-	-
Banks and financial institutions	SQM México S.A. de C.V.	Subsidiary	Bond	-	-	-
Banks and financial institutions	SQM Brasil Ltda.	Subsidiary	Bond	-	-	-
Banque Nationale de Paris	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-	-
San Francisco Branch	SQM Investment	Subsidiary	Bond	-	-	-

Corp. N.V.						
Sociedad Nacional de Minería A.G.	SQM Potasio S.A.	Subsidiary	Bond	-	-	-
Royal Bank of Canada	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-	-
Citibank N.Y	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-	-
BBVA Banco Bilbao Vizcaya Argentaria	Royal Seed Trading A..V.V.	Subsidiary	Bond	-	100,053	100,204
ING Capital LLC	Royal Seed Trading A..V.V.	Subsidiary	Bond	80,215	80,055	80,215
JP Morgan Chase Bank	SQM Industrial S.A.	Subsidiary	Bond	-	-	-
Export Development Canada	SQM Investment Corp. N.V.	Subsidiary	Bond	50,260	50,019	50,032
BBVA Bancomer S.A.	Royal Seed Trading	Subsidiary	Bond	75,000	75,000	-

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 20 - Ordinary Income

As of March 31, 2010 and 2009, ordinary income is detailed as follows:

Classes of ordinary income	3/31/2010 ThUS\$	3/31/2009 ThUS\$
Sales of goods	387,109	319,114
Provision of services	1,412	2,029
Interest income	1,405	-
Income from royalties	-	-
Income from dividends	-	-
Total	389,926	321,143

Note 21 – Earnings per Share

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

As expressed, basic earnings per share is as follows:

Basic earnings per share	3/31/2010 ThUS\$	3/31/2009 ThUS\$
Earnings (loss) attributable to the holders of instruments in the net equity of the controlling entity	76,493	88,389
	3/31/2010 Units	3/31/2009 Units
Number of common shares in circulation	263,196,524	263,196,524
	3/31/2010	3/31/2009
Basic earnings per share	0.2906	0.3358

The Company has not made any operation with a potential diluted effect which assumes a diluted benefit per share different from the basic benefit per share.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 22 - Costs of Loans

The costs of interest are recognized as expenses in the year in which they are incurred except for those which are directly related to the acquisition and construction of tangible fixed assets and which comply with the requirements in IAS 23. As of March 31, 2010, total financial expenses incurred amount to ThUS\$7,786 (ThUS\$7,941 as of March 31, 2009).

The Company capitalizes all interest costs which directly relate to the construction or the acquisition of property, plant and equipment, which require a substantial time to be suitable for use.

Costs of capitalized interest, property, plant and equipment

The cost of capitalized interest is determined applying weighted average or mean of all financing incurred by the Company to the final monthly balances of work-in-progress and which meet the requirements of IAS 23.

The rates and costs for capitalized interest of property, plant and equipment are detailed as follows:

	3/31/2010	12/31/2009	3/31/2009
Capitalization rate of costs for interest capitalized, property, plant and equipment	7%	7%	7%
Amount of costs for interest capitalized in ThUS\$	5,756	19,231	3,132

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 23 - Effect of variation in the foreign currency exchange rates

a) Foreign currency translation differences recognized in income except for financial instruments measured at fair value through income:

	3/31/2010 ThUS\$	3/31/2009 ThUS\$
Foreign currency translation difference recognized in income except for financial instrument measured at fair value	(3,133)	(5,714)
Conversion reserve	1,055	397

b) Translation reserves:

As of March 31, 2010 and December 31, 2009, the detail is as follows:

Detail	3/31/2010 ThUS\$	12/31/2009 ThUS\$
Changes in equity generated through the proportional equity method for conversion:		
Comercial Hydro S.A.	689	277
SQMC Internacional Ltda.	31	9
Proinsa Ltda.	24	12
Agrorama Callegari Ltda.	121	-
Isapre Cruz del Norte Ltda.	80	23
Almacenes y Depósitos Ltda.	30	22
Sales de Magnesio Ltda.	48	43
Sociedad de Servicios de Salud S.A.	32	11
Total	1,055	397

The functional currency of these subsidiaries is Chilean peso.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 24 – The Environment

24.1 Information to be disclosed on disbursements related to the environment

The Company is continuously concerned with protecting the environment both in its production processes and with respect to products manufactured. This commitment is supported by the principles indicated in the Company's Sustainable Development Policy.

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

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

In the Maria Elena location, this particle material affects air quality exceeding the allowed standard for PM 10. Within the framework of a decontamination plan for this city and in accordance with its Sustainable Development Policy, the Company has implemented a series of measures that have shown notable improvement in air quality at Maria Elena. This project is operating from January 2009 having achieved the final closure of the old crushing plant located in Maria Elena beginning on July 5, 2008 with the related improvement in air quality.

In addition, for all its operations, the Company carries out environmental follow-up and monitoring plans based on specialized scientific studies, and it also provides an annual training program in environmental matters to both its direct employees and its contractors' employees. Within this context, SQM entered into a contract with the National Forestry Corporation (CONAF) aimed at researching the activities of flamingo groups that live in the Salar de Atacama (Atacama Saltpeter Deposit) lagoons. Such research includes a population count of the birds, as well as breeding research. Environmental monitoring activities carried out by the Company at the Salar de Atacama and other systems in which it operates are supported by a number of studies that have integrated diverse scientific efforts from prestigious research centers, including Dictuc from Pontificia Universidad Católica in Santiago and the School of Agricultural Science of Universidad de Chile.

Furthermore, within the framework of the environmental studies which the Company is conducting, the Company is performing significant activities in relation to the recording of Pre-Columbian and historical cultural heritage, as well as the protection of heritage sites, in accordance with current Chilean laws. These activities have been especially performed in the areas surrounding María Elena and the Nueva Victoria plants. This effort is being accompanied by cultural initiatives within the community and the organization of exhibits in local and regional museums.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 24 – The Environment, continued

As emphasized in its Sustainable Development Policy, the Company strives to maintain positive relationships with the communities surrounding the locations in which it carries out its operations, as well as to participate in communities' development by supporting joint projects and activities which help to improve the quality of life for residents. For this purpose, the Company has focused its efforts on activities involving the rescue of historical heritage, education and culture, as well as development, and in order to do so, it acts both individually and in conjunction with private and public entities.

24.2 Detail of disbursement information related to the environment

As of March 31, 2010, accumulated disbursements on investing projects associated to environmental issues in production processes, review and law compliance control related to processes and industrial facilities in which incurred SQM and its subsidiaries, including prior years disbursements related to these projects amounted to ThUS\$ 8,340 which are detailed as follows:

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 24 – The Environment, continued
Accumulated expenses as of March 31, 2010

of the any or y al	Name of the project to which the disbursement is associated	Concept by which the disbursement was made or will be made	Asset / Expense	Description of the Asset or Expense Item	Amount of Disbursement for the Period ThUS\$	Certain or Estimated which Disbursements Be Made
	Cleaning of rescue yard	Cost reduction	Expense	Development	602	3/31/2010
	ANMI -Consulting in infrastructure to store hazardous chemicals	Sustentation: Risk prevention and the environment	Expense	Development	45	6/30/2010
	MNH8 – Lightning improvement	Sustentation	Asset	Development	221	12/31/2010
	SCCY – hazardous waste garbage dump	Sustentation	Expense	Development	164	3/31/2010
	JNTU - San Isidro water assessment	Sustentation: Risk prevention and the environment	Asset -expense	Not classified	552	12/31/2010
	JNNX – Several environmental Nitrate	Sustentation: Risk prevention and the environment	Asset	Not classified	50	3/31/2010
	MNTE – Industrial Hygiene equipment	Sustentation: Risk prevention and the environment	Asset	Development	18	12/31/2010
	INST – Acquisition of used lubricant quick discharge. NV-ME-PB	Sustentation: Risk prevention and the environment	Asset	Development	44	3/31/2010
	MP17 – Normalization of drinking water chlorination ME/CS/PV	Sustentation	Expense	Not classified	7	12/31/2010
	MP5W – Normalization of TK Fuel	Sustentation	Asset	Not classified	364	12/31/2010
	FNWR - DIA Pampa Blanca discard yard	Sustentation: Risk prevention and the environment	Asset	Development	30	3/31/2010
	MNYS – Actions for the dissemination of cultural heritage, technology change Maria Elena	Sustentation: Risk prevention and the environment	Expense	Not classified	20	12/31/2010
	FP55 – Agua de Mar Pampa Blanca (DIA Mine Zone PB y DIA Enlargement PB)	Sustentation	Asset	Development	513	12/31/2010
	MP8Z – Automation of water volume inlet pipe at ME, CS y Vergara	Sustentation	Asset	Development	261	3/31/2010
		Sustentation		Development	191	6/30/2010

al	MPL5 – Repair of sanitary and electric facilities		Asset			
			-expense			
al	MPIS- Stabilization of streets and suppression of dust at sidewalks	Sustentation	Asset	Development	711	6/30/201
al	PPNK – Handling of PV Ammoniac PV IN Plant detention	Sustentation: Risk prevention and the environment	Asset	Not classified	22	12/31/201
al	MPGF – Improve sealing and pressurization room 031	Sustentation	Asset	Not classified	47	12/31/201
al	TPO4 – Indigenous Camping	Sustentation	Asset			
			-expense	Not classified	87	6/30/201
al	MPLS – Automated alarms and information of Hospital Monitoring Station	Not classified	Asset	Not classified	8	6/30/201
al	Management on environment (expense 2010)	Operations	Expense	Not classified	175	12/31/201

