

CHEMICAL & MINING CO OF CHILE INC
Form 6-K
December 06, 2013

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

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

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

For the month of December, 2013.

Commission File Number 33-65728

CHEMICAL AND MINING COMPANY OF CHILE INC.

(Translation of registrant's name into English)

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

(Address of principal executive office)

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

Form 20-F: Form 40-F:

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

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Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): "

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

CONSOLIDATED FINANCIAL STATEMENTS

For the period ended

September 30, 2013

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

In Thousands of United States Dollars

This document includes:

- Consolidated Classified Statements of Financial Position
- Consolidated Statements of Income by Function
- Consolidated Statements of Comprehensive Income
- Consolidated Statements of Cash Flows
- Statements of Changes in Equity
- Notes to the Consolidated Financial Statements

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

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

| ASSETS | Note | As of September 30, 2013 ThUS\$ | As of December 31, 2012 ThUS\$ |
|---|------|--|---|
| Current assets | | | |
| Cash and cash equivalents | 7.1 | 444,593 | 324,353 |
| Other current financial assets | 10.1 | 624,899 | 316,103 |
| Other current non-financial assets | 25 | 33,495 | 67,820 |
| Trade and other receivables, current | 10.2 | 428,537 | 510,616 |
| Trade receivables due from related parties, current | 9.6 | 134,939 | 101,372 |
| Current inventories | 8 | 956,787 | 896,236 |
| Current tax assets | 28.1 | 42,778 | 30,234 |
| Total current assets | | 2,666,028 | 2,246,734 |
| Non-current assets | | | |
| Other non-current financial assets | 10.1 | 7,042 | 29,492 |
| Other non-current non-financial assets | 25 | 19,970 | 17,682 |
| Trade receivables, non-current | 10.2 | 1,117 | 1,311 |
| Investments in associates | 11 | 50,083 | 50,955 |
| Investments in joint ventures | 12 | 27,103 | 19,343 |
| Intangible assets other than goodwill | 13.1 | 28,809 | 24,013 |
| Goodwill | 13.1 | 38,388 | 38,388 |
| Property, plant and equipment | 14.1 | 2,136,276 | 1,988,290 |
| Deferred tax assets | 28.4 | 448 | 223 |
| Total non-current assets | | 2,309,236 | 2,169,697 |
| Total assets | | 4,975,264 | 4,416,431 |

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

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

| Liabilities and Equity | Note | As of September 30, 2013 ThUS\$ | As of December 31, 2012 ThUS\$ |
|--|------|--|---|
| Liabilities | | | |
| Current liabilities | | | |
| Other current financial liabilities | 10.4 | 395,171 | 152,843 |
| Trade and other payables, current | 10.5 | 190,877 | 207,944 |
| Trade payables due to related parties, current | 9.6 | - | 19 |
| Other current provisions | 18.1 | 32,140 | 18,489 |
| Current tax liabilities | 28.2 | 32,113 | 23,624 |
| Provisions for employee benefits, current | 15.1 | 13,952 | 33,974 |
| Other current non-financial liabilities | 18.3 | 286,818 | 172,200 |
| Total current liabilities | | 951,071 | 609,093 |
| Non-current liabilities | | | |
| Other non-current financial liabilities | 10.4 | 1,450,358 | 1,446,194 |
| Other non-current provisions | 18.1 | 7,535 | 7,357 |
| Deferred tax liabilities | 28.4 | 134,817 | 125,445 |
| Provisions for employee benefits, non-current | 15.1 | 36,791 | 40,896 |
| Total non-current liabilities | | 1,629,501 | 1,619,892 |
| Total liabilities | | 2,580,572 | 2,228,985 |
| Equity | | | |
| | 17 | | |
| Share capital | | 477,386 | 477,386 |
| Retained earnings | | 1,857,238 | 1,676,169 |
| Other reserves | | (14,710) | (20,772) |
| Equity attributable to owners of the Parent | | 2,337,914 | 2,132,783 |
| Non-controlling interests | | 56,778 | 54,663 |
| Total equity | | 2,394,692 | 2,187,446 |
| Total liabilities and equity | | 4,975,264 | 4,416,431 |

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

| | Note | January to September 2013 ThUS\$ | September 2012 ThUS\$ | July to September 2013 ThUS\$ | September 2012 ThUS\$ |
|--|------|--|-----------------------------|-------------------------------------|-----------------------------|
| Revenue | 20 | 1,710,930 | 1,828,208 | 521,074 | 615,252 |
| Cost of sales | 27.2 | (1,135,747) | (1,033,951) | (372,594) | (352,924) |
| Gross profit | | 575,183 | 794,257 | 148,480 | 262,328 |
| Other income | 27.3 | 95,978 | 10,578 | 87,016 | 1,126 |
| Administrative expenses | 27.4 | (76,070) | (74,328) | (25,392) | (26,041) |
| Other expenses by function | 27.5 | (32,101) | (24,774) | (7,497) | (9,251) |
| Other gains (losses) | 27.6 | (12,275) | 145 | (12,566) | 124 |
| Profit (loss) from operating activities | | 550,715 | 705,878 | 190,041 | 228,286 |
| Finance income | | 9,749 | 20,235 | 2,355 | 7,451 |
| Finance costs | 22 | (44,082) | (41,520) | (16,651) | (15,062) |
| Share of profit of associates and joint ventures accounted for using the equity method | | 14,531 | 20,031 | 4,539 | 6,731 |
| Foreign currency translation differences | 23 | (11,343) | (17,689) | (2,501) | (2,384) |
| Profit (loss) before taxes | | 519,570 | 686,935 | 177,783 | 225,022 |
| Income tax expense, continuing operations | 28.4 | (117,068) | (173,920) | (36,921) | (57,632) |
| Profit (loss) from continuing operations | | 402,502 | 513,015 | 140,862 | 167,390 |
| Profit for the year | | 402,502 | 513,015 | 140,862 | 167,390 |
| Profit attributable to | | | | | |
| Owners of the Parent | | 389,139 | 507,417 | 138,907 | 165,180 |
| Non-controlling interests | | 4,363 | 5,598 | 1,955 | 2,210 |
| Profit for the year | | 402,502 | 513,015 | 140,862 | 167,390 |

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

| | Note | January to September | | July to September | |
|--|------|-------------------------|--------------|-------------------|--------------|
| | | 2013 US\$ | 2012 US\$ | 2013 US\$ | 2012 US\$ |
| Earnings per share | | | | | |
| Common shares | | | | | |
| Basic earnings per share (US\$ per share) | 21 | 1,5127 | 1,9279 | 0,5278 | 0,6276 |
| Basic earnings per share (US\$ per share) from continuing operations | | 1,5127 | 1,9279 | 0,5278 | 0,6276 |
| Diluted common shares | | | | | |
| Diluted earnings per share (US\$ per share) | 21 | 1,5127 | 1,9279 | 0,5278 | 0,6276 |
| Diluted earnings per share (US\$ per share) from continuing operations | | 1,5127 | 1,9279 | 0,5278 | 0,6276 |

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

| Statements of comprehensive income | January to September | | July to September | |
|--|----------------------|----------|-------------------|----------|
| | 2013 | 2012 | 2013 | 2012 |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Profit for the year | 402,502 | 513,015 | 140,862 | 167,390 |
| Components of other comprehensive income before taxes and foreign currency translation differences | | | | |
| Gain (loss) from foreign currency translation differences, before taxes | (2,920) | 793 | (267) | 117 |
| Other comprehensive income before taxes and foreign currency translation differences | (2,920) | 793 | (267) | 117 |
| Cash flow hedges | | | | |
| (Gain) loss from cash flow hedges before taxes | 11,018 | (7,297) | (1,965) | (5,477) |
| Other comprehensive income before taxes and cash flow hedges | 11,018 | (7,297) | (1,965) | (5,477) |
| Other comprehensive income before taxes and actuarial gains (losses) from defined benefit plans | - | - | - | - |
| Other miscellaneous reserves | - | - | - | - |
| Other components of other comprehensive income before taxes | 8,098 | (6,504) | (2,232) | (5,360) |
| Income taxes associated with components of other comprehensive income | | | | |
| Income taxes associated with cash flow hedges in other comprehensive income | (2,084) | 1,425 | 306 | 1,232 |
| Income taxes associated with components of other comprehensive income | (2,084) | 1,425 | 306 | 1,232 |
| Other comprehensive income | 6,014 | (5,079) | (1,926) | (4,128) |
| Total comprehensive income | 408,516 | 507,936 | 138,936 | 163,262 |
| Comprehensive income attributable to | | | | |
| Owners of the Parent | 404,201 | 502,247 | 136,976 | 160,994 |
| Non-controlling interests | 4,315 | 5,689 | 1,960 | 2,268 |
| Total comprehensive income | 408,516 | 507,936 | 138,936 | 163,262 |

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

| Statements of cash flows | Note | 9/30/2013 | 9/30/2012 |
|---|------|-------------|-------------|
| | | ThUS\$ | ThUS\$ |
| Cash flows from (used in) operating activities | | | |
| Types of receipts from operating activities | | | |
| Cash receipts from sales of goods and rendering of services | | 1,775,224 | 1,786,969 |
| Other cash receipts from operating activities | | - | - |
| Types of payments | | | |
| Cash payments to suppliers for the provision of goods and services | | (1,060,512) | (1,077,090) |
| Cash payments to and on behalf of employees | | (52,929) | - |
| Other payments related to operating activities | | - | (5,938) |
| Dividends received | | - | 13,411 |
| Interest paid | | (64,309) | (43,051) |
| Interest received | | - | 17,151 |
| Reimbursed (paid) income taxes | | (124,334) | (189,885) |
| Other income or payments in cash | | 30,958 | - |
| Net cash generated from (used in) operating activities | | 504,098 | 501,567 |
| Cash flows from (used in) investing activities | | | |
| Cash receipts from the loss of control of subsidiaries and other businesses | | - | 961 |
| Other cash payments made to acquire interests in joint ventures | | (4,034) | (4,197) |
| Proceeds from the sale of property, plant and equipment | | - | 1,787 |
| Proceeds from sales of intangible assets | | 86,006 | - |
| Purchases of intangible assets | | (4,796) | - |
| Acquisition of property, plant and equipment | | (321,927) | (291,002) |
| Cash advances and loans granted to third parties | | - | (606) |
| Dividendos recibidos | | 14,683 | - |
| Other cash receipts (payments) | | (353,077) | (324,045) |
| Net cash generated from (used in) investing activities | | (583,145) | (617,102) |

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

| | Note | 9/30/2013 | 9/30/2012 |
|--|------------|------------|-----------|
| | | ThUS\$ | ThUS\$ |
| Cash flows from (used in) financing activities | | | |
| Proceeds from issue of capital instruments | - | - | - |
| Proceeds from long-term borrowings | 300,000 | 296,502 | |
| Proceeds from short-term borrowings | 140,000 | - | |
| Total proceeds from borrowings | 440,000 | 296,502 | |
| Repayment of borrowings | (164,023) | (180,000) | |
| Dividends paid | (76,784) | (83,064) | |
| Interest received | 9,749 | - | |
| Other cash receipts (payments) | (3,569) | (5,511) | |
| Net cash generated from (used in) financing activities | 205,373 | 27,927 | |
| Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate | 126,326 | (87,608) | |
| Effects of exchange rate fluctuations on cash held | (6,086) | 6,868 | |
| Net (decrease) increase in cash and cash equivalents | 120,240 | (80,740) | |
| Cash and cash equivalents at beginning of period | 324,353 | 444,992 | |
| Cash and cash equivalents at end of period | 444,593 | 364,252 | |

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STATEMENTS OF CHANGES IN EQUITY

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

2013
(Unaudited)

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

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

STATEMENTS OF CHANGES IN EQUITY

| 2012 | Share capital | Foreign currency translation difference reserves | Cash flow hedge reserves | Actuarial gains (losses) from defined benefit plans | Other miscellaneous reserves | Other reserves | Retained earnings | Equity attributable to owners of the Parent | Non-controlling interests | Total |
|--|---------------|--|--------------------------|---|------------------------------|----------------|-------------------|---|---------------------------|-----------|
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Equity at beginning of the year | 477,386 | (1,251) | (10,230) | (2,954) | (1,677) | (16,112) | 1,351,560 | 1,812,834 | 51,546 | 1,864,380 |
| Restated opening balance of equity | 477,386 | (1,251) | (10,230) | (2,954) | (1,677) | (16,112) | 1,351,560 | 1,812,834 | 51,546 | 1,864,380 |
| Profit for the year | | | | | | | 507,417 | 507,417 | 5,598 | 513,015 |
| Other comprehensive income | - | 702 | (5,872) | - | - | (5,170) | - | (5,170) | 91 | (5,079) |
| Comprehensive income | - | 702 | (5,872) | - | - | (5,170) | 507,417 | 502,247 | 5,689 | 507,936 |
| Dividends | - | - | - | - | - | - | 25 | 25 | - | 25 |
| Increase (decrease) in transfers and other changes | - | - | - | - | - | - | - | - | (1,764) | (1,764) |
| Increase (decrease) in equity | - | 702 | (5,872) | - | - | (5,170) | 507,442 | 502,272 | 3,925 | 506,197 |
| Equity as of September 30, | 477,386 | (549) | (16,102) | (2,954) | (1,677) | (21,282) | 1,859,002 | 2,315,106 | 55,471 | 2,370,577 |

2012
(Unaudited)

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

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

Notes to the Consolidated Financial
Statements as of September 30, 2013

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

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 1 – Identification and Activities of the Company and Subsidiaries

1.1 Historical background

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

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

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

1.2 Main domicile where the Company performs its production activities

The Company's main domiciles are: Calle Dos Sur plot No. 5 - Antofagasta; Arturo Prat 1060 - Tocopilla; Administration Building w/n - Maria Elena; Administration Building w/n Pedro de Valdivia - María Elena, Former Florencia office w/n - Sierra Gorda, Anibal Pinto 3228 - Antofagasta, Kilometer 1378 Ruta 5 Norte Highway - Antofagasta, Coya Sur Plant w/n - Maria Elena, kilometer 1760 Ruta 5 Norte Highway - Pozo Almonte, Pampa Yumbes w/n - Tal-tal, Potassium Chloride (Potash) Plant, Salar de Atacama s/n - San Pedro de Atacama, Potassium Sulfate Plant, Salar de Atacama s/n – San Pedro de Atacama, Mining Works, Salar de Ascotán II Región, Campamento Minsal s/n, Potassium Chloride Plant – San Pedro de Atacama.

1.3 Codes of main activities

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

| | |
|---|--------------------------|
| - | 1700 (Mining) |
| - | 2200 (Chemical products) |

1.4 Description of the nature of operations and main activities

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

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

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

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

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

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

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

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

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

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

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

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

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

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

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

1.5 Other background:

Staff

As of September 30, 2013 and December 31, 2012, staff was detailed as follows:

| | 9/30/2013 | 12/31/2012 |
|-----------------|-----------|------------|
| Permanent staff | 4,911 | 5,643 |

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Notes to the Consolidated Financial Statements as of June 30, 2013**Note 1 – Identification and Activities of the Company and subsidiaries (continued)****1.5 Other background, continued**

Main shareholders

The table below establishes certain information about the beneficial property of Series A and Series B shares of SQM as of September 30, 2013 and december 31, 2012. In respect to each shareholder which has interest of more than 5% of outstanding Series A or B shares. The information below is taken from our records and reports controlled in the Central Securities Depository and reported to the Superintendence of Securities and Insurance (SVS) and the Chilean Stock Exchange, whose main shareholders are as follows:

| Shareholder as of September 30, 2013 | No. of Series A with ownership shares | % of Series A shares | No. of Series B with ownership shares | % of Series B shares | % of total shares |
|--|--|-------------------------|--|-------------------------|----------------------|
| Inversiones El Boldo Limitada | 44,751,196 | 31.33 % | 17,571,676 | 14.60 % | 23.68 % |
| The Bank of New York Mellon, ADRs | - | - | 52,460,936 | 43.58 % | 19.93 % |
| Sociedad de Inversiones Pampa Calichera S.A.(*) | 44,758,830 | 31.34 % | 7,241,799 | 6.02 % | 19.76 % |
| Inversiones RAC Chile Limitada | 19,200,242 | 13.44 % | 2,699,773 | 2.24 % | 8.32 % |
| Potasios de Chile S.A.(*) | 18,179,147 | 12.73 % | - | - | 6.91 % |
| Inversiones Global Mining (Chile) Limitada (*) | 8,798,539 | 6.16 % | - | - | 3.34 % |
| Banco Itau on behalf of investors | 20,950 | 0.01 % | 5,469,660 | 4.54 % | 2.09 % |
| Banco de Chile on behalf of non-resident third parties | - | - | 4,759,497 | 3.95 % | 1.81 % |
| Inversiones La Esperanza Limitada | 3,693,977 | 2.59 % | - | - | 1.40 % |
| Banco Santander on behalf of foreign investors | - | - | 3,406,459 | 2.83 % | 1.29 % |

(*) Total Pampa Group 30.01 %

| Shareholder as of December 31, 2012 | No. of Series A with ownership shares | % of Series A shares | No. of Series B with ownership shares | % of Series B shares | % of total shares |
|-------------------------------------|--|-------------------------|--|-------------------------|----------------------|
| Inversiones El Boldo Limitada | 44,751,196 | 31.33 % | 17,571,676 | 14.60 % | 23.68 % |
| | 44,558,830 | 31.20 % | 9,003,799 | 7.48 % | 20.35 % |

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Sociedad de Inversiones Pampa Calichera
S.A.(*)

| | | | | | | | |
|---|------------|-------|-------------|-------|---|-------|---|
| The Bank of New York | - | - | 46,559,106 | 38.68 | % | 17.69 | % |
| Inversiones RAC Chile Limitada | 19,200,242 | 13.44 | % 2,699,773 | 2.24 | % | 8.32 | % |
| Potasios de Chile S.A.(*) | 17,919,147 | 12.55 | % - | - | | 6.81 | % |
| Inversiones Global Mining (Chile) Limitada (*) | 8,798,539 | 6.16 | % - | - | | 3.34 | % |
| Banco Itau on behalf of investors | - | - | 4,579,293 | 3.80 | % | 1.74 | % |
| Inversiones La Esperanza Limitada | 3,693,977 | 2.59 | % - | - | | 1.40 | % |
| Banco Santander on behalf of foreign investors | - | - | 3,238,105 | 2.69 | % | 1.23 | % |
| Banco de Chile on behalf of non-resident third parties | - | - | 3,082,612 | 2.56 | % | 1.17 | % |

(*) Total Pampa Group 30.50%

On the 30th of September 2013 the total number of shareholders had risen to 1,357.

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 2 - Basis of presentation for the consolidated financial statements

2.1 Accounting period

These consolidated financial statements cover the following periods

- Consolidated Statements of Financial Position for the periods ended September 30, 2013 and December 31, 2012.

- Consolidated Statements of Changes in Equity for the periods ended September 30, 2013 and 2012.

- Consolidated Statements of Comprehensive Income for the periods between January and September 30, 2013 and 2012.

- Statements of Cash Flows –Direct method for the periods ended September 30, 2013 and 2012.

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Notes to the Consolidated Financial Statements as of June 30, 2013

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

2.2 Financial statements

The consolidated interim financial statements of Sociedad Química y Minera de Chile S.A. and Subsidiaries, have been prepared in accordance with International Financial Reporting Standards (hereinafter “IFRS”) and represent the full, explicit and unreserved application of the aforementioned international standards issued by the International Accounting Oversight Board (IASB).

These Consolidated Interim Financial Statements are presented in accordance with IAS 34, Interim Financial Reporting.

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

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

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

2.3 Basis of measurement

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

- inventories are recorded at the lower of cost and net realizable value;

- other current and non-current financial liabilities at amortized cost;
- financial derivatives at fair value; and
- staff severance indemnities and pension commitments at actuarial value.

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Notes to the Consolidated Financial Statements as of June 30, 2013

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

2.4 Accounting pronouncements

Accounting pronouncements

At the date of these consolidated financial statements, the following accounting pronouncements had been issued by the IASB but its application date is not effective.

| | |
|---|--------------------------------------|
| Standards and interpretations | Mandatory for the years beginning on |
| IFRS 9 “Financial Instruments” | |
| Issued in December 2009, amends the classification and measurement of financial assets. | |
| Subsequently, this standard was amended in November 2010 to include the treatment and classification of financial liabilities. Its early adoption is permitted. | 01/01/2015 |
| <i>CINIIF 21 “Levies”</i> | |
| Issued in May 2013. A tax is defined as an output of resources that leads to economic benefits that is imposed by the government on entities in accordance with the current legislation. This legislation indicates the accounting treatment of a tax liability if said liability is within the scope of IAS 37, which concerns the recognition of a liability for taxes imposed by a public authority for operating in a specific market. It states that a liability must be recognised when a a taxable event has occurred and that payment cannot be avoided. The taxable event leading to the obligation can occur on a predetermined date or progressively in time. Its early adoption is permitted. | 01/01/2014 |
| <i>IAS 32 “Financial Instruments” Presentation”</i> | 01/01/2014 |

Issued in December 2011. It clarifies the requirements for offsetting financial assets and financial liabilities in the Statement of Financial Position. Particularly, it indicates that the offsetting right should be available at the financial statement date and not depending on a future development. It also indicates that it must be legally binding for the counterparties both during the normal course of the business operations, as well as in the event of default, insolvency or bankruptcy. Its early adoption is permitted.

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Notes to the Consolidated Financial Statements as of June 30, 2013

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

2.4 Accounting pronouncements, continued

| | |
|-----------------------------|--------------------------------------|
| Amendments and improvements | Mandatory for the years beginning on |
|-----------------------------|--------------------------------------|

IAS 27 'Separate Financial Statements' and IFRS 10 'Consolidated Financial Statements' and IFRS 12 'Disclosures of Interests in Other Entities'

| | |
|--|------------|
| <p>Issued October 2012. The modifications include the definition of an investment entity and introduces an exception for consolidating certain subsidiaries belonging to investment entities. This modification requires that an investment entity values its subsidiaries at fair value in line with changes in the results of their consolidated and individual financial statements in accordance with IFRS 9 'Financial Instruments'. The modification also introduces new requirements for disclosing information related to investment entities in the IFRS 12 and the IAS 27.</p> | 01/01/2014 |
|--|------------|

IAS 36 'Impairment of Assets'

| | |
|--|------------|
| <p>Issued May 2013. Modifies relevant information regarding the recoverable tax of non-financial assets, in line with the requirements of IFRS 13. The standard requires the disclosure of additional information regarding the recoverability of tax of assets that show a reduction in value if the tax is based on fair value less the cost of sale. Additionally, it requires among other things, the disclosure of the discount rates used for the measure of recoverable tax, and the present value technique used. Early adoption is permitted.</p> | 01/01/2014 |
|--|------------|

01/01/2014

IAS 39 "*Financial Instruments: Recognition and Measurement*"

Issued in June 2013. Sets certain conditions to be met by the novation of derivatives, in order to continue with hedge accounting; this is for the purpose of preventing innovations resulting from laws and regulations affecting the financial statements. To this effect, it indicates that the changes will not lead to the expiration or termination of the hedging instrument if: (a) as a result of laws or regulations, the parties in the hedging instrument agree that a central counterparty, or an entity (or entities), acts as a counterparty in order to centrally compensate by replacing the original counterparty; (b) other changes, if any, to the hedging instruments, which are limited to

those necessary for performing such replacement of the counterparty. These changes include changes in the requirements of contractual guaranties, compensation rights for receivables and payables, taxes and levies. Early application is permitted.