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 24 – The Environment, continued

Company or Entity	Name of the project to which the disbursement is associated	Concept by which the disbursement was made or will be made	Asset / Expense	Description of the Asset or Expense Item	Amount of Disbursement for the Period ThUS\$	Certain or Estimated Date which Disbursement Will Be Made
va	IPMN – Capacity expansion Sanitaria Iris	Capacity extension	Asset	Development	84	6/30/2010
va	IPMW – Improvements in work rooms C/D/B in Iris	Sustentation:	Asset	Not classified	30	12/31/2010
os S.A.	PNH2 – RILES treatment plant, wash yards PV-NV-PB	Sustentation: Risk prevention and environment	Asset-expense	Development	42	6/30/2010
os S.A.	PPOV – Environmental projects Maintenance ME-PV-NV-PB	Sustentation: Risk prevention and environment	Asset-expense	Development	81	6/30/2010
os S.A.	IP6W – Riles Treatment Plant	Sustentation: Risk prevention and environment	Asset-expense	Not classified	94	3/31/2010
os S.A.	PPAT – Risk prevention projects Sem II 2008	Sustentation: Risk prevention and environment	Asset	Development	141	12/31/2010
S.A.	LP5K - Environmental evaluation extension production capacity MOP	Sustentation: Risk prevention and environment	Asset-expense	Not classified	4	3/31/2010
S.A.	LNNT – Renewal of meteorological station Salar Chaxa	Sustentation: Risk prevention and environment	Asset	Not classified	97	3/31/2010
S.A.	LP5J – Water recharge study Atacama Salar	Sustentation: Risk prevention and environment	expense	Investigation	84	12/31/2010
S.A.	LPIK – MOP Dryer (Dryer plant Potassium Chloride)	Capacity extension	Asset	Development	31	3/31/2010
S.A.	LP82 – Project to foster the agricultural activities in Salar locations	Sustentation:	Asset-expense	Development	160	12/31/2010
S.A.	LPGA – Pit construction to infiltrate used water Toconao camp	Capacity extension	Asset	Not classified	105	3/31/2010
S.A.	LPK2 – implementation of foreign currency exchange facility	Not classified	Asset	Not classified	99	3/31/2010
S.A.	LPIL - Plant Dual MOP-SOP (DIA Modification plant SOP)	Capacity extension	Asset	Development	14	3/31/2010
			Asset	Development	80	3/31/2010

TNLA – Pavement on roads from Work site to port	Sustentation: Risk prevention and environment					
PNOT – Lightning improvement for FFCC area	Sustentation: Risk prevention and environment	Asset	Development	369	3/31/201	
TPR8 – Elimination of riles generation through vacuum	Sustentation: Risk prevention and environment	expense	Not classified	21	6/30/201	
TPLR – Implementation of pump system for used water to waste	Sustentation: Risk prevention and environment	Asset-expense	Not classified	78	6/30/201	
TPM7 – Environmental nets to Field 3 and 4	Not classified	Asset	Not classified	315	6/30/201	
SC16 – Environmental arrays – Project, Region I of Chile	Not classified	Asset-expense	Not classified	2,201	6/30/201	
IPFT – Cultural heritage Region I	Sustentation: Risk prevention and environment	Asset-expense	Not classified	78	12/31/20	
			Total	8.340		

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Note 24 – The Environment, continued

Future expenses

	Name of the project to which the disbursement is associated	Concept by which the disbursement was made or will be made	Asset / Expense	Description of the Asset or Expense Item	Amount of Disbursement for the Period	Estimated Disbursement Were
Industrial	ANMI – Infrastructure Consulting to storage of Hazardous chemical material	Sustentation: Risk prevention and environment	expense	Development	4	6/30/10
Industrial	MNH8 – Lightning improvement	Sustentation	asset	Development	26	12/31/10
Industrial	JNTU - San Isidro water assessment	Sustentation: Risk prevention and environment	Asset- expense	Not classified	304	12/31/10
Industrial	MNTE – Industrial Hygiene Equipment	Sustentation: Risk prevention and environment	asset	Development	11	12/31/10
Industrial	MP17 – Normalization drinking water chloride ME/CS/PV	Sustentation	expense	Not classified	87	12/31/10
Industrial	MP5W - Normalization Fuel TK	Sustentation	asset	Not classified	543	12/31/10
Industrial	MNYS - Actions for the dissemination of cultural heritage, technology change Maria Elena	Sustentation: Risk prevention and environment	expense	Not classified	11	12/31/10
Industrial	FP55 – Agua de Mar Pampa Blanca (DIA Mine Zone PB and DIA enlargement PB)	Sustentation	asset	Development	81	12/31/10
Industrial	PPC1 –Eliminate OCB switches in sub stations 3 ½ of Pedro de Valdivia	Sustentation: equipment replacement	asset	Not classified	171	12/31/10
Industrial	PPNK – Handling of PV ammoniac en Plant detention	Sustentation: Risk prevention and environment	asset	Not classified	112	12/31/10
Industrial	MPGF – Improve sealing and pressurization room 031	Sustentation	asset	Not classified	22	12/31/10
Industrial	IPNX – Improve NV supervisor's room NV	Sustentation	Asset- expense	Not classified	10	12/31/10
Industrial	MPLS – Automated alarms and information for Hospital monitoring station	Not classified	asset	Not classified	1	30/06/10
Industrial	Environmental management (only 2010)	Operations	expense	Not classified	1,145	12/31/10
Industrial	IPNW – Improves in work rooms C/D/B in Iris	Sustentation	asset	Not classified	13	12/31/10
			Asset- expense	Development	3	30/06/10

tos	PPOV – Maintenance of environmental projects ME-PV-NV-PB	Sustentation: Risk prevention and environment				
tos	PPAT – Risk prevention projects Sem II 2008	Sustentation: Risk prevention and environment	asset	Development	12	12/
S.A.	LP5K – Environmental evaluation 1 extension of production capacity MOP	Sustentation: Risk prevention and environment	Asset- expense	Not classified	33	12/
S.A.	LP5J – Water recharge array Atacama Salar	Sustentation: Risk prevention and environment	expense	Investigation	27	12/
S.A.	New – array to improve fuel facilities	Sustentation	Asset- expense	Investigation	50	31/
S.A.	LPIK – Dryer MOP (DIA Potassium chloride plant)	Capacity extension	asset	Development	181	12/
S.A.	LP82 – Project to forest the agricultural activity in Salar locations	Sustentation	Asset- expense	Development	91	12/

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 24 – The Environment, continued

Future expenses

	Name of the project to which the disbursement is associated	Concept by which the disbursement was made or will be made	Asset / Expense	Description of the Asset or Expense Item	Amount of Disbursement for the Period	Estimated Disbursement Were
S.A.	LPK2 – Habilitation of currency exchange facility	Not classified	asset	Not classified	5	3/3
	PNOT – Improving of lightning in FFCC area	Sustentation:	asset	development	64	12/
	TPR8 – Eliminate riles generation through vacuum	Sustentation: Risk prevention and environment	expense	Not classified	128	6/3
	SCI6 – Environmental arrays – Project Region I	Not classified	Asset-expense	Not classified	75	6/3
	IPFT – Cultural heritage region I	Sustentation: Risk prevention and environment	Asset-expense	Not classified	65	12/
				Total	3,275	

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 24 – The Environment, continued