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

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

2.5 Basis of consolidation

(a) Subsidiaries

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

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

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

2.5 Basis of consolidation, continued

Companies included in consolidation:

| TAX ID No. | Foreign subsidiaries | Country of Origin | Functional currency | Ownership interest | | | 12/31/2012 Total |
|------------|---|-------------------|---------------------|---------------------|----------|----------|---------------------|
| | | | | 9/30/2013 Direct | Indirect | Total | |
| Foreign | Nitratos Naturais Do Chile Ltda. | Brazil | US\$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Nitrate Corporation Of Chile Ltd. | United Kingdom | US\$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SQM North America Corp. | USA | US\$ | 40.0000 | 60.0000 | 100.0000 | 100.0000 |
| Foreign | SQM Europe N.V. | Belgium | US\$ | 0.8600 | 99.1400 | 100.0000 | 100.0000 |
| Foreign | Soquimich S.R.L. Argentina | Argentina | US\$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Soquimich European Holding B.V. | Netherlands | US\$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SQM Corporation N.V. | Dutch Antilles | US\$ | 0.0002 | 99.9998 | 100.0000 | 100.0000 |
| Foreign | SQI Corporation N.V. | Dutch Antilles | US\$ | 0.0159 | 99.9841 | 100.0000 | 100.0000 |
| Foreign | SQM Comercial De México S.A. de C.V. | Mexico | US\$ | 0.0013 | 99.9987 | 100.0000 | 100.0000 |
| Foreign | North American Trading Company Administración Y | USA | US\$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Servicios Santiago S.A. de C.V. | Mexico | US\$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SQM Peru S.A. | Peru | US\$ | 0.9800 | 99.0200 | 100.0000 | 100.0000 |
| Foreign | SQM Ecuador S.A. | Ecuador | US\$ | 0.0040 | 99.9960 | 100.0000 | 100.0000 |
| Foreign | SQM Nitratos Mexico S.A. de C.V. | Mexico | US\$ | 0.0000 | 51.0000 | 51.0000 | 51.0000 |
| Foreign | SQMC Holding Corporation L.L.P. | USA. | US\$ | 0.1000 | 99.9000 | 100.0000 | 100.0000 |
| Foreign | SQM Investment Corporation N.V. | Dutch Antilles | US\$ | 1.0000 | 99.0000 | 100.0000 | 100.0000 |

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| | | | | | | | |
|---------|---------------------------------------|--------------|------|---------|----------|----------|----------|
| Foreign | SQM Brasil Limitada | Brazil | US\$ | 2.7900 | 97.2100 | 100.0000 | 100.0000 |
| Foreign | SQM France S.A. | France | US\$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SQM Japan Co. Ltd. | Japan | US\$ | 1.0000 | 99.0000 | 100.0000 | 100.0000 |
| Foreign | Royal Seed Trading Corporation A.V.V. | Aruba | US\$ | 1.6700 | 98.3300 | 100.0000 | 100.0000 |
| Foreign | SQM Oceania Pty Limited | Australia | US\$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Rs Agro-Chemical Trading A.V.V. | Aruba | US\$ | 98.3333 | 1.6667 | 100.0000 | 100.0000 |
| Foreign | SQM Indonesia S.A. | Indonesia | US\$ | 0.0000 | 80.0000 | 80.0000 | 80.0000 |
| Foreign | SQM Virginia L.L.C. | USA | US\$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SQM Italia SRL | Italy | US\$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Comercial Caimán Internacional S.A. | Panama | US\$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SQM Africa Pty. | South Africa | US\$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SQM Lithium Specialties LLC | USA | US\$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SQM Iberian S.A. | Spain | US\$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Iodine Minera B.V. (d) | Netherlands | US\$ | 0.0000 | 0.0000 | 0.0000 | 100.0000 |
| Foreign | SQM Agro India Pvt.Ltd. | India | US\$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SQM Beijing Commercial Co. Ltd. | China | US\$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SQM Thailand Limited (c) | Thailand | US\$ | 0.0000 | 99.996 | 99.996 | - |

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Notes to the Consolidated Financial Statements as of June 30, 2013

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

2.5 Basis of consolidation, continued

Companies included in consolidation:

| TAX ID No. | Domestic subsidiaries | Country of Origin | Functional currency | Ownership interest | | | 12/31/2012 Total |
|--------------|---|-------------------|---------------------|--------------------|--------------------|-----------------|------------------|
| | | | | 9/30/2013 Direct | 9/30/2013 Indirect | 9/30/2013 Total | |
| 96.801.610-5 | Comercial Hydro S.A. | Chile | US\$ | 0.0000 | 60.6383 | 60.6383 | 60.6383 |
| 96.651.060-9 | SQM Potasio S.A. | Chile | US\$ | 99.9999 | 0.0000 | 99.9999 | 99.9999 |
| 96.592.190-7 | SQM Nitratos S.A. | Chile | US\$ | 99.9999 | 0.0001 | 100.0000 | 100.0000 |
| 96.592.180-K | Ajay SQM Chile S.A. | Chile | US\$ | 51.0000 | 0.0000 | 51.0000 | 51.0000 |
| 86.630.200-6 | SQMC Internacional Ltda. | Chile | Ch\$ | 0.0000 | 60.6381 | 60.6381 | 60.6381 |
| 79.947.100-0 | SQM Industrial S.A. | Chile | US\$ | 99.0470 | 0.9530 | 100.0000 | 100.0000 |
| 79.906.120-1 | Isapre Norte Grande Ltda. | Chile | Ch\$ | 1.0000 | 99.0000 | 100.0000 | 100.0000 |
| 79.876.080-7 | Almacenes y Depósitos Ltda. | Chile | Ch\$ | 1.0000 | 99.0000 | 100.0000 | 100.0000 |
| 79.770.780-5 | Servicios Integrales de Tránsitos y Transferencias S.A. | Chile | US\$ | 0.0003 | 99.9997 | 100.0000 | 100.0000 |
| 79.768.170-9 | Soquimich Comercial S.A. | Chile | US\$ | 0.0000 | 60.6383 | 60.6383 | 60.6383 |
| 79.626.800-K | SQM Salar S.A. | Chile | US\$ | 18.1800 | 81.8200 | 100.0000 | 100.0000 |
| 78.602.530-3 | Minera Nueva Victoria Ltda.(b) | Chile | US\$ | 0.0000 | 0.0000 | 0.0000 | 100.0000 |
| 78.053.910-0 | Proinsa Ltda. | Chile | Ch\$ | 0.0000 | 60.5800 | 60.5800 | 60.5800 |
| 76.534.490-5 | Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A. | Chile | Ch\$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 76.425.380-9 | Exploraciones Mineras S.A. | Chile | US\$ | 0.2691 | 99.7309 | 100.0000 | 100.0000 |
| 76.064.419-6 | Comercial Agrorama Ltda.(a) | Chile | Ch\$ | 0.0000 | 42.4468 | 42.4468 | 42.4468 |
| 76.145.229-0 | Agrorama S.A. | Chile | Ch\$ | 0.0000 | 60.6377 | 60.6377 | 60.6377 |

(a)

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

(b) On November 30, 2012, Minera Nueva Victoria Ltda. merged with SQM Potasio S.A. and was absorbed by it.

(c) During the first half of 2013 Soquimich European Holdings BV purchased shares of SQM Thailand Limited, acquiring 99.996% of this company.

(d) During the first half of the year, Iodine Minera was absorbed into Soquimich European Holdings.

Subsidiaries are consolidated on a line by line basis by including in the consolidated financial statements all of their assets, liabilities, revenues, expenses and cash flows upon making the respective adjustments and eliminations of intragroup operations.

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

Non-controlling interests represent the portion of subsidiary net assets and operating results not owned directly or indirectly by the parent.

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Notes to the Consolidated Financial Statements as of June 30, 2013

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

2.6 Significant accounting judgments, estimates and assumptions

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

In the accompanying consolidated financial statements, judgments and estimates have been made by management to quantify certain assets, liabilities, revenues, expenses and commitments recorded and or disclosed therein. Basically, these estimates refer to the following:

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

Although these estimates have been made considering information available as of the date of preparation of these consolidated financial statements, it is possible that events that may occur in the future could make their modification necessary in future years. Changes would be recorded prospectively, recognizing the effects of the change in estimates in the respective future consolidated financial statements.

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 3 - Significant accounting policies

3.1 Classification of balances as current and non-current

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

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

3.2 Functional and presentation currency

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

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

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

3.3 Foreign currency translation

(a)

Domestic entities:

Assets and liabilities denominated in Chilean pesos and other currencies other than the functional currency (U.S. dollar) as of September 30, 2013 and December 31, 2012 have been translated to U.S. dollars at the exchange rates prevailing at those dates. The corresponding Chilean pesos were converted at Ch\$504.2 per US\$1.00 as of September

30, 2013, and Ch\$479.96 per US\$1.00 as of December 31, 2012.

The values of the UF (a Chilean peso-denominated, inflation-indexed monetary unit) used to convert the UF denominated assets and liabilities as of September 30, 2013 amounted to Ch\$23,091.03 (US\$45.80), and as of December 31, 2012 amounted to Ch\$22,840.75 (US\$47.59).

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Notes to the Consolidated Financial Statements as of June 30, 2013**Note 3 - Significant accounting policies (continued)****3.3 Foreign currency translation, continued****(b) Foreign entities:**

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

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

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

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

| | 9/30/2013 | 12/31/2012 |
|--------------------|-----------|------------|
| | US\$ | US\$ |
| Brazilian real | 2.23 | 2.04 |
| New Peruvian sol | 2.78 | 2.75 |
| Argentine peso | 5.74 | 4.92 |
| Japanese yen | 97.75 | 86.58 |
| Euro | 0.74 | 0.76 |
| Mexican peso | 13.45 | 12.99 |
| Australian dollar | 1.07 | 1.05 |
| Pound Sterling | 0.62 | 0.62 |
| South African rand | 10.07 | 8.47 |
| Ecuadorian dollar | 1.00 | 1.00 |
| Chilean peso | 504.2 | 479.96 |

UF

45.80

47.59

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 3 - Significant accounting policies (continued)

3.3 Foreign currency translation, continued

(c) Transactions and balances

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

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

(d) Group entities

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

Assets and liabilities are translated at the closing date exchange rate as of the date of the consolidated statement of financial position.

- Revenue and expenses in each profit or loss account are translated at average exchange rates.

All resulting foreign currency exchange differences are recognized as a component separate in the foreign currency translation difference reserve

In consolidation, foreign currency exchange differences which arise from the conversion of a net investment in foreign entities are taken to net equity (other reserves). At the disposal date, these exchange differences are recognized in the

statement of comprehensive income as part of the loss or gain from the sale.

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 3 - Significant accounting policies (continued)

3.4

Subsidiaries

SQM S.A. establishes as basis the control exercised on subsidiaries to determine interest on these in the consolidated financial statements. The control consists of in the Company's ability to exercise power over the investee; exposure or rights, to validate returns for the involvement from involvement with the investee; and the ability to use power over the investee to affect the amount of the investor's returns.