Accumulated expenses performed as of 12/31/2009

Company or Primary Trial	Name of the project to which the disbursement is associated	Concept by which the disbursement was made or will be made	Asset / Expense	Description of the Asset or Expense Item	Amount of Disbursement for the Period	Certain or Estimated Date in which Disbursements Were or Will Be Made
	Yards Cleaning	Cost reduction	Expense	Development	569	12/31/2009
	Implementation of used water lines to treatment plant ME	Sustentation: Risk prevention and environment	Expense	Development	32	3/31/2010
	Environmental arrays – New crushing plant ME	Sustentation: Risk prevention and environment	Expense	Development	5	4/30/2010
	Consulting on infrastructure for storage of hazardous chemical materials	Sustentation: Risk prevention and environment	Expense	Development	46	12/31/2009
	Lightning improvement	Sustentation	Asset	Development	221	12/31/2009
	Sanitary installation prilling/granulation plant ME	Sustentation: Risk prevention and environment	Expense	Not classified	44	9/30/2009
	Dump for dangerous residuals	Sustentation	Asset	Development	165	12/31/2009
	San Isidro water evaluation	Sustentation: Risk prevention and environment	Asset-Expense	Not classified	505	12/31/2009
	Improvements in measures of NH3 levels	Sustentation	Expense	Not classified	64	12/30/2009
	Sanitary regulations traffic installations PV	Sustentation: Risk prevention and environment	Expense	Not classified	82	8/30/2009
	Industrial hygiene equipment	Sustentation: Risk prevention and environment	Asset	Development	31	12/31/2009
	Replacement of starters and transformers with PCB	Sustentation: Risk prevention and environment	Expense	Not classified	4	12/31/2009
	Acquisition for quick evacuation for used lubricants. NV-ME-PB	Sustentation: Risk prevention and environment	Asset	Development	45	12/31/2009
	Handling of residual Antofagasta	Sustentation: Risk prevention and environment	Asset	Not classified	17	12/31/2009
	Normalization drinking water chloride ME/CS/PV	Sustentation	Expense	Not classified	7	2/28/2010

trial	Normalization Fuels TK	Sustentation	Asset	Not classified	160	12/31/2
trial	DIA Discard field Pampa Blanca	Sustentation: Risk prevention and environment	Asset	Development	30	12/31/2
trial	Actions for the dissemination of cultural heritage, technology change Maria Elena	Sustentation: Risk prevention and environment	Expense	Not classified	20	12/31/2
trial	Chamber to detect gas leaking	Sustentation: Risk prevention and environment	Expense	Investigation	5	1/31/2
trial	Automated Control caudal and water junctions ME, CS y Vergara	Sustentation	Asset	Development	261	12/31/2
trial	Reparation of sanitary and electric services	Sustentation	Asset-Expense	Development	165	12/31/2

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 24 – The Environment, continued

Portion of the project to which the disbursement is associated	Concept by which the disbursement was made or will be made	Asset / Expense	Description of the Asset or Expense Item	Amount of Disbursement for the Period	Certain or Estimated Date when Disbursement Will Be Made
Pavement of streets and eliminate dust in sidewalks	Sustentation	asset	development	689	6/30/2010
Improve sealing and pressurization in room 031	Sustentation	asset	Not classified	42	11/1/2010
Various environmental Nitrate	Sustentation: Risk prevention and environment	asset	Not classified	51	12/31/2010
Automated alarms and information of monitoring station Hospital	Not classified	asset	Not classified	8	12/31/2010
Handling of ammonia PV in Detention of plant	Sustentation: Risk prevention and environment	asset	Not classified	1	01/12/2011
Indigenous camp	Sustentation	Asset-expense	Not classified	83	12/31/2010
Agua de Mar Pampa Blanca (DIA Mine Zone PB and DIA extension PB)	Sustentation	asset	development	461	12/30/2010
Management of Environment	Operations	expense	Not classified	1.235	12/31/2010
Extension in sanitary capacity for Iris	Capacity extension	asset	development	85	12/31/2010
RILES treatment plant washing surfaces PV-NV-PB	Sustentation: Risk prevention and environment	Asset-expense	development	42	12/31/2010
Maintenance of Environmental projects ME-PV-NV-PB	Sustentation: Risk prevention and environment	Asset-expense	development	82	12/31/2010
Riles treatment plant	Sustentation: Risk prevention and environment	Asset-expense	Not classified	95	12/31/2010
Risk prevention projects Sem II 2008	Sustentation: Risk prevention and environment	asset	development	117	12/31/2010

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 24 – The Environment, continued

Expenses conducted during the period

Name of the project to which the disbursement is associated	Concept by which the disbursement was made or will be made	Asset / Expense	Description of the Asset or Expense Item	Amount of Disbursement for the Period	Estimated Disbursement Were
S.A. Environmental evaluation extension of production capacity MOP	Sustentation: Risk prevention and environment	Asset- expense	Not classified	38	12/
S.A. Detailed engineering and implementation of a dust collector	Sustentation	expense	Not classified	81	8/3
S.A. Renewal of meteorological station Salar chaxa	Sustentation: Risk prevention and environment	asset	Not classified	98	12/
S.A. Array for water recharge Salar de Atacama	Sustentation: Risk prevention and environment	expense	Investigation	42	8/3
S.A. Construction of pit for used water infiltration Toconao camp	Capacity extension	asset	Not classified	106	12/
S.A. Project to foster the agricultural activity in locations in Salar	Sustentation	Asset- expense	Development	131	12/
S.A. Currency Exchange facility – set up	Not classified	asset	Not classified	105	2/2
S.A. Dual MOP-SOP (DIA Plant Modification SOP)	Capacity extension	asset	Development	14	12/
S.A. Dryer MOP (DIA Potassium chloride dryer plant)	Capacity extension	asset	Development	19	12/
Pavement or roads Work place-port	Sustentation: Risk prevention and environment	asset	Development	82	12/
Risk prevention plan Port	Sustentation: Risk prevention and environment	Asset- expense	Development	101	12/
Lightning improvement area FFCC	Sustentation	asset	Development	365	12/
Implementation of a system to pump used water to dump	Sustentation: Risk prevention and environment	Asset- expense	Not classified	68	12/
Environmental nets for field 3 and 4	Not classified	asset	Not classified	164	12/
Environmental arrays - Project Region I	Not classified	Asset- expense	Not classified	2,091	6/3
Environmental commitments Zone of Mina Nueva Victoria	Sustentation: Risk prevention and environment	expense	Not classified	275	3/3
Cultural heritage Region I	Sustentation: Risk prevention and environment	Asset- expense	Not classified	75	12/
			Total	9,324	
				75	

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Note 24 - The Environment, continued

Future expense

Name of the project to which the disbursement is associated	Concept by which the disbursement will be made	Asset / Expense	Description of the Asset or Expense Item	Amount of Disbursement for the Period
Consulting in infrastructure to store hazardous chemicals	Sustentation: Risk prevention and the environment	Expense	Development	4
Improvement in lighting	Sustentation	Asset	Development	27
San Isidro water assessment	Sustentation: Risk prevention and the environment	Asset expense	Not classified	352
Normalization of drinking water chlorination, ME/CS/PV	Sustentation	expense	Not classified	88
Normalization of TK's fuel	Sustentation	Asset	Not classified	748
Cultural heritage dissemination actions, Technological change at Maria Elena	Sustentation: Risk prevention and the environment	expense	Not classified	13
Elimination of OCB switches at 3 and 1/12 Pedro de Valdivia sub stations	Sustentation: replacement of equipment	Asset	Not classified	171
Improve sealing and pressurization of 031 room	Sustentation	Asset	Not classified	28
Improve the NV supervisors' hall	Sustentation	Asset expense	Not classified	10
Automation of alarms and information on Hospital Monitoring station	Not classified	Asset	Not classified	2
Handling of PV ammonia at plant stoppage	Sustentation: Risk prevention and the environment	Asset	Not classified	134
Pampa Blanca sea water (DIA PB mine zone and DIA PB extension)	Sustentation	Asset	Development	30
Environmental management Improvements in Iris C/D/B halls	Sustentation	expense	Not classified	1,239
ME-PV-NV-PB environmental maintenance projects				
2008 Sem II risk prevention projects	Sustentation	Asset	Not classified	44
		Asset expense	Development	4

Environmental projects maintenance ME-PV-NV-PB	Sustentation: Risk prevention and the environment			
Risk prevention projects Sem II 2008	Sustentation: Risk prevention and the environment	Asset	Development	38
Construction of sewerage system at Lagarto.	Capacity extension	Asset expense	Development	100
Renewal of Chaxa saltpeter deposit meteorological station	Sustentation: Risk prevention and the environment	Asset	Not classified	1
Water recharge array Salar de Atacama	Sustentation: Risk prevention and the environment	expense	Research	70
Project to foster the agricultural activity in the saltpeter deposit locations	Sustentation	Asset expense	Development	212
Fuel facility improvement study	Sustentation	Asset expense	Research	50
Improvement in lighting area FF CC	Sustentation	Asset	Development	64
Environmental nets for fields 3 and 4	Sustentation	Asset	Not classified	66

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 24 - The Environment, continued

Future expense

Name of the project to which the disbursement is associated	Concept by which the disbursement was made or will be made	Asset / Expense	Description of the Asset or Expense Item	Amount of Disbursement for the Period	Ce Estim in Disb Were
Elimination of Riles generation through vacuum	Sustentation: Risk prevention and the environment	expense	Not classified	150	6/3
Environmental studies – Project Region I	Not classified	Asset expense	Not classified	184	6/3
Cultural Heritage Region I	Sustentation: Risk prevention and the environment	Asset expense	Not classified	440	12/
			Total	4.269	

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Note 24 - The Environment, continued

24.3 Description of each project indicating whether the project is in progress or has been finished

SQM Industrial S.A.