The Company prepares its consolidated financial statements using uniform accounting policies for the entire Group, the consolidation of a subsidiary starts when the Company has control over such subsidiary and stops being included in consolidation when such control is lost.

3.5

Consolidated statement of cash flows

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

For the purposes of the consolidated statements of cash flows, cash and cash equivalents comprise the balance of cash and cash equivalents as defined previously.

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

3.6

Financial assets

The Company determines the classification of its financial assets at the time of initial recognition, on the basis of the business model for the management of financial assets and the characteristics of contractual cash flows from the financial assets. As provided by IFRS 9, the Company and measure their financial assets initially at fair value plus

transaction costs incurred and which are directly attributable to the acquisition of the underlying financial asset-
Subsequently financial assets are measured at amortized cost or fair value.

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 3 - Significant accounting policies (continued)

3.6 Financial assets, continued

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

3.7 Financial liabilities

The Company determines the classification of its financial liabilities at the time of initial recognition. As provided by IFRS 9, the Company measures their financial liabilities initially at fair value less transaction costs incurred and which are directly attributable to the issuance of the financial liability. Subsequently, financial liabilities are measured at fair value through profit or loss.

3.8 Financial instruments at fair value through profit or loss

The management will irrevocably determine at initial recognition, the designation of a financial instrument at fair value through profit or loss if doing so eliminates or significantly reduces an incoherence in the measurement or recognition, which would otherwise arise from the measurement of assets and liabilities or the recognition of gains and losses from such assets or liabilities on different bases.

3.9 Financial instrument offsetting

The Company offsets an asset and liability if and only if it currently has the legally enforceable right to set off amounts recognized and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

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The fair value of derivative instruments used for hedging purposes is shown in Note 10.3 (hedging assets and liabilities). Changes in the cash flow hedge reserve are classified as a non-current asset or liability if the remaining expiration period of the hedged item is higher than 12 months and as a current asset or liability if the remaining expiration period of the entry is lower than 12 months.

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 3 - Significant accounting policies (continued)

3.11 Derivative and hedging financial instruments, continued

(a) Fair value hedge

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

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

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

(b) Cash flow hedges

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

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

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 3 - Significant accounting policies (continued)

3.12 Derecognition of financial instruments

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

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

3.13 Derivative financial instruments

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

The Company permanently assesses the existence of embedded derivatives both in its contracts and financial instruments. As of September 30, 2013 and 2012, there are no embedded derivatives.

3.14 Fair value measurements

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

3.15 Leases

(a) Lease - Finance lease

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 3 - Significant accounting policies (continued)

3.15 Lease, continued

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

(b) Lease – Operating lease

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

3.16 Deferred acquisition costs from insurance contracts

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

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

3.17 Trade and other receivables

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

Company commercializes directly to its customers

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

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 3 - Significant accounting policies (continued)

3.18 Inventory measurement

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

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

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

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

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

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

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 3 - Significant accounting policies (continued)

3.19 Investments in associates and joint ventures

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

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

Unrealized profit on transactions with associates and subsidiaries are eliminated in consolidation of the ownership percentage that the Company has on these entities. Unrealized losses are also eliminated unless the transaction provided evidence of loss from impairment of the assets transferred.

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

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

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

If the resulting amount according to the equity method is negative, the Company's equity interest is reduced to zero in the consolidated financial statements, unless the Company has a contractual commitment to resolve the equity

position. In this case, the respective provision for risks and expenses is recorded.

Dividends received in these companies are recorded by reducing the equity value and proportional profit or loss recognized in conformity with their interest, and are included in the consolidated statement of income under the caption "Equity in income (losses) of associates and joint ventures accounted for using the equity method".

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 3 – Significant accounting policies (continued)

3.20 Transactions with non-controlling interests

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

3.21 Related party transactions

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

3.22 Property, plant and equipment

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

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

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 3 – Significant accounting policies (continued)

3.22 Property, plant equipment, continued

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

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

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

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

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

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

The Company maintains property rights and mining concessions from the Chilean State Government. Property rights are usually obtained without any initial cost (other than the payment of mining licenses and minor registration expenses) and when rights are obtained on these concessions, the Company retains them while it pays the related annual license fees. Such license fees, which are paid annually, are recorded as prepaid expenses and amortized over the following twelve-month period. Amounts attributable to mining concessions acquired from third parties, which are not from the Chilean State, are recorded at their acquisition cost in property, plant and equipment.

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

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Notes to the Consolidated Financial Statements as of June 30, 2013**Note 3 - Significant accounting policies (continued)****3.23 Depreciation of property, plant and equipment**

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

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

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

3.24**Intangible assets**

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

(a) Goodwill acquired

Goodwill acquired represents the excess in acquisition cost on the fair value of the Company's ownership of the net identifiable assets of the subsidiary on the acquisition date. Goodwill acquired related to acquisitions of subsidiaries is

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 3 - Significant accounting policies (continued)

3.24 Intangible assets, continued

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

3.25 Intangible assets other than goodwill

(a) Water rights

Water rights acquired by the Company relate to water from natural sources and are recorded at acquisition cost. Given that these assets represent legal rights granted to the Company for a given period, these are amortized during its useful life.

(b) Right of way for electric lines

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

(c) Computer software

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

Expenses related to the development or maintenance of IT programs are recognized as an expense as and when incurred. Costs directly related to the production of unique and identifiable IT programs controlled by the Group and

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

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

No impairment of intangible assets exists as of September 30, 2013 and December 31, 2012.

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 3 - Significant accounting policies (continued)

3.26 Research and development expenses

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

3.27 Prospecting expenses

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

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

3.28 Impairment of non-financial assets

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

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

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

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

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 3 - Significant accounting policies (continued)

3.28 Impairment of non-financial assets, continued

Impairment losses from continuing operations are recognized with a debit to profit or loss in the categories of expenses associated with the impaired asset function, except for properties reevaluated previously where the revaluation was taken to equity. In this case impairment is also recognized with a debit to equity up to the amount of any previous revaluation.

As of September 30, 2013 and December 31, 2012, the Company is unaware of any indication of impairment with regard to its assets.

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

3.29 Minimum dividend

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

3.30 Earnings per share

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

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 3 - Significant accounting policies (continued)

3.31 Trade and other payables

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

3.32 Interest-bearing borrowings

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

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

3.33 Other provisions

Provisions are recognized when:

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

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

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

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 3 - Significant accounting policies (continued)

3.33 Other provisions, continued

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

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

3.34 Obligations related to employee termination benefits and pension commitments

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

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

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

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

The discount rate used by the Company for calculating the obligation was 6% for the periods ended September 30, 2013 and December 31, 2012.

The Company's subsidiary SQM North America has established pension plans for its retired employees that are calculated by measuring the projected obligation using a net salary progressive rate net of adjustments for inflation, mortality and turnover assumptions, deducting the resulting amounts at present value using a 6.5% interest rate for 2012 and 2011. The net balance of this obligation is presented under the non-current provisions for employee benefits.

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 3 - Significant accounting policies (continued)

3.35 Compensation plans

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

3.36 Revenue recognition

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

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

(a) Sale of goods

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

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 3 - Significant accounting policies (continued)

3.36 Revenue recognition, continued

(b) Sales of services

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

(c) Interest income

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

(d) Income from dividends

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

3.37 Finance income and finance costs

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

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

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

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

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 3 - Significant accounting policies (continued)

3.38 Income tax and deferred taxes

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

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

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

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

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

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

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

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

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 3 - Significant accounting policies (continued)

3.39 Segment reporting

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

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

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

The following operating segments have been identified by the Company:

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

3.40 Environment

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 4 - Financial risk management

4.1 Financial risk management policy

The Financial Risk Management Policy of the Company is oriented towards safeguarding the stability and sustainability of Sociedad Química y Minera de Chile S.A. and Subsidiaries in relation to all such relevant financial uncertainty components.

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

There may be additional risks that are currently unknown to us or other known risks but that we currently believe are not significant, which could also affect the commercial operations, the business, the financial position or the results of the Company.

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 4 - Financial risk management (continued)

4.2 Risk factors

4.2.1 Market risk

Market risks are those uncertainties associated with fluctuations in market variables that affect the assets and liabilities of the Company, such as:

a) Country risk: The economic position of the countries where the Company has a presence may affect its financial position. For example, the sales carried out in emerging markets expose SQM to risks related to economic conditions and trends in those countries. On the other hand, inventories may also be affected by the economic situation of these countries and/ or the global economy, amongst other probable economic impacts.

b) Price volatility risk: The prices of the products of the Company are affected by the fluctuations of international prices of fertilizers and chemical products and changes in productive capacities or market demand, all of which might affect the Company's business, financial condition and operational results.

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

Currently, the Company has a direct annual expense close to US\$130 million on account of petrol, gas and equivalents and close to US\$ 60 million on account of electricity. Variations of 10% in the prices of energy the Company required to operate, may involve in the short-term movements in costs of approximately US\$19 million.

As expressed in the Company's annual report, the markets in which the Company operates are unpredictable, are exposed to significant variations in supply and demand, and have volatile prices. Additionally, the supply of certain fertilizers or chemical products, including certain products which the Company trades, vary mainly depending on the production of the top producers and their respective business strategies. Therefore, the Company cannot predict with certainty changes in demand, the responses of the competition, and the fluctuations in the final price of its products. These factors can lead to significant impacts on sale volumes of its products, the financial situation of the Company and its share price.

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 4 - Financial risk management (continued)

4.2.1 Market risk, continued

Estándares de calidad: En los mercados en los que operamos, los clientes podrían imponer estándares de calidad a nuestros productos y/o los gobiernos podrían promulgar normas más estrictas para la distribución y/o uso de nuestros productos. Como consecuencia, podríamos no ser capaces de vender nuestros productos si no podemos cumplir con dichos nuevos estándares. Además, nuestros costos de producción podrían aumentar para cumplir con las nuevas normas. No poder vender nuestros productos en uno o más mercados o a clientes importantes podría afectar de manera material nuestro negocio, nuestra posición financiera o los resultados de nuestras operaciones.

4.2.2 Doubtful accounts risk

A contraction of the global economy and the potentially negative effects in the financial position of our clients may extend the receivables collection time for SQM, increasing the bad debt exposure. While measures have been taken in order to minimize risk, the global economy may trigger losses that might have a material adverse effect on the business, financial position or the results of the Company's operations.

To mitigate these risks, SQM actively controls debt collection and uses measures such as, loan insurance, letters of credit, and prepayments with regard to a portion of receivables.

4.2.3 Currency risk

As a result of the influence in the price determination, of its relationship with sales costs and since a significant part of the business of the Company is carried out in that foreign currency, the functional currency of SQM is the United States dollar. However, the global business activities of the Company expose the same to the foreign exchange fluctuations of several currencies with respect to the US dollar. Therefore, SQM has hedge contracts to mitigate the exposure generated by its main mismatches (assets net of liabilities) in currencies other than the US dollar against the foreign exchange fluctuation. Those contracts are periodically up-dated depending upon the mismatch amount to be covered in these currencies. Occasionally and subject to the Board of Directors' approval, the Company insures cash flows from certain specific items in currency other than U.S. dollar at short-term.

A significant portion of the costs of the Company, particularly payroll, is related to the Chilean peso. Therefore, an increase or decrease in the exchange rate against the dollar would affect the net income of SQM. Approximately US\$ 475 million cost of the Company are related to the Chilean peso. A significant part of the effect of such obligations in the statement of financial position is covered by operations of derivative instruments that hedge the mismatch of balance in this currency.