MCLX: Cleaning of all rescue yards at all SQM's plants (25 yards.) This project consists of cleaning and/or sorting rescue yards, selecting and selling all waste products which can be commercialized in these yards. Identify and destine household waste to authorized garbage dumps. This process is in the closure period.

MCJU: Send all sewage water in the former primary and secondary sectors of ME Mill Plant to the Treatment emissary, which requires the preparation and installation of sewage discharge lines for channeling purposes. This project has finished.

MCLQ: Identification of archeological findings to comply with the Technological Change at Maria Elena project. This project is finished.

ANMI: Compliance with technical, legal aspects and specific standards required with respect to warehousing, signaling, safety and main factors associated with materials, products and supplies which are handled in the mine site. In addition, the Company will implement an improvement in the warehouse infrastructure for the storage of hazardous chemicals. This project is being performed.

MNH8: Improvement in the lighting in the Maria Elena location given that there are certain areas, which have no lighting, wires without channeling and timeworn wiring. This project is being executed.

MNE3: Relates to the sanitary improvement of rest room facilities in the granulation plant at Maria Elena through a system for the disposal of sewage. This system has finished.

SCCY: Conceptual engineering and environmental study for the construction of a storage facility for hazardous waste generated at the Company's facilities due to the performance of different processes. The project is in the closure process.

JNTU: Assessment of the environmental impact of San Isidro water. This project is being executed.

MNQT: Change in meters and knowledge of ammonia inventory at the collectors in María Elena and Pedro de Valdivia refrigeration plants. This project has finished.

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Note 24 – The Environment, continued

PNTV: Installation of modules for money exchanges, restrooms, dining rooms, cool and hot drinking water network, sewage system, sanitary authorizations, absorption tests, septic tank, absorption well, projector and room equipment. This project has finished.

MNTE: Acquisition of stationary equipment for the quantitative measurement of harmful agents at the Company's facilities. This project is being executed.

PP1B: Replacement of certain splitters and transformer polluted with PCB. This project has finished.

INST: Implementation of a circuit for the drainage of oil directly from the equipment which moves the earth to the ALU storage tanks. This project is at the closure stage.

ANUN: Construction of a semi-open shed for the proper handling, storage and dispatch of hazardous and non-hazardous waste generated in Antofagasta by different technical areas. This project has finished.

MP17: A study and identification will be conducted in respect to the current water chlorination system at Maria Elena, Coya Sur and Pedro de Valdivia facilities for the subsequent implementation and start-up of water chlorination in accordance with standards in force. This project is being executed.

MP5W: Normalization of the system for the storage and distribution of fuel at the Company's facilities. This project is being executed.

FNWR: Preparation and processing of DIA for the Pampa Blanca discard yard. This project is in the process of closure.

MNYS: Preparation and execution of the geoglyphs preservation project. Edition and publishing of a book in addition to implementing a dissemination center. Construction and habilitation of a collection deposit. All offsetting steps for the Technological Change at Maria Elena project. This project is being executed.

MPAM: Acquisition of a chamber which allows detecting ammonia gas leakage or leakage of any type of gas. This project has finished.

MP8Z: Implement a control system at inlet pipes at rivers at ME, CS and Vergara, which allow automating the control of these flows. In addition, this project requires the complementation of the satellite extraction control system recently implemented at inlet pipes to ensure full compliance with rights authorized by the (General Water Directorate) DGA and, therefore, also ensure the usual water supply required by SQM. This process is in the closure process.

MPL5: Improvement of a portion of the water network infrastructure and sewage system at Maria Elena. This project is being executed.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 24 – The Environment, continued

MPIS: Improve the urban situation at Maria Elena, placing a stabilization layer with product at the streets and anti-dust treatment with product in sidewalks. This project is being executed.

MPGF: Eliminate pollution in sub station 031 due to the inefficient sealing system. This project is being executed.

JNNX: Incorporation of UV sensor at the Coya Sur meteorological station, perimeter closure of the Nueva Victoria meteorological station and geo-reference of new emission sources at Toco and Coya Sur. This project is in the closure process.

MPLS: Implement alarms via emails as to peak concentration of particle materials and change in the recording of information from text files to database for the implementation of reports. This project is being executed.

PPNK: Project to ensure the control of ammonia gas in crystal plant stoppage. This project is being executed.

TPO4: Project to change the drinking water system and sewage system in the indigenous camp to improve living conditions. This project is being executed.

FP55: This project consists of the installation of the 87 kilometer sea water adductor system from the Mejillones zone to the Company's facilities in Pampa Blanca. Expenses considered relate solely to environmental processing. This project is being executed.

Minera Nueva Victoria S.A.

IPMN: Extend the sanitary capacity of the IRIS camp through the construction of 3 wells. This project is being executed.

SQM Nitratos S.A.

PNH2: Design and construct pouring off tanks for mud, water, oil and a pool with a pump to re-use poured off water, metallic pools to remove mud. This project is being executed.

PP0V: Installation of a container for hazardous waste at workshops for maintenance and removal of liquid industrial waste from hydraulic filters, workshop for mine maintenance at Maria Elena, Pedro de Valdivia, Nueva Victoria and Pampa Blanca. This project is being executed.

IP6W: Design and construct pouring off tanks for mud, water, oil and a pool with a pump to re-use poured off water, metallic pools to remove mud. This project is in the closure process.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 24 – The Environment, continued

PPAT: With this project the Company intends to comply with the current sanitary standards with respect to water treatment and waste infiltration at certain sectors in Pedro de Valdivia and Maria Elena. This project is being executed.

SQM Salar S.A.

LP5K: Environmental evaluation through DIA of the project for the extension of the MOP production capacity. This project is in the closure process.

LNSH: Conduct detail engineering and implement a dust collector system at the SOP-H plant in order to improve the system's efficiency and decrease the pollution degree. This project has finished.

LNNT: Through this project, the Company intends to have reliable measurements of the climatologic seasonal variation in the saltpeter deposit, timely measurements for the preparation of reports and programs and deliver actual information to the environmental authority. This project is in the closure process.

LP5J: Conduct analyses to define the hydrological units in the basin, quantify the reload to the aquifer through environmental isotopic techniques. This project is being executed.

LPGA: Improvement in the discharge of sewage already treated. This project is in the closure process.

LP82: Support for the development of demonstration estate, technical support for the application of improvements in watering and agricultural practices. This project is being executed.

LPK2: Improve sanitary facilities in the current money exchange, MOP sector to comply with all requirements of the mine's different users. This project is in the closure process.

LPIL: Through this project, the Company intends to modify the current SOP plant to work in the production of MOP or SOP as deemed convenient. This project has been closed.

LPIK: Construction of new MOP dryer given that the current Compacting Drying Plant will be destined to the production of another product. This project has finished.

SIT S.A.

TNLA: Paving of yard 2 roads and Southern access to the Tocopilla port given that these are the source of dust and emissions and risk of accidents in the operation of machinery. This project is in the closure process.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 24 – The Environment, continued

TNT8: Enablement of 10% more of pedestrian pathways, installation of up to 30% of corporate signaling, installation an electricity pylon in yard 6 of the Tocopilla location. This project has finished.

PNOT: Improve night lighting in sectors with high number of movements, installing sodium bulbs more continuously with an angle of 45°. This will allow complying with Safety and Lighting Regulation Standards. This project is in the closure process.

TPLR: The objective of the process is being able to discharge waste water generated in the Tocopilla port to the public sewage system. This project is being executed.

TPM7: Meshes will be acquired which will be installed in yards 3 and 4 to control dust emissions in sieving operations and protect product from emissions generated by the power plant. This project is being executed.

SQM S.A.

SCI6: This project is intended to obtain environmental licenses for the Development projects in Region I of Chile including all pieces of work related to initial environmental requirements which allow that Operations execute the project's construction and operation. The environmental evaluation to obtain the related license would be conducted through EIA, which contemplates the preparation and processing of the document and also includes specific environmental study activities (the study of tamarugos in Llamara and P. Tamarugal, archeological mitigation steps, environmental study of Loa river, hydro geological studies.) This project is being executed.

IP3P: Implementation of steps for the mitigation and compensation of cultural heritage for new mine areas in Nueva Victoria (EIA Nueva Victoria Mine Zone.) This project has finished.

IPFT: This project contemplates the implementation of heritage steps committed in the projects referred to as Nueva Victoria Mine Zone, Nueva Victoria Operation Updates, Iris Duct and Evaporation Pools. This project is being executed.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 25 - Other Current and Non-current Assets

As of March 31, 2010, December 31, 2009 and January 1, 2009, the composition of the other current and non-current assets is detailed as follows:

Other current assets	3/31/2010 ThUS\$	12/31/2009 ThUS\$	01/01/2009 ThUS\$
Agreement termination bonus	2,097	2,191	990
Cost of bond placement and issuance	1,736	1,739	586
Cost of loan assumption	753	770	219
Domestic Value Added Tax	15,537	23,246	24,650
Foreign Value Added Tax	3,039	3,080	10,666
Mine licenses prepaid	7,202	1,104	1,183
Prepaid insurances	2,808	4,062	4,085
Commercial and industrial patents	803	-	-
Prepaid leases	26	29	145
Sea concessions	-	39	30
Other prepaid	63	42	46
Other assets	537	582	176
Total	34,601	36,884	42,776

Other non-current assets	3/31/2010 ThUS\$	12/31/2009 ThUS\$	01/01/2009 ThUS\$
Agreement termination bonus	2,487	2,842	454
Stain development expenses and prospecting expenses (1)	26,120	26,832	24,892
Income taxes recoverable	551	567	454
Long-term loan negotiation costs	953	1,192	320
Cost of bond placement and issuance	9,255	9,679	4,278
Deposits held in guarantee	437	467	308
Other assets	153	172	336
Total	39,956	41,751	31,042

1. Assets for the exploration and evaluation of mineral resources are amortized when the explored or evaluated sector is exploited. For this purpose, a variable rate is applied to extracted tons, which is determined based on the measured initial reserve and evaluation cost. The Company presents expenses associated with Exploration and Evaluation of Mineral Resources. Of these expenses those that are under exploitation are included under Inventories and are amortized according to the estimated contained ore reserves and expenses associated with future reserves are presented under Other non-current assets. Those expenses incurred on properties with low ore grade which is not economically exploitable are directly charged to income. As of March 31, 2010, balances associated with the exploration and evaluation of mineral resources are presented under Inventories for ThUS\$ 2,431.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 25 - Other Current and Non-current Assets, continued

Reconciliation of changes in assets for exploration and mineral resource evaluation, by classes

Movements in assets for the exploration and evaluation of mineral resources as of March 31, 2010 and December 31, 2009:

	3/31/2010	12/31/2009
	ThUS\$	ThUS\$
Reconciliation		
Assets for the exploration and evaluation of mineral resources, net, beginning balance	26,832	24,892
Changes in assets for exploration and evaluation of mineral resources:		
Additions, different from business combinations	-	5,446
Depreciation and amortization	(568)	(2,641)
Increase (decrease) for transfers and other charges	(144)	(865)
Assets for exploration and evaluation of mineral resources, net, final balance	26,120	26,832

At the date of presentation, no reevaluations of assets for exploration and evaluation of mineral resources have been conducted.

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Note 26 - Operating Segments

26.1 Operating segments

In accordance with IFRS 8 "Operating segments", the Company provides financial and descriptive information about the segments it has defined in consideration of available annual separate financial information, which is regularly evaluated by the maximum authority in making operating decisions with the purpose of deciding how to assign resources and evaluate performance.

Operating segments relate to the following groups of products which provide income from the performance of ordinary activities, for which the Company incurs expenses and the result of which is regularly reviewed by the Company's maximum authority in the decision-making process:

1. Specialty plant nutrients
2. Iodine and its derivatives
3. Lithium and its derivatives
4. Industrial chemicals
5. Potassium chloride
- 6.- Other products and services

Information relative to assets, liabilities and income and expenses which cannot be assigned to the segments indicated above, due to the nature of production processes, is included under the "Corporate Unit" category of information disclosed.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 26 – Operating Segments, continued

26.2 Statement of comprehensive income classified by operating segments based on groups of products as of March 31, 2010:

Items in the statement of comprehensive income	Specialty plant nutrients	Iodine and its derivatives	Lithium and its derivatives	Industrial chemicals	Potassium chloride	Other products and services	Corporate unit
Ordinary income	128,165	62,919	33,914	27,414	124,673	11,438	-
Cost of sales of ordinary income	(87,332)	(36,651)	(18,432)	(16,729)	(87,037)	(10,844)	-
Gross margin	40,833	26,268	15,482	10,685	37,636	594	-
Other operating income	-	-	-	-	-	-	1,625
Administrative expenses	-	-	-	-	-	-	(17,774)
Other expenses	-	-	-	-	-	-	(5,044)
Other income (loss)	-	-	-	-	-	-	(7,146)
Financial interest	-	-	-	-	-	-	2,268
Financial costs	-	-	-	-	-	-	(7,786)
Participation in income (loss) of associated and business combination through the equity method	-	-	-	-	-	-	(3,059)
Exchange differences	-	-	-	-	-	-	(3,133)
Income (loss) before income tax	-	-	-	-	-	-	97,567
Income tax expense	-	-	-	-	-	-	(20,696)
Income (loss) from continued operations	-	-	-	-	-	-	-
Income (loss) from discontinued operations	-	-	-	-	-	-	-
Income (loss)	-	-	-	-	-	-	-
Income (loss) attributable to:							
Income (loss) attributable to the controlling ownership	-	-	-	-	-	-	-
Income (loss) attributable to participations non-controlling	-	-	-	-	-	-	378
Income (loss)	-	-	-	-	-	-	-

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 26 – Operating Segments, continued

26.2 Statement of comprehensive income classified by operating segments based on groups of products as of March 31, 2009:

Items in the statement of comprehensive income	Specialty plant nutrients	Iodine and its derivatives	Lithium and its derivatives	Industrial chemicals	Potassium chloride	Other products and services	Corporate unit	
Ordinary income	120,719	43,106	24,536	22,357	95,746	14,679	-	3
Cost of sales of ordinary income	(76,104)	(14,973)	(8,196)	(10,422)	(55,252)	(14,111)	-	(1)
Gross margin	44,615	28,133	16,340	11,935	40,494	568	-	1
Other operating income	-	-	-	-	-	-	1,155	
Administrative expenses	-	-	-	-	-	-	(15,998)	(
Other expenses	-	-	-	-	-	-	(9,175)	
Other income (loss)	-	-	-	-	-	-	51	
Financial interest	-	-	-	-	-	-	3,913	
Financial costs	-	-	-	-	-	-	(7,941)	
Participation in income (loss) of associated and business combination through the equity method	-	-	-	-	-	-	(93)	
Exchange differences	-	-	-	-	-	-	(5,714)	
Income (loss) before income tax	-	-	-	-	-	-	-	1
Income tax expense	-	-	-	-	-	-	(20,828)	(
Income (loss) prom continued operations	-	-	-	-	-	-	-	
Income (loss) from discontinued operations	-	-	-	-	-	-	-	
Income (loss)	-	-	-	-	-	-	-	
Income (loss) attributable to:								
Income (loss) attributable to the controlling ownership	-	-	-	-	-	-	-	-
Income (loss) attributable to participations non-controlling	-	-	-	-	-	-	(934)	
Income (loss)	-	-	-	-	-	-	-	-

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 26 – Operating Segments, continued

26.3 Assets and liabilities by operating segments based on product groups as of March 31, 2010

Items in the statement of comprehensive income	Specialty nutrients	Iodine and derivatives	Lithium and its derivatives	Industrial chemicals	Potassium chlorides	Other products and services	Corporate unit	Eliminations consolidation process associated with operating segments	Total segments and Corporate Unit
Current assets	-	-	-	-	-	-	4,632,086	(3,063,881)	1,568,205
Non-current assets	-	-	-	-	-	-	3,594,018	(2,145,080)	1,448,938
Total assets	-	-	-	-	-	-	8,226,104	(5,208,961)	3,017,143
Current liabilities	-	-	-	-	-	-	3,136,031	(2,770,242)	365,789
Non-current liabilities	-	-	-	-	-	-	1,373,618	(269,511)	1,104,107
Total shareholders' equity	-	-	-	-	-	-	3,716,455	(2,169,208)	1,547,247
Income (loss)	-	-	-	-	-	-	8,226,104	(5,208,961)	3,017,143