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 4 - Financial risk management (continued)

4.2.3 Currency risk, continued

As of December 31, 2012, the Company had derivative instruments classified as hedging currency and interest rate associated with all the obligations denominated bonds both in Chilean pesos and UF, with a fair value of US\$ 100.6 million. As of September 30, 2013, this value amounts to US\$ 38.3 million, both in favor of SQM.

As of September 30, 2013, the Chilean peso to US dollar Exchange rate was Ch\$ 504.2 per US\$1.00, and as of December 31, 2012 it was Ch\$ 479.96 per US\$ 1.00.

4.2.4 Interest rate risk

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

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

As of September 30, 2013, approximately 16% of the Company's financial obligations are valued at LIBOR; therefore significant increases in the rate may impact its financial position. A 100 base point variation in this rate may trigger variations in the financial expenses close to US\$ 3.1 million. Notwithstanding, this effect is significantly counterbalanced by the returns of the Company's investments that also relate to LIBOR.

In addition, as of September 30, 2013, the Company's financial debt is mainly in the long-term, with 19% with maturities of less than 12 months which decreases the exposure to changes in the interest rates.

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 4 - Financial risk management (continued)

4.2.5 Liquidity risk

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

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

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

SQM constantly monitors that its obligations and investments match, taking care as part of its financial risk management strategy of the obligations and investments maturities from a conservative perspective. As of September 30, 2013, the Company had non-committed and available bank credit lines for working capital for a total of approximately US\$ 530 million.

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

4.3 Risk measurement

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

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

5.1 Changes in accounting estimates

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

5.2 Changes in accounting policies

As of September 30, 2013, the Company's consolidated financial statements present no changes in accounting policies or estimates compared to the prior period.

The consolidated classified statements of financial position as of September 30, 2013 and December 31, 2012 and the statements of comprehensive income, equity and cash flows for the periods ended September 30, 2013 and September 30, 2012, have been prepared in accordance with IFRS, and accounting principles and criteria have been applied consistently.

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Notes to the Consolidated Financial Statements as of June 30, 2013**Note 6 - Background of companies included in consolidation****6.1 Parent's stand-alone assets and liabilities**

| | 9/30/2013 | 12/31/2012 |
|----------------------|-------------|-------------|
| | ThUS\$ | ThUS\$ |
| Assets | 4,735,946 | 3,908,259 |
| Liabilities | (2,398,032) | (1,775,476) |
| Assets (liabilities) | 2,337,914 | 2,132,783 |

6.2 Parent entity

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

6.3 Joint arrangements of controlling interest

Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A., and Inversiones Global Mining (Chile) Limitada, collectively the Pampa Group, are the owners of a number of shares that are equivalent to 30.01% as of September 30, 2013 of the current total amount of shares issued, subscribed and fully-paid of the Company. In addition, Kowa Company Ltd., Inversiones La Esperanza (Chile) Limitada, Kochi S.A. and La Esperanza Delaware Corporation, collectively the Kowa Group, are the owners of a number of shares equivalent to 2.09% of the total amount of issued, subscribed and fully-paid shares of SQM S.A.

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

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

6.3 Joint arrangements of controlling interest, continued**Detail of effective concentration**

| Tax ID No. | Name | Ownership interest % |
|-------------------|--|-------------------------|
| 96.511.530-7 | Sociedad de Inversiones Pampa Calichera S.A. | 19.76 |
| 96.863.960-9 | Inversiones Global Mining (Chile) Limitada | 3.34 |
| 76.165.311-5 | Potasios de Chile S.A. | 6.91 |
| Total Pampa Group | | 30.01 |
| 79,798,650-k | Inversiones la Esperanza (Chile) Ltda. | 1.40 |
| 59.046.730-8 | Kowa Co Ltd. | 0.30 |
| 96.518.570-4 | Kochi S.A. | 0.30 |
| 59.023.690-k | La Esperanza Delaware Corporation | 0.09 |
| Total Kowa Group | | 2.09 |

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Notes to the Consolidated Financial Statements as of June 30, 2013

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

As of September 30, 2013 and December 31, 2012 the general information of the companies on which the Company exercises control and significant influence is as follows:

| Subsidiary | Tax ID | Address | Country of incorporation | Functional currency | Ownership interest | | Total |
|---|--------------|-----------------------------------|--------------------------|---------------------|--------------------|----------|----------|
| | | | | | Direct | Indirect | |
| SQM Nitratos S.A. | 96.592.190-7 | El Trovador 4285 Las Condes | Chile | US\$ | 99.9999 | 0.0001 | 100.0000 |
| Proinsa Ltda. | 78.053.910-0 | El Trovador 4285 Las Condes | Chile | Ch\$ | - | 60.5800 | 60.5800 |
| SQMC Internacional Ltda. | 86.630.200-6 | El Trovador 4285 Las Condes | Chile | Ch\$ | - | 60.6381 | 60.6381 |
| SQM Potasio S.A. | 96.651.060-9 | El Trovador 4285 Las Condes | Chile | US\$ | 99.9999 | - | 99.9999 |
| Serv. Integrales de Tránsito y Transf. S.A. | 79.770.780-5 | Arturo Prat 1060, Tocopilla | Chile | US\$ | 0.0003 | 99.9997 | 100.0000 |
| Isapre Norte Grande Ltda. | 79.906.120-1 | Anibal Pinto 3228, Antofagasta | Chile | Ch\$ | 1.0000 | 99.0000 | 100.0000 |
| Ajay SQM Chile S.A. | 96.592.180-K | Eduardo Frei 4900, Santiago | Chile | US\$ | 51.0000 | - | 51.0000 |
| Almacenes y Depósitos Ltda. | 79.876.080-7 | El Trovador 4285 Las Condes | Chile | Ch\$ | 1.0000 | 99.0000 | 100.0000 |
| SQM Salar S.A. | 79.626.800-K | El Trovador 4285 Las Condes | Chile | US\$ | 18.1800 | 81.8200 | 100.0000 |
| | 79.947.100-0 | | Chile | US\$ | 99.0470 | 0.9530 | 100.0000 |

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| | | | | | | | | |
|---|--------------|---|----------------|------|---------|----------|----------|--|
| SQM Industrial S.A. | | El Trovador 4285 Las Condes Los | | | | | | |
| Exploraciones Mineras S.A. | 76.425.380-9 | Militares 4290 Las Condes | Chile | US\$ | 0.2691 | 99.7309 | 100.0000 | |
| Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A. | 76.534.490-5 | Anibal Pinto 3228, Antofagasta | Chile | Ch\$ | - | 100.0000 | 100.0000 | |
| Soquimich Comercial S.A. | 79.768.170-9 | El Trovador 4285 Las Condes | Chile | US\$ | - | 60.6383 | 60.6383 | |
| Comercial Agrorama Ltda. | 76.064.419-6 | El Trovador 4285 Las Condes | Chile | Ch\$ | - | 42.4468 | 42.4468 | |
| Comercial Hydro S.A. | 96.801.610-5 | El Trovador 4285 Las Condes | Chile | Ch\$ | - | 60.6383 | 60.6383 | |
| Agrorama S.A. | 76.145.229-0 | El Trovador 4285 Las Condes | Chile | Ch\$ | - | 60.6377 | 60.6377 | |
| SQM North América Corp. | Foreign | 2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA | United States | US\$ | 40.0000 | 60.0000 | 100.0000 | |
| RS Agro Chemical.Trading A.V.V. | Foreign | Caya Ernesto O. Petronia 17, Orangestad Al. Tocantis 75, 6° Andar, Conunto 608 | Aruba | US\$ | 98.3333 | 1.6667 | 100.0000 | |
| Nitratos Naturais do Chile Ltda. | Foreign | Edif. West Gate, Alphaville Barureri, CEP 06455-020, Sao Paulo | Brazil | US\$ | - | 100.0000 | 100.0000 | |
| Nitrate Corporation of Chile Ltd. | Foreign | 1 More London Place London SE1 2AF | United Kingdom | US\$ | - | 100.0000 | 100.0000 | |
| | Foreign | | | US\$ | 0.0002 | 99.9998 | 100.0000 | |

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| | | | | | | | | |
|-------------------------|---------|--|-------------------|------|--------|---------|----------|--|
| SQM Corporation N.V. | | Pietermaai 123, P.O. Box 897, Willemstad, Curacao Avenida Camino | Dutch Antilles | | | | | |
| SQM Peru S.A. | Foreign | Real N° 348 of. 702, San Isidro, Lima Av. José Orrantia y Av. Juan Tanca | Peru | US\$ | 0.9800 | 99.0200 | 100.0000 | |
| SQM Ecuador S.A. | Foreign | Marengo Edificio Executive Center Piso 2 Oficina 211 Al. Tocantis 75, 6° Andar, Conunto 608 Edif. West | Ecuador | US\$ | 0.0040 | 99.9960 | 100.0000 | |
| SQM Brasil Ltda. | Foreign | Gate, Alphaville Barureri, CEP 06455-020, Sao Paulo | Brazil | US\$ | 2.7900 | 97.2100 | 100.0000 | |

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Notes to the Consolidated Financial Statements as of June 30, 2013

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

| Subsidiary | Tax ID | Address | Country of incorporation | Functional currency | Ownership interest | | Total |
|--------------------------------------|---------|--|--------------------------|---------------------|--------------------|----------|----------|
| | | | | | Direct | Indirect | |
| SQI Corporation N.V. | Foreign | Pietermaai 123, P.O. Box 897, Willemstad, Curacao | Dutch Antilles | US\$ | 0.0159 | 99.9841 | 100.0000 |
| SQMC Holding Corporation L.L.P. | Foreign | | Aruba | US\$ | 0.1000 | 99.9000 | 100.0000 |
| SQM Japan Co. Ltd. | Foreign | From 1 st Bldg 207, 5-3-10 Minami- Aoyama, Minato-ku, Tokio | Japan | US\$ | 1.0000 | 99.0000 | 100.0000 |
| SQM Europe N.V. | Foreign | Sint Pietersvliet 7 bus 8, 2000. Antwerp | Belgium | US\$ | 0.8600 | 99.1400 | 100.0000 |
| SQM Italia SRL | Foreign | Via A. Meucci, 5 500 15 Grassina Firenze | Italy | US\$ | - | 100.0000 | 100.0000 |
| SQM Indonesia S.A. | Foreign | Perumahan Bumi Dirgantara Permai, Jl Suryadarma Blok Aw No 15 Rt 01/09 17436 Jatisari Pondok Gede | Indonesia | US\$ | - | 80.0000 | 80.0000 |
| North American Trading Company | Foreign | 2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA | United States | US\$ | - | 100.0000 | 100.0000 |
| SQM Virginia LLC | Foreign | 2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA | United States | US\$ | - | 100.0000 | 100.0000 |
| SQM Comercial de México S.A. de C.V. | Foreign | Calle Industria Eléctrica s/n Lote 30, Manzana A Parque Industrial Bugambilias CP 45645, Trajomalco de Zuñiga, Jalisco | Mexico | US\$ | 0.0013 | 99.9987 | 100.0000 |
| SQM Investment Corporation N.V. | Foreign | Pietermaai 123, P.O. Box 897, Willemstad, Curacao | Dutch Antilles | US\$ | 1.0000 | 99.0000 | 100.0000 |

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| | | | | | | | |
|--|---------|--|---------------|------|--------|----------|----------|
| Royal Seed Trading Corporation A.V.V. | Foreign | Caya Ernesto O. Petronia 17, Orangestad | Aruba | US\$ | 1.6700 | 98.3300 | 100.0000 |
| SQM Lithium Specialties LLP | Foreign | 2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA | United States | US\$ | - | 100.0000 | 100.0000 |
| Soquimich SRL Argentina Comercial | Foreign | Espejo 65 Oficina 6 – 5500 Mendoza | Argentina | US\$ | - | 100.0000 | 100.0000 |
| Caimán Internacional S.A. | Foreign | Edificio Plaza Bancomer Calle 50 | Panama | US\$ | - | 100.0000 | 100.0000 |
| SQM France S.A. | Foreign | ZAC des Pommiers 27930 FAUVILLE | France | US\$ | - | 100.0000 | 100.0000 |
| Administración y Servicios Santiago S.A. de C.V. | Foreign | Calle Industria Eléctrica s/n Lote 30, Manzana A Parque Industrial Bugambilias CP 45645, Trajomalco de Zuñiga, Jalisco | Mexico | US\$ | - | 100.0000 | 100.0000 |
| SQM Nitratos México S.A. de C.V. | Foreign | Calle Industria Eléctrica s/n Lote 30, Manzana A Parque Industrial Bugambilias CP 45645, Trajomalco de Zuñiga, Jalisco | Mexico | US\$ | - | 51.0000 | 51.0000 |

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Notes to the Consolidated Financial Statements as of June 30, 2013

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

| Subsidiary | Tax ID | Address | Country of incorporation | Functional currency | Ownership interest | | |
|---------------------------------|---------|---|--------------------------|---------------------|--------------------|----------|----------|
| | | | | | Direct | Total | |
| Soquimich European Holding B.V. | Foreign | Loacalellikade 1 Parnassustoren 1076 AZ Amsterdam | Netherlands | US\$ | - | 100,0000 | 100,0000 |
| SQM Iberian S.A. | Foreign | Provenza 251 Principal 1a CP 08008, Barcelona | Spain | US\$ | - | 100,0000 | 100,0000 |
| Iodine Minera B.V. | Foreign | Loacalellikade 1 Parnassustoren 1076 AZ Amsterdam | Netherlands | US\$ | - | 100,0000 | 100,0000 |
| SQM Africa Pty Ltd. | Foreign | Tramore House, 3 Wterford Office Park, Waterford Drive, 2191 Fourways, Johannesburg | South Africa | US\$ | - | 100,0000 | 100,0000 |
| SQM Oceania Pty Ltd. | Foreign | Level 9, 50 Park Streer, Sydney NSW 2000, Sydney | Australia | US\$ | - | 100,0000 | 100,0000 |
| SQM Agro India Pvt. Ltd. | Foreign | C 30 Chiragh Enclave New Dehli, 110048 | India | US\$ | - | 100,0000 | 100,0000 |
| SQM Beijing Commercial Co. Ltd. | Foreign | Room 1001C, CBD International Mansion Nl 16 Yong An Dong Li, Jian Wai Ave Beijing 100022, P.R. | China | US\$ | - | 100,0000 | 100,0000 |
| SQM Thailand Limited | Foreign | Bangkapi, 10240 Bangkok | Thailand | US\$ | - | 99,996 | 99,996 |

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 6 - Background of companies included in consolidation (continued)**6.5 Information attributable to non-controlling interests**

| Subsidiary | % of interests in the ownership held by non-controlling interests | Profit (loss) attributable to non-controlling interests | | | | Dividends paid to non-controlling interests | |
|----------------------------------|---|---|---------------------|-------------------------|---------------------|---|---------------------|
| | | Equity, non-controlling | | Equity, non-controlling | | Equity, non-controlling | |
| | | 9/30/2013 ThUS\$ | 9/30/2012 ThUS\$ | 9/30/2013 ThUS\$ | 9/30/2012 ThUS\$ | 9/30/2013 ThUS\$ | 9/30/2012 ThUS\$ |
| Proinsa Ltda. | 0.1 | % - | - | - | - | - | - |
| SQM Potasio S.A. | 0.0000001 | % - | (5) | - | 22 | - | - |
| Ajay SQM Chile S.A. | 49 | % (2,572) | (4,057) | 10,189 | 10,682 | 2,200 | 1,764 |
| SQM Indonesia S.A. | 20 | % - | - | - | - | - | - |
| SQM Nitratos México S.A. de C.V. | 49 | % - | (3) | 6 | 9 | - | - |
| Soquimich Comercial S.A. | 39.3616784 | % (1,919) | (1,602) | 46,365 | 44,402 | - | - |
| Comercial Agrorama Ltda. | 30 | % 128 | 69 | 218 | 356 | - | - |
| Agrorama S.A. | 0.001 | % - | - | - | - | - | - |
| Total | | (4,363) | (5,598) | 56,778 | 55,471 | 2,200 | 1,764 |

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 6 - Background of companies included in consolidation (continued)**6.6 Information on consolidated subsidiaries**

9/30/2013

| Subsidiary | Assets | | Liabilities | | Revenue | Profit (loss) | Comprehensive income (loss) |
|---|-----------|-------------|-------------|-------------|---------|------------------|-----------------------------------|
| | Current | Non-current | Current | Non-current | | | |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | | | |
| SQM Nitratos S.A. | 836,750 | 124,163 | 720,568 | 15,833 | 157,782 | 34,049 | 34,049 |
| Proinsa Ltda. | 208 | 1 | - | - | - | (2) | (8) |
| SQMC Internacional Ltda. | 276 | - | - | - | - | (2) | (10) |
| SQM Potasio S.A. | 28,969 | 1,299,793 | 3,825 | 15,350 | 1,462 | 173,692 | 173,692 |
| Serv. Integrales de Tránsito y Transf. S.A. | 326,884 | 86,056 | 372,584 | 7,773 | 34,750 | 1,515 | 1,515 |
| Isapre Norte Grande Ltda | 681 | 870 | 678 | 218 | 2,657 | 31 | (1) |
| Ajay SQM Chile S.A. | 26,007 | 1,247 | 5,704 | 757 | 50,036 | 5,248 | 5,248 |
| Almacenes y Depósitos Ltda. | 377 | 53 | 1 | - | - | (5) | (27) |
| SQM Salar S.A. | 931,884 | 997,412 | 436,763 | 206,127 | 656,739 | 199,923 | 199,844 |
| SQM Industrial S.A. | 1,463,604 | 822,712 | 1,295,789 | 75,762 | 688,488 | (506) | (772) |
| Exploraciones Mineras S.A. | 486 | 31,522 | 4,664 | - | - | (217) | (217) |
| Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A. | 695 | 243 | 309 | 528 | 1,573 | (27) | (33) |
| Soquimich Comercial S.A. | 199,808 | 23,167 | 104,201 | 981 | 148,577 | 4,875 | 4,875 |
| Comercial Agrorama Ltda. | 15,225 | 1,631 | 16,009 | 122 | 10,386 | (428) | (453) |
| Comercial Hydro S.A. | 8,148 | 148 | 80 | 71 | 82 | 275 | 275 |
| Agrorama S.A. | 19,818 | 580 | 20,356 | 100 | 9,637 | (207) | (212) |
| SQM North América Corp. | 197,450 | 16,136 | 160,597 | 2,103 | 298,410 | 14,575 | 14,575 |
| RS Agro Chemical.Trading A.V.V. | 5,207 | - | - | - | - | (6) | (6) |
| Nitratos Naturais do Chile Ltda. | 2 | 265 | 4,804 | - | - | 177 | 177 |
| Nitrate Corporation of Chile Ltd. | 5,076 | - | - | - | - | - | - |
| SQM Corporation N.V. | 669 | 91,758 | 3,728 | - | - | 7,912 | 7,912 |
| SQM Perú S.A. | 606 | 6 | 1,204 | - | - | (173) | (173) |
| SQM Ecuador S.A. | 13,845 | 86 | 14,757 | 34 | 19,539 | (2,214) | (2,214) |
| SQM Brasil Ltda. | 678 | 43 | 965 | - | 503 | (25) | (25) |

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| | | | | | | | | |
|---------------------------------|--------|--------|-------|-----|-------|-------|--------|---|
| SQI Corporation N.V. | - | 18 | 62 | - | - | (2 |) (2 |) |
| SQMC Holding Corporation L.L.P. | 11,742 | 16,171 | 1,720 | - | - | 4,088 | 4,088 | |
| SQM Japan Co. Ltd. | 1976 | 256 | 100 | 471 | 1,831 | (104 |) (104 |) |

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 6 - Background of companies included in consolidation (continued)**6.6 Information on consolidated subsidiaries, continued**

9/30/2013

| Subsidiary | Assets | | Liabilities | | Revenue | Profit (loss) | Comprehensive income (loss) |
|--|---------|-------------|-------------|-------------|---------|------------------|-----------------------------------|
| | Current | Non-current | Current | Non-current | | | |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| SQM Europe N.V. | 375,482 | 290 | 341,970 | - | 530,847 | (1,069) | (1,069) |
| SQM Italia SRL | 1,392 | - | 18 | - | - | - | 32 |
| SQM Indonesia S.A. | 4 | - | 1 | - | - | - | 12 |
| North American Trading Company | 160 | 145 | 39 | - | - | - | - |
| SQM Virginia LLC | 14,829 | 14,374 | 14,829 | - | - | - | - |
| SQM Comercial de México S.A. de C.V. | 90,477 | 1,030 | 67,117 | (274) | 137,179 | 1,244 | 1,244 |
| SQM Investment Corporation N.V. | 64,142 | 305 | 38,719 | 852 | 50 | 852 | 852 |
| Royal Seed Trading Corporation A.V.V. | 241,078 | 517 | 64,115 | 190,000 | - | (2,090) | (2,090) |
| SQM Lithium Specialties LLP | 15,781 | 3 | 1,264 | - | - | - | - |
| Soquimich SRL Argentina | 419 | - | 199 | - | - | (26) | (26) |
| Comercial Caimán Internacional S.A. | 271 | - | 1,122 | - | - | (38) | (38) |
| SQM France S.A. | 345 | 7 | 114 | - | - | - | - |
| Administración y Servicios Santiago S.A. de C.V. | 243 | - | 848 | 130 | 2,341 | 26 | 26 |
| SQM Nitratos México S.A. de C.V. | 26 | 3 | 12 | 5 | 134 | 2 | 2 |
| Soquimich European Holding B.V. | 78,747 | 95,932 | 91,331 | 2,798 | - | 6,894 | 5,006 |
| SQM Iberian S.A. | 88,970 | 71 | 91,652 | - | 140,171 | (2,157) | (2,157) |
| SQM Africa Pty Ltd. | 87,023 | 511 | 78,702 | - | 75,206 | 2,010 | 2,010 |
| SQM Oceanía Pty Ltd. | 4,214 | - | 984 | - | 2,674 | 171 | (409) |
| SQM Agro India Pvt. Ltd. | 7 | - | 2 | - | - | (3) | (3) |

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| | | | | | | | |
|------------------------------------|-----------|-----------|-----------|---------|-----------|---------|---------|
| SQM Beijing Commercial Co. Ltd. | 3,820 | 90 | 204 | - | 9,151 | 348 | 348 |
| SQM Thailand Limited | 3,276 | 9 | 244 | - | 1,831 | (323) | (323) |
| Total | 5,167,777 | 3,627,624 | 3,962,954 | 519,741 | 2,982,036 | 448,283 | 445,410 |