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 26 – Operating Segments, continued

26.3 Assets and liabilities by operating segments based on product groups as of December 31, 2009

Items in the statement of comprehensive income	Specialty nutrients	Iodine and specialty plant derivatives	Lithium and its derivatives	Industrial chemicals	Potassium chlorides	Other products and services	Corporate unit	Eliminations consolidation process associated with operating segments	Total segments and Corporate Unit
Current assets	-	-	-	-	-	-	4,582,162	(2,872,280)	1,709,882
Non-current assets	-	-	-	-	-	-	3,448,724	(2,003,422)	1,445,302
Total assets	-	-	-	-	-	-	8,030,886	(4,875,702)	3,155,184
Current liabilities	-	-	-	-	-	-	3,099,433	(2,551,882)	547,551
Non-current liabilities	-	-	-	-	-	-	1,415,712	(272,529)	1,143,183
Total shareholders' equity	-	-	-	-	-	-	3,515,741	(2,051,291)	1,464,450
Income (loss)	-	-	-	-	-	-	8,030,886	(4,875,702)	3,155,184

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 26 - Operating Segments, continued

26.4 Disbursements of segment non-monetary assets as of March 31, 2010

Identification of disbursements of non-monetary assets	Latin America and the Caribbean, Europe, North America and Asia and others					Balances according to the Statement of Financial Position
	Chile	Latin America and the Caribbean	Europe	North America	Asia and others	
Investments in joint ventures	-	-	-	-	1,000	1,000
- SQM Quindao - Star	-	-	-	-	1,000	1,000
Amounts in additions of non-current assets	72,843	-	-	-	-	72,843
- Property, plant and equipment	72,763	-	-	-	-	72,763
- Intangible assets	80	-	-	-	-	80
Total segments	72,843	-	-	-	1,000	73,843

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 26 - Operating Segments, continued

26.4 Disbursements of segment non-monetary assets as of December 31, 2009

Identification of disbursements of non-monetary assets	Chile	Latin America and the Caribbean			North America	Asia and others	Balances according to the Statement of Financial Position
		Europe	North America	South America			
Investments in joint ventures	-	-	-	-	-	3,530	3,530
- SQM Migao Sichuan	-	-	-	-	-	3,000	3,000
- Coromandel SQM India	-	-	-	-	-	530	530
Amounts in additions of non-current assets	376,515	-	-	-	-	-	376,515
- Property, plant and equipment	376,186	-	-	-	-	-	376,186
- Intangible assets	329	-	-	-	-	-	329
Total segments	376,515	-	-	-	-	3,530	380,045

26.5 Information on products and services, external customers

Income from ordinary activities from external customers by product and service groups as of March 31, 2010 are detailed as follows:

Items in the statement of comprehensive income	Iodine and Specialty plant nutrients		Lithium and its derivatives		Industrial Potassium chemicals	Other products and services	Total segments and Corporate Unit
	Ordinary income	128,165	62,919	33,914	27,414	124,673	11,438

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 26 - Operating Segments, continued

Information on products and services, external customers

Income from ordinary activities from external customers by product and service groups as of March 31, 2009 are detailed as follows:

Items in the statement of comprehensive income	Specialty plant nutrients	Iodine and its derivatives	Lithium and its derivatives	Industrial chemicals	Potassium chloride	Other products and services	Total segments and Corporate Unit
Ordinary income	120,719	43,106	24,536	22,357	95,746	14,679	321,143

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 26 - Operating Segments, continued

26.6 Information on geographic areas

As indicated in paragraph 33 of IFRS 8, the entity discloses geographic information on its income from ordinary activities from external customers and from non-current assets which are not financial instruments, deferred income tax assets, assets related to post employment benefits and rights derived from insurance contracts.

26.7 Income from ordinary activities from external customers, classified by geographic areas as of March 31, 2010:

Identification of income from ordinary activities from external customers	Latin America and the Caribbean EuropeNorth America					Balances according to the Statement of Comprehensive Income
	Chile	Caribbean	Europe	North America	Asia and others	
Ordinary income	17,889	44,045	153,585	100,276	72,728	388,523

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 26 - Operating Segments, continued

26.7 Income from ordinary activities from external customers, classified by geographic areas as of March 31, 2009:

Identification of income from ordinary activities from external customers	Chile	Latin America and the Caribbean	Europe	North America	Asia and others	Balances according to the Statement of Comprehensive Income
Ordinary income	38,222	59,393	61,143	85,574	76,811	321,143

26.8 Non-current assets classified by geographic area as of March 31, 2010:

Non-current asset item, adjusted (IFRS 8,33,b,1/11/2006)	Chile	Latin America and the Caribbean	Europe	North America	Asia and others	Balances according to the Statement of Financial Position
Investments in associates recognized using the equity method	713	-	21,117	6,154	30,778	58,762
Intangible assets other than goodwill	2,453	-	98	552	-	3,103
Goodwill	24,147	86	11,373	724	2,058	38,388
Net, Property, plant and equipment	1,300,452	282	433	1,752	216	1,303,135
Investment properties	1,397	-	-	-	-	1,397
Other non-current assets	38,343	212	-	1,107	294	39,956
Balance to date	1,367,505	580	33,021	10,289	33,346	1,444,741

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 26 - Operating Segments, continued

26.8 Non-current assets classified by geographic area as of December 31, 2009:

Non-current asset item, adjusted (IFRS 8,33,b,1/11/2006)	Chile	Latin America and the Caribbean	Europe	North America	Asia and others	Balances according to the Statement of Financial Position
Investments in associates recognized using the equity method	328	-	18,853	6,653	29,351	55,185
Intangible assets other than goodwill	2,267	-	-	569	-	2,836
Goodwill	24,248	86	11,373	724	1,957	38,388
Net, Property, plant and equipment	1,297,830	293	474	1,766	183	1,300,546
Investment properties	1,405	-	-	-	-	1,405
Other non-current assets	39,400	1,017	-	1,037	297	41,751
Balance to date	1,365,478	1,396	30,700	10,749	31,788	1,440,111

26.9 Information on main customers

In respect to the degree of dependency of the Company on its customers, in accordance with paragraph 34 of IFRS 8, the Company has no external customers which individually represent 10% or more of its income from ordinary activities. Credit risk concentrations with respect to trade accounts receivable and other accounts receivable are limited due to the significant number of entities which compose the Company's portfolio and its worldwide distribution. The Company's policy is requiring guarantees (such as letters of credit, guarantee clauses and others) and/or maintaining insurance policies for certain accounts as deemed necessary by the Company's Management.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 26 - Operating Segments, continued

26.10 Property, plant and equipment classified by geographic areas as of March 31, 2010:

Property, plant and equipment	Chile	Latin America and the Caribbean	Europe	North America	Asia and others	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Production facilities:						
Coya Sur	229,248	-	-	-	-	229,248
María Elena	134,195	-	-	-	-	134,195
Nueva Victoria	201,265	-	-	-	-	201,265
Pampa Blanca	24,638	-	-	-	-	24,638
Pedro de Valdivia	73,861	-	-	-	-	73,861
Salar de Atacama	295,897	-	-	-	-	295,897
Salar del Carmen	258,038	-	-	-	-	258,038
Tocopilla (port facilities)	60,951	-	-	-	-	60,951
Sub total production facilities	1,278,093	-	-	-	-	1,278,093
Corporate facilities:						
Santiago	14,277	-	-	-	-	14,277
Antofagasta	6,628	-	-	-	-	6,628
Sub total corporate facilities	20,905	-	-	-	-	20,905
Sub total Business Offices	1,454	282	433	1,752	216	4,137
Total segments	1,300,452	282	433	1,752	216	1,303,135

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 26 - Operating Segments, continued

26.10 Property, plant and equipment classified by geographic areas as of December 31, 2009:

Property, plant and equipment	Chile	Latin America and the Caribbean			North America 12/31/2009	Asia and others	Total
		ThUS\$	ThUS\$	ThUS\$			
Production facilities:							
Coya Sur	252,138	-	-	-	-	252,138	
María Elena	142,442	-	-	-	-	142,442	
Nueva Victoria	202,037	-	-	-	-	202,037	
Pampa Blanca	25,271	-	-	-	-	25,271	
Pedro de Valdivia	73,203	-	-	-	-	73,203	
Salar de Atacama	302,840	-	-	-	-	302,840	
Salar del Carmen	222,093	-	-	-	-	222,093	
Tocopilla (port facilities)	59,132	-	-	-	-	59,132	
Sub total production facilities	1,279,156	-	-	-	-	1,279,156	
Corporate facilities:							
Santiago	12,233	-	-	-	-	12,233	
Antofagasta	5,808	-	-	-	-	5,808	
Sub total corporate facilities	18,041	-	-	-	-	18,041	
Sub total Business Offices	633	293	474	1,766	183	3,349	
Total segments	1,297,830	293	474	1,766	183	1,300,546	