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 6 - Background of companies included in consolidation (continued)**6.6 Information on consolidated subsidiaries, continued**

| Subsidiary | 12/31/2012 | | Liabilities | | 9/30/2012 | | Comprehensive income (loss) ThUS\$ |
|---|------------|-------------|-------------|-------------|-----------|---------------|------------------------------------|
| | Assets | | Current | Non-current | Revenue | Profit (loss) | |
| | Current | Non-current | | | | | |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| SQM Nitratos S.A. | 610,140 | 125,407 | 519,148 | 15,721 | 277,350 | 126,103 | 126,103 |
| Proinsa Ltda. | 220 | 1 | - | - | - | - | 12 |
| SQMC Internacional Ltda. | 292 | - | - | - | - | 2 | 18 |
| SQM Potasio S.A. | 19,134 | 1,130,587 | 1,013 | 13,293 | - | 189,025 | 189,025 |
| Serv. Integrales de Tránsito y Transf. S.A. | 272,955 | 84,635 | 319,214 | 7,308 | 31,806 | 1,561 | 1,561 |
| Isapre Norte Grande Ltda. | 786 | 742 | 672 | 201 | 3,058 | 13 | 53 |
| Ajay SQM Chile S.A. | 25,125 | 1,137 | 5,454 | 772 | 50,628 | 8,279 | 8,279 |
| Almacenes y Depósitos Ltda. | 398 | 54 | 1 | - | - | (7 |) 39 |
| SQM Salar S.A. | 700,153 | 911,055 | 315,982 | 148,687 | 672,543 | 230,437 | 230,573 |
| SQM Industrial S.A. | 1,273,599 | 714,896 | 997,339 | 73,112 | 733,561 | 44,414 | 44,258 |
| Minera Nueva Victoria Ltda. | - | - | - | - | 7,987 | 2,744 | 2,744 |
| Exploraciones Mineras S.A. | 469 | 31,475 | 4,383 | - | - | (168 |) (168 |
| Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A. | 890 | 148 | 362 | 540 | 1,751 | (20 |) (10 |
| Soquimich Comercial S.A. | 167,089 | 19,373 | 72,651 | 819 | 162,821 | 4,070 | 4,070 |
| Comercial Agrorama Ltda. | 15,515 | 1,693 | 15,868 | 128 | 9,072 | (230 |) (178 |
| Comercial Hydro S.A. | 7,882 | 218 | 135 | 95 | 83 | 315 | 315- |
| Agrorama S.A. | 14,086 | 164 | 14,039 | 54 | 8,809 | (129 |) (123 |
| SQM North America Corp. | 303,666 | 16,070 | 281,313 | 2,190 | 326,515 | 22,411 | 22,411 |
| RS Agro Chemical.Trading A.V.V. | 5,214 | - | - | - | - | (9 |) (9 |
| Nitratos Naturais do Chile Ltda. | 8 | 282 | 5,005 | - | - | 149 | 149 |
| | 5,076 | - | - | - | - | - | - |

Nitrate Corporation of Chile
Ltd.

| | | | | | | | |
|------------------------------------|--------|--------|--------|----|--------|-------|-------|
| SQM Corporation N.V. | 669 | 86,348 | 3,724 | - | - | 3,454 | 3,454 |
| SQM Peru S.A. | 867 | 37 | 1,215 | - | 273 | (162) | (162) |
| SQM Ecuador S.A. | 19,321 | 99 | 18,029 | 35 | 16,390 | 39 | 39 |
| SQM Brasil Ltda. | 672 | 51 | 942 | - | 756 | 66 | 66 |
| SQI Corporation N.V. | - | 17 | 43 | - | - | (6) | (6) |
| SQMC Holding Corporation L.L.P. | 5,685 | 18,912 | 1,657 | - | - | 417 | 417 |

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 6 - Background of companies included in consolidation (continued)**6.6 Information on consolidated subsidiaries, continued**

| Subsidiary | 12/31/2012 | | 9/30/2012 | | Revenue ThUS\$ | Profit (loss) ThUS\$ | Comprehensive income (loss) ThUS\$ |
|--|-------------------|-----------------------|-------------------|-----------------------|-------------------|----------------------------|---|
| | Assets | | Liabilities | | | | |
| | Current ThUS\$ | Non-current ThUS\$ | Current ThUS\$ | Non-current ThUS\$ | | | |
| SQM Japan Co. Ltd. | 2,190 | 286 | 166 | 544 | 1,581 | (200) | (200) |
| SQM Europe N.V. | 391,321 | 269 | 356,718 | - | 664,028 | (8,683) | (8,683) |
| SQM Italia SRL | 1,360 | - | 17 | - | - | - | - |
| SQM Indonesia S.A. | 5 | - | 1 | - | - | - | - |
| North American Trading Company | 160 | 145 | 39 | - | - | - | - |
| SQM Virginia LLC | 14,829 | 14,375 | 14,829 | - | - | - | - |
| SQM Comercial de México S.A. de C.V. | 77,811 | 1,280 | 55,509 | 163 | 130,604 | 1,535 | 1,535 |
| SQM Investment Corporation N.V. | 63,933 | 331 | 39,426 | 813 | 4,551 | 5,073 | 5,073 |
| Royal Seed Trading Corporation A.V.V. | 241,921 | 786 | 13,736 | 240,000 | - | (2,158) | (2,158) |
| SQM Lithium Specialties LLP | 15,782 | 3 | 1,264 | - | - | - | - |
| Soquimich SRL Argentina | 422 | - | 176 | - | - | (30) | (30) |
| Comercial Caimán Internacional S.A. | 333 | - | 1,147 | - | - | (35) | (35) |
| SQM France S.A. | 345 | 6 | 114 | - | - | - | - |
| Administración y Servicios Santiago S.A. de C.V. | 50 | - | 683 | 128 | 1,677 | (8) | (8) |
| SQM Nitratos México S.A. de C.V. | 29 | 4 | 19 | 4 | 113 | 7 | 7 |
| Soquimich European Holding B.V. | 70,432 | 108,680 | 102,950 | - | - | 2,152 | 2,692 |
| SQM Iberian S.A. | 81,420 | 9 | 81,883 | - | 136,447 | (1,086) | (1,086) |
| Iodine Minera B.V. | 16,929 | - | 1 | - | 1,972 | 2,455 | 2,455 |
| SQM Africa Pty Ltd. | 97,915 | 212 | 91,369 | - | 67,308 | (769) | (769) |
| SQM Oceania Pty Ltd. | 5,621 | - | 1,613 | - | 3,246 | 614 | 614 |

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|---------------------------------|-----------|-----------|-----------|---------|-----------|---------|---|---------|---|
| SQM Agro India Pvt. Ltd. | 17 | - | 11 | - | - | (25 |) | (25 |) |
| SQM Beijing Commercial Co. Ltd. | 3,512 | 123 | 1,779 | - | 7,803 | 1,134 | | 1,134 | |
| Total | 4,536,248 | 3,269,910 | 3,341,639 | 504,607 | 3,319,533 | 632,744 | | 633,446 | |

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Notes to the Consolidated Financial Statements as of June 30, 2013

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

6.7 Detail of transactions between consolidated companies

a) Transactions conducted in 2013

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

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

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

Transactions conducted in 2012

On November 30, 2012, SQM S.A. transferred and made a capital contribution of the 99% of the ownership interest in Minera Nueva Victoria Limitada to SQM Potasio S.A.; therefore, SQM Potasio S.A. obtains 100% of the ownership. As a result of the above, Minera Nueva Victoria Limitada merged into SQM Potasio S.A., which generates the dissolution of Minera Nueva Victoria Limitada.

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 7 - Cash and cash equivalents

7.1 Types of cash and cash equivalents

As of September 30, 2013 and December 31, 2012, cash and cash equivalents are detailed as follows:

| | 9/30/2013 | 12/31/2012 |
|--|-----------|------------|
| a) Cash | ThUS\$ | ThUS\$ |
| Cash on hand | 137 | 90 |
| Cash in banks | 44,258 | 41,541 |
| Other demand deposits | 3,699 | 833 |
| Total cash | 48,094 | 42,464 |
| | | |
| | 9/30/2013 | 12/31/2012 |
| b) Cash equivalents | ThUS\$ | ThUS\$ |
| Short-term deposits, classified as cash equivalents | 3,723 | 139,943 |
| Short-term investments, classified as cash equivalents | 392,776 | 141,946 |
| Total cash equivalents | 396,499 | 281,889 |
| | | |
| Total cash and cash equivalents | 444,593 | 324,353 |

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 7 - Cash and cash equivalents (continued)

7.2 Short-term investments, classified as cash equivalents

As of September 30, 2013 and December 31, 2012, short-term investments, classified as cash and cash equivalents relate to mutual funds (investment liquidity funds) for investments in:

| Institution | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
|--|---------------------|----------------------|
| Legg Mason - Western Asset Institutional Cash Reserves | 132,038 | 47,408 |
| BlackRock - Institutional US Dollar Liquidity Fund | 130,716 | 47,490 |
| JP Morgan US dollar Liquidity Fund Institutional | 130,022 | 47,048 |
| Total | 392,776 | 141,946 |

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

7.3 Information on cash and cash equivalents by currency

As of September 30, 2013 and December 31, 2012, information on cash and cash equivalents by currency is detailed as follows:

| Original currency | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
|--------------------|---------------------|----------------------|
| Chilean Peso (*) | 5,408 | 76,712 |
| U.S. dollar | 408,577 | 234,181 |
| Euro | 15,269 | 3,601 |
| Mexican Peso | 480 | 720 |
| South African Rand | 12,256 | 7,421 |
| Japanese Yen | 1,460 | 1,369 |
| Peruvian Sol | 4 | 75 |

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| | | |
|-------------------|---------|---------|
| Brazilian Real | 59 | 20 |
| Chinese Yuan | 128 | 181 |
| Indonesian Rupiah | 4 | 5 |
| Indian rupee | 14 | - |
| Bath Tailandes | 882 | - |
| Pound sterling | 52 | 68 |
| Total | 444,593 | 324,353 |

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 7 - Cash and cash equivalents (continued)

7.4 Amount of significant restricted (unavailable) cash balances

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

As of September 30, 2013 and December 31, 2012, the Company has no significant cash balances with any type of restriction.

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 7 - Cash and cash equivalents (continued)**7.5 Short-term deposits, classified as cash equivalents**

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

| Receiver of the deposit | Type of deposit | Original Currency | Interest rate | Placement date | Expiration date | Principal ThUS\$ | Interest accrued | | |
|-----------------------------|-----------------|-------------------|---------------|----------------|-----------------|------------------|------------------|------------------|------------------|
| | | | | | | | to-date ThUS\$ | 9/30/2012 ThUS\$ | 12/31/2012 MUS\$ |
| Citibank New – York | Overnight | US\$ | 0.01 | 9/30/2013 | 10/01/2013 | 2,940 | - | 2,940 | 51,770 |
| Citibank New – York | Overnight | US\$ | 0.01 | 9/30/2013 | 10/01/2013 | 119 | - | 119 | - |
| Citibank New – York | Overnight | US\$ | 0.01 | 9/30/2013 | 10/01/2013 | 354 | - | 354 | - |
| Citibank New – York | Overnight | US\$ | 0.01 | 9/30/2013 | 10/01/2013 | 206 | - | 206 | - |
| Citibank New – York | Overnight | US\$ | 0.01 | 9/30/2013 | 10/01/2013 | 102 | - | 102 | - |
| IDBI Bank | Fixed term | Indian rupee | - | 3/31/2012 | 6/28/2013 | 2 | - | 2 | 2 |
| Banco Santander-Santiago | Fixed term | US\$ | - | - | - | - | - | - | 36,946 |
| Banco Crédito e Inversiones | Fixed term | Ch\$ | - | - | - | - | - | - | 37,725 |
| Banco Security | Fixed term | US\$ | - | - | - | - | - | - | 3,501 |
| Corpbanca | Fixed term | US\$ | - | - | - | - | - | - | 9,999 |
| Total | | | | | | 3,723 | | 3,723 | 139,943 |

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 8 - Inventories

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

| Type of inventory | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
|----------------------------------|---------------------|----------------------|
| Raw material reserves | 9,911 | 8,675 |
| Supplies for production reserves | 43,893 | 37,919 |
| Products-in-progress reserves | 398,835 | 411,039 |
| Finished product reserves | 504,148 | 438,603 |
| Total | 956,787 | 896,236 |

Inventory reserves recognized as of September 30, 2013 amount to ThUS\$98,956, and ThUS\$72,687 as of December 31, 2012. Inventory reserves have been made based on a technical study that covers the different variables affecting products in stock (density, humidity, among others). Additionally, reserves are recognized if goods are sold cheaper than the related cost, and for differences that arise from inventory counts.