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 27 – Other operating income and expenses

The composition of other operating income and expenses is as follows:

a)	Other operating income	3/31/2010 ThUS\$	3/31/2009 ThUS\$
	Interest collected from direct customers		
	Discounts obtained from suppliers	122	363
	Indemnities received	-	68
	Insurance recovery	7	101
	Overestimate of provision for obligation with third parties	479	354
	Sale of materials, spare parts and supplies	226	65
	Other operating income	44	102
	Services to related companies	-	26
	Miscellaneous services	328	76
	Indemnities at Minera Esperanza	419	-
	Total	1,625	1,155
b)	Other expenses by function	3/31/2010 ThUS\$	3/31/2009 ThUS\$
	Bad debt impairment	(309)	(4,965)
	V.A.T. and other non-recoverable taxes	(104)	(155)
	Fines paid	(100)	(8)
	Expenses related to investment plan	(2,900)	(3,370)
	Grants not accepted as credit	(857)	(228)
	Other operating expenses	(774)	(449)
	Total	(5,044)	(9,175)
c)	Other gains or losses	3/31/2010 ThUS\$	3/31/2009 ThUS\$
	Provision for retirement program	(1,200)	-
	Accrual for temporary closure of operations at El Toco	(5,900)	-
	Prior year equity value adjustment	(34)	51
	Other	(12)	-
	Total	(7,146)	51

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 28 – Current and Deferred Income Taxes

As of March 31, 2010, December 31, 2009 and January 1, 2009, current income taxes recoverable are detailed as follows:

28.1 Current income taxes recoverable:

	3/31/2010 ThUS\$	12/31/2009 ThUS\$	01/01/2009 ThUS\$
Monthly tax provisional payments, Chilean companies	91,114	71,720	54,787
Monthly tax provisional payments, foreign companies	1,696	1,606	1,126
Royalty monthly tax provisional payments	13,749	9,149	1,107
First category tax credits	1,173	1,085	1,044
First category tax absorbed by tax losses	8,789	8,563	77
Transfer from and to income tax	(63,592)	(50,298)	(56,446)
Total	52,929	41,825	1,695

28.2 Current income taxes payable:

Taxes payable	3/31/2010 ThUS\$	12/31/2009 ThUS\$	01/01/2009 ThUS\$
First category tax	51,631	42,082	124,626
Royalty	12,083	8,539	20,148
Foreign company income tax	579	592	762
Article 21 unique tax	382	383	52
Transfer from and to income tax	(63,592)	(50,298)	(56,446)
Total	1,083	1,298	89,142

28.3 Retained Taxable Earnings Registry

As of March 31, 2010, December 31, 2009 and January 1, 2009, the Company and its subsidiaries have recorded the following consolidated balances for retained taxable earnings registry, income which do not constitute revenue subject to income tax, accumulated tax losses and credit for shareholders:

	3/31/2010 ThUS\$	12/31/2009 ThUS\$	01/01/2009 ThUS\$
Tax earnings with credit	668,166	668,670	813,716
Tax earnings with no credit	77,393	107,832	132,773
Tax losses	121,283	99,333	16,949
Credit for shareholders	136,715	136,874	166,554

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 28 – Current and Deferred Income Taxes, continued

28.4 Current and deferred income taxes

Assets and liabilities recognized in the Statement of Financial Position are offset when and only if:

1. the Company has legally recognized before the tax authority the right to offset the amounts recognized in these entries; and

2. deferred income tax assets and liabilities are derived from income tax related to the same tax authority on:

(i) the same entity of tax subject; or

(ii) different entities or subjects to tax effects who intend either to settle current fiscal assets and liabilities for their net amount, either realize assets and pay liabilities simultaneously in each of the future periods in which the Company expects to settle or recover significant amounts of deferred tax assets or liabilities.

Deferred income tax assets recognized are those income taxes to be recovered in future periods, related to:

(a) deductible temporary differences;

(b) the compensation of losses obtained in prior periods, which have not yet been subject to tax deduction; and

(c) the compensation of unused credits from prior periods.

The Company recognizes a deferred tax asset when there is certainty that these can be offset with fiscal income from subsequent periods, losses or credits.

Fiscal amounts not yet used but solely as long as it is possible that there will be tax earnings in the future to charge to these losses or unused fiscal credits against them.

Deferred tax liabilities recognized are the amounts of income taxes payable in future periods related to taxable temporary differences.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 28 – Current and Deferred Income Taxes, continued

No deferred income taxes have been recognized between the tax and book value of investments in related companies, in accordance with the criteria indicated in IAS 12. Therefore, there is no recognition of deferred taxes for translation adjustments and adjustments of associated companies recorded directly in net equity, shown in the Statement of Other Comprehensive Income.

d.1 Income tax assets and liabilities as of March 31, 2010 are detailed as follows:

Description of deferred income tax assets and liabilities	Assets ThUS\$	Liabilities ThUS\$
Depreciation	-	80,618
Bad debt impairment	-	(3,736)
Vacation accrual	-	(1,872)
Production expenses	-	43,907
Unrealized gains (losses) from sales of products	-	(44,070)
Bonds fair value	-	201
Staff severance indemnities	-	1,554
Hedging	-	9,165
Inventory of products, spare parts and supplies	-	(14,651)
Research and development expenses	-	5,161
Tax losses	1,063	(18,440)
Capitalized interest	-	11,995
Expenses in assumption of bank loans	-	1,927
Unaccrued interest	-	(251)
Fair value of property, plant and equipment	-	(7,790)
Employee benefits	-	(6,394)
Royalty deferred income taxes	-	7,238
Other	(882)	(2,725)
Balances to date	181	61,837

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 28 – Current and Deferred Income Taxes, continued

d.2 Income tax assets and liabilities as of December 31, 2009 are detailed as follows:

Description of deferred income tax assets and liabilities	Assets ThUS\$	Liabilities ThUS\$
Depreciation	-	81,055
Bad debt impairment	-	(3,708)
Vacation accrual	-	(2,309)
Production expenses	-	39,660
Unrealized gains (losses) from sales of products	-	(48,644)
Bonds fair value	-	(1,635)
Staff severance indemnities	-	2,593
Hedging	-	10,948
Inventory of products, spare parts and supplies	-	(14,229)
Research and development expenses	-	5,263
Tax losses	1,733	(16,473)
Capitalized interest	-	11,222
Expenses in assumption of bank loans	-	2,015
Unaccrued interest	-	(393)
Fair value of property, plant and equipment	-	(10,524)
Employee benefits	-	(6,180)
Royalty deferred income taxes	-	7,677
Other	(863)	(2,536)
Balances to date	870	53,802

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 28 – Current and Deferred Income Taxes, continued

d.3 Income tax assets and liabilities as of January 1, 2009 are detailed as follows:

Description of deferred income tax assets and liabilities	Assets ThUS\$	Liabilities ThUS\$
Depreciation	-	72,192
Bad debt impairment	-	(1,926)
Vacation accrual	-	(1,734)
Production expenses	-	29,774
Unrealized gains (losses) from sales of products	-	(55,827)
Bonds fair value	-	(1,616)
Staff severance indemnities	-	1,777
Hedging	-	(629)
Inventory of products, spare parts and supplies	-	(13,613)
Research and development expenses	-	4,702
Tax losses	2,828	(1,534)
Capitalized interest	-	9,252
Expenses in assumption of bank loans	-	826
Unaccrued interest	-	(504)
Fair value of property, plant and equipment	-	(12,287)
Employee benefits	-	(2,915)
Royalty deferred income taxes	-	5,544
Other	(859)	(4,294)
Balances to date	1,969	27,188

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 28 – Current and Deferred Income Taxes, continued

d.4 Deferred income taxes related to benefits for tax losses

The Company's tax loss carryforwards were mainly generated by losses in Chile, which, in accordance with current Chilean tax regulations have no expiration date. During 2009, the Company applied no significant tax losses.

As of March 31, 2010, December 31, 2009 and January 1, 2009, tax loss carryforwards were detailed as follows:

	3/31/2010 ThUS\$	12/31/2009 ThUS\$	01/01/2009 ThUS\$
Chile	18,440	16,473	1,534
Other countries	1,063	1,733	2,828
Balances to date	19,503	18,206	4,362

d.5 Unrecognized deferred income tax assets and liabilities

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

	3/31/2010 ThUS\$	12/31/2009 ThUS\$	01/01/2009 ThUS\$
	Assets (liabilities)	Assets (liabilities)	Assets (liabilities)
Tax losses	489	489	1,544
Bad debt impairment	98	98	98
Inventory impairment	1,176	1,176	748
Pensions plan	648	648	1,091
Vacation accrual	29	29	29
Depreciation	(44)	(44)	(20)
Other	(15)	(15)	(12)
Balances to date	2,381	2,381	3,478

Tax losses mainly relate to the United States, which prescribe in 20 years.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 28 – Current and Deferred Income Taxes, continued

d.6 Movements in deferred tax liabilities

Movements in deferred tax liabilities as of March 31, 2010 and December 31, 2009 are as follows:

	3/31/2010	12/31/2009
	ThUS\$	ThUS\$
	Liabilities	Liabilities
	(assets)	(assets)
Beginning balance of deferred income tax liabilities	53,802	27,188
Increase (decrease) in deferred income taxes in income	6,199	26,633
Increase (decrease) in deferred income taxes in equity	1,836	(19)
Balances to date	61,837	53,802

d.7 Information to be disclosed on income tax expense (income)

The Company recognizes current and deferred income taxes as income or expenses and are included in income, except if they arise from:

(a) a transaction or event which is recognized in the same period or in a different period, off-income either in other comprehensive income or directly in equity; or

(b) a business combination

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 28 – Current and Deferred Income Taxes, continued

Current and deferred income tax expenses (income) are detailed as follows

	3/31/2010 ThUS\$ Income (expenses)	3/31/2009 ThUS\$ Income (expenses)
Expense for current income tax		
Expense for current income taxes	(13,770)	(30,693)
Adjustments to prior period current income tax	53	-
Total expense for current income tax, net	(13,717)	(30,693)
Expense for deferred income taxes		
Deferred tax expense (income) related to the creation and reversal of temporary differences	(6,979)	9,865
Total expense for deferred income taxes, net		
Expense (income) for income taxes	(20,696)	(20,828)

Expenses (income) for income taxes by foreign and domestic parties are as follows:

	3/31/2010 ThUS\$ Income (loss)	3/31/2009 ThUS\$ Income (loss)
Current income tax expense by domestic and foreign parties, net		
Current income tax expense, foreign parties, net	(1,022)	(286)
Current income tax expense, domestic, net	(12,695)	(30,407)
Total current income tax expense, net	(13,717)	(30,693)
Deferred income taxes by foreign and domestic parties, net		
Deferred income tax expense, foreign parties, net	(615)	(644)
Deferred income tax expense, domestic, net	(6,364)	10,509
Total deferred income tax expense, net	(6,979)	9,865
Expense (income) for income taxes	(20,696)	(20,828)

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 28 – Current and Deferred Income Taxes, continued

d.8 Participation in taxation attributable to investments recognized according to the equity method:

The Company does not recognize any deferred income tax liability in all cases of taxable temporary differences associated with investments in subsidiaries, branches and associated companies or participations in joint ventures, because as indicated in the standard, the following two conditions are jointly met:

- (a) the controller, investor or participant is able to control the time for reversal of the temporary difference; and
- (b) it is possible that the temporary difference is not reversed in the foreseeable future.

In addition, the Company does not recognize deferred income tax assets for all deductible temporary differences from investments in subsidiaries, branches and associated companies or participations in joint ventures because it is not possible that the following requirements are met:

- (a) temporary differences are reversed in a foreseeable future; and
- (b) the Company has tax earnings against which temporary differences can be used.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 28 – Current and Deferred Income Taxes, continued

d.9 Information to be disclosed on the tax effects of other comprehensive income components:

Income tax related to components of other income and expense with a charge or credit to net equity	Amount before taxes	3/31/2010 ThUS\$ Expense (income) for income taxes	Amount after taxes
Cash flow hedging	10,799	(1,836)	8,963
Total	10,799	(1,836)	8,963

Income tax related to components of other income and expense with a charge or credit to net equity	Amount before taxes	3/31/2009 ThUS\$ Expense (income) for income taxes	Amount after taxes
Cash flow hedging	10,389	(1,766)	8,623
Total	10,389	(1,766)	8,623

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 28 – Current and Deferred Income Taxes, continued

d.10 Explanation of the relationship between expense (income) for taxes and accounting income

In accordance with paragraph No. 81, letter c) of IAS 12, the Company has estimated that the method which discloses more significant information for the users of its financial statements is the reconciliation of tax expense (income) to the result of multiplying income for accounting purposes by the rate in force in Chile. This option is based on the fact that the Parent Company and its subsidiaries incorporated in Chile generate almost the total amount of tax expense (income) and the fact that amounts of subsidiaries incorporated in foreign countries have no relevant significance within the context of the total amount of tax expense (income.)

	3/31/2010 ThUS\$ Income (loss)	3/31/2009 ThUS\$ Income (loss)
Consolidated income before taxes	97,567	108,283
Income tax rate in force in Chile	17%	17%
Tax expense using the legal rate	(16,586)	(18,408)
Tax effect of rates in other jurisdictions	(3,360)	(1,198)
Tax effect of not deductible (rejected) expenses	-	-
Other increases (decreases) in charge for legal taxes	(750)	(1,222)
Tax expense using the effective rate	(20,696)	(20,828)

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 28 – Current and Deferred Income Taxes, continued

d.11 Tax periods potentially subject to verification:

The Group companies are potentially subject to tax audits for income taxes by tax authorities in each country. These audits are limited to a number of annual tax periods, which, in general, when they elapse, give rise to the expiration of these inspections.

Tax audits, due to their nature, are often complex and may require several years. Below, we provide a summary of tax periods which are potentially subject to verification, in accordance with tax regulations in force in the country of origin:

a) Chile

In Chile, the tax authority may review tax returns of up to 3 years old from the expiration date of the legal term in which the payment should have been made. In the event that there is an administrative or legal notice, the review can be extended to a period of 6 years.

b) United States

In the United States the tax authority may review tax returns of up to 3 years old from the expiration date of the tax return. In the event of detecting an omission or error in the tax return of revenue or cost of sales, the review can be extended up to a period of 6 years.

c) Mexico:

In Mexico, the tax authority can review tax returns up to 5 years old from the expiration date of the tax return.

d) Spain:

In Spain, the tax authority can review tax returns up to 4 years old from the expiration date of the tax return.

e) Belgium:

In Belgium, the tax authority may review tax returns of up to 3 years old, from the expiration date of the tax return if no tax losses exist. In the event of detecting an omission or error in the tax return, the review can be extended up to a period of 5 years.

f) South Africa:

In South Africa, the tax authority may review tax returns of up to 3 years old, from the expiration date of the tax return. In the event of detecting an omission or error in the tax return, the review can be extended up to a period of 5 years.

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Notes to the Interim Consolidated Financial Statements as of March 31, 2010

Note 29 - Events occurred subsequent to the balance sheet date

29.1 Authorization of the financial statements

The financial statements of Sociedad Química y Minera S.A. and subsidiaries prepared in accordance with generally accepted accounting principles for the period ended March 31, 2010 were approved and authorized for issuance by the Board of Directors at their meeting held on May 25, 2010.

29.2 Information to be disclosed on events occurred subsequent to the balance sheet date

On April 21, 2010, the Company informed the SVS regarding the issuance of a bond in international market (United States) under Rule 144-A Regulation S for US\$ 250,000,000 with an annual rate of 5.5% expiring in 10 years beginning on the aforementioned date.

Management is not aware of any other significant events occurred between March 31, 2010 and the date of issuance of these interim consolidated financial statements, which may significantly affect them.

29.3 Detail of dividends declared after the balance sheet date

On April 29, 2010, at the Annual General Board of Directors' Meeting, the directors unanimously agreed to reduce dividend distribution. This implies the payment of a final dividend of US\$0.62131 per share due to the amount of net income obtained. However, is subject to the reduction of US\$0.37994 which was already paid as a provisional dividend. Consequently, the remaining balance of US\$0.24137 per share will be paid and distributed in favor of those SQM shareholders who have been registered with the Shareholders' Register on the fifth business day prior to the date in which this dividend is paid.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.

Conf: /s/ Ricardo Ramos R.

Ricardo Ramos R.

Chief Financial Officer

Date: July 21, 2010