As of September 30, 2013, the sum registered as cost of sale related to inventory in the statement of income amounts to ThUS\$1,001,630 and to ThUS\$522,356 as of September 30, 2012.

The breakdown of inventory reserves is detailed as follows:

| Type of inventory | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
|----------------------------------|---------------------|----------------------|
| Raw material reserves | 93 | 93 |
| Supplies for production reserves | 500 | 500 |
| Products-in-progress reserves | 65,582 | 46,635 |
| Finished product reserves | 32,781 | 25,459 |
| Total | 98,956 | 72,687 |

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 9 - Related party disclosures

9.1 Related party disclosures

Balances pending at period-end are not guaranteed, accrue no interest and are settled in cash. No guarantees have been delivered or received for trade and other receivables due from related parties or trade and other payables due to related parties. For the period ended September 30, 2013, the Company has not recorded any impairment in accounts receivable related to amounts owed by related parties. This evaluation is conducted every year through an examination of the financial position of the related party in the market in which it operates.

9.2 Relationships between the parent and the entity

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

Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A., and Inversiones Global Mining (Chile) Ltda., collectively the Pampa Group, are the owners of a number of shares that are equivalent to 30,01% as of September 30, 2013 of the current total amount of shares issued, subscribed and fully-paid of the Company. In addition, Kowa Company Ltd., Inversiones La Esperanza (Chile) Limitada, Kochi S.A. and La Esperanza Delaware Corporation, collectively the Kowa Group, are the owners of a number of shares equivalent to 2.09% of the total amount of shares of SQM S.A. issued, subscribed and fully-paid.

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

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 9 - Related party disclosures (continued)**9.2 Relationship between the Parent and the entity****Detail of effective concentration**

| Tax ID No. | Name | Ownership interest % |
|-------------------|--|----------------------|
| 96.511.530-7 | Sociedad de Inversiones Pampa Calichera S.A. | 19,76 |
| 96.863.960-9 | Inversiones Global Mining (Chile) Ltda. | 3.34 |
| 76.165.311-5 | Potasios de Chile S.A. | 6.91 |
| Total Pampa Group | | 30.01 |
| 79,798,650-k | Inversiones la Esperanza (Chile) Ltda. | 1.40 |
| 59.046.730-8 | Kowa Co Ltd. | 0.30 |
| 96.518.570-4 | Kochi S.A. | 0.30 |
| 59.023.690-k | La Esperanza Delaware Corporation | 0.09 |
| Total Kowa Group | | 2.09 |

9.3 Detailed identification of the link between the Parent and subsidiary

As of September 30, 2013 and December 31, 2012, the detail of entities that are a related parties of the SQM S.A. Group is as follows:

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

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| | | | | |
|---------|--|----------------|------|------------|
| Foreign | Administración y Servicios Santiago S.A. de C.V. | Mexico | US\$ | Subsidiary |
| Foreign | SQM Peru S.A. | Peru | US\$ | Subsidiary |
| Foreign | SQM Ecuador S.A. | Ecuador | US\$ | Subsidiary |
| Foreign | SQM Nitratos Mexico S.A. de C.V. | Mexico | US\$ | Subsidiary |
| Foreign | SQMC Holding Corporation L.L.P. | United States | US\$ | Subsidiary |
| Foreign | SQM Investment Corporation N.V. | Dutch Antilles | US\$ | Subsidiary |
| Foreign | SQM Brasil Limitada | Brazil | US\$ | Subsidiary |
| Foreign | SQM France S.A. | France | US\$ | Subsidiary |
| Foreign | SQM Japan Co. Ltd. | Japan | US\$ | Subsidiary |
| Foreign | Royal Seed Trading Corporation A.V.V. | Aruba | US\$ | Subsidiary |
| Foreign | SQM Oceania Pty Limited | Australia | US\$ | Subsidiary |
| Foreign | Rs Agro-Chemical Trading A.V.V. | Aruba | US\$ | Subsidiary |
| Foreign | SQM Indonesia S.A. | Indonesia | US\$ | Subsidiary |
| Foreign | SQM Virginia L.L.C. | United States | US\$ | Subsidiary |

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Notes to the Consolidated Financial Statements as of June 30, 2013

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

As of September 30, 2013 and December 31, 2012, the detail of entities that are a related parties of the SQM S.A. Group is as follows:

| Tax ID No. | Name | Country of origin | Functional currency | Nature |
|-------------------|---|--------------------------|----------------------------|---------------|
| Foreign | SQM Italia SRL | Italy | US\$ | Subsidiary |
| Foreign | Comercial Caiman Internacional S.A. | Cayman Islands | US\$ | Subsidiary |
| Foreign | SQM Africa Pty. Ltd. | South Africa | US\$ | Subsidiary |
| Foreign | SQM Lithium Specialties LLC | United States | US\$ | Subsidiary |
| Foreign | SQM Iberian S.A. | Spain | US\$ | Subsidiary |
| Foreign | Iodine Minera B.V. (b) | The Netherlands | US\$ | Subsidiary |
| Foreign | SQM Agro India Pvt. Ltd. | India | US\$ | Subsidiary |
| Foreign | SQM Beijing Commercial Co. Ltd. | China | US\$ | Subsidiary |
| Foreign | SQM Thailand Limited (c) | Thailand | US\$ | Subsidiary |
| 96.801.610-5 | Comercial Hydro S.A. | Chile | US\$ | Subsidiary |
| 96.651.060-9 | SQM Potasio S.A. | Chile | US\$ | Subsidiary |
| 96.592.190-7 | SQM Nitratos S.A. | Chile | US\$ | Subsidiary |
| 96,592,180-K | Ajay SQM Chile S.A. | Chile | US\$ | Subsidiary |
| 86.630.200-6 | SQMC Internacional Ltda. | Chile | Chilean peso | Subsidiary |
| 79.947.100-0 | SQM Industrial S.A. | Chile | US\$ | Subsidiary |
| 79.906.120-1 | Isapre Norte Grande Ltda. | Chile | Chilean peso | Subsidiary |
| 79.876.080-7 | Almacenes y Depósitos Ltda. | Chile | Chilean peso | Subsidiary |
| 79.770.780-5 | Servicios Integrales de Tránsitos y Transferencias S.A. | Chile | US\$ | Subsidiary |
| 79.768.170-9 | Soquimich Comercial S.A. | Chile | US\$ | Subsidiary |
| 79.626.800-K | SQM Salar S.A. | Chile | US\$ | Subsidiary |
| 78.602.530-3 | Minera Nueva Victoria Ltda.(a) | Chile | US\$ | Subsidiary |
| 78.053.910-0 | Proinsa Ltda. | Chile | Chilean peso | Subsidiary |
| 76.534.490-5 | Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A. | Chile | Chilean peso | Subsidiary |
| 76.425.380-9 | Exploraciones Mineras S.A. | Chile | US\$ | Subsidiary |
| 76.064.419-6 | Comercial Agrorama Ltda. | Chile | Chilean peso | Subsidiary |
| 76.145.229-0 | Agrorama S.A. | Chile | Chilean peso | Subsidiary |

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| | | | | |
|--------------|---|---------------|----------------------|--|
| 77.557.430-5 | Sales de Magnesio Ltda. | Chile | Chilean peso | Associate |
| Foreign | Abu Dhabi Fertilizer Industries WWL | Arabia | Arab Emirates dirham | Associate |
| Foreign | Doktor Tarsa Tarim Sanayi AS | Turkey | Turkish lira | Associate |
| Foreign | Ajay North America | United States | US\$ | Associate |
| Foreign | Ajay Europe SARL | France | Euro | Associate |
| Foreign | SQM Eastmed Turkey | Turkey | Euro | Associate |
| Foreign | Charlee SQM Thailand Co. Ltd. | Thailand | Thai baht | Associate |
| Foreign | Sichuan SQM Migao Chemical Fertilizers Co Ltda. | China | US\$ | Joint venture |
| Foreign | Coromandel SQM | India | Indian rupee | Joint venture |
| Foreign | SQM Vitas Fzco. | Arab Emirates | Arab Emirates dirham | Joint venture |
| Foreign | SQM Star Qingdao Crop Nutrition Co., Ltd. | China | US\$ | Joint venture |
| Foreign | SQM Vitas Spain | Spain | Euro | Joint venture |
| Foreign | Kowa Company Ltd. | Japan | US\$ | Parent |
| 96.511.530-7 | Sociedad de Inversiones Pampa Calichera | Chile | US\$ | Parent |
| 79.049.778-9 | Callegari Agricola S.A. | Chile | Chilean peso | Other related parties |
| Foreign | Coromandel Internacional | India | Indian rupee | Other related parties |
| Foreign | Vitas Roullier SAS | France | Euro | Other related parties |
| Foreign | SQM Vitas Brasil Agroindustria | Brazil | US\$ | Joint control or significant influence |
| Foreign | SQM Vitas Peru S.A.C. | Peru | US\$ | Joint control or significant influence |

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 9 - Related party disclosures (continued)

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

| Tax ID No. | Name | Country of origin | Functional currency | Nature |
|-------------------|--------------------------------|--------------------------|----------------------------|--|
| Foreign | SQM Vitas Southern Africa Pty. | South Africa | US\$ | Joint control or significant influence |

(a) On November 30, 2012 Minera Nueva Victoria Ltda. merged with SQM Potasio S.A., being absorbed by the latter.

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

(c) During the first half of 2013 Soquimich European Holdings BV purchased shares of SQM Thailand Limited, acquiring 99.996% of the company.

9.4 Detail of related parties and related party transactions

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

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

As of September 30, 2013 and December 31, 2012, there are no allowances for doubtful accounts related to balances pending of transactions with related parties as there is no impairment in them.

As of September 30, 2013 and December 31, 2012, the detail of transactions with related parties is as follows:

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| Tax ID No. | Company | Nature | Country of origin | Transaction | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
|--------------|-------------------------------------|-----------|----------------------|------------------|---------------------|----------------------|
| Foreign | Doktor Tarsa Tarim Sanayi As | Associate | Turkey | Sale of products | 13,573 | 9,587 |
| Foreign | Ajay Europe S.A.R.L. | Associate | France | Sale of products | 27,113 | 37,232 |
| Foreign | Ajay Europe S.A.R.L. | Associate | France | Dividends | 5,093 | 3,564 |
| Foreign | Ajay North America LLC. | Associate | United States | Sale of products | 31,608 | 42,081 |
| Foreign | Ajay North America LLC. | Associate | United States | Dividends | 8,698 | 10,175 |
| Foreign | Abu Dhabi Fertilizer Industries WWL | Associate | United Arab Emirates | Sale of products | 5,920 | 6,285 |
| Foreign | Abu Dhabi Fertilizer Industries WWL | Associate | United Arab Emirates | Dividends | - | 525 |
| Foreign | Charlee SQM Thailand Co.Ltd. | Associate | Thailand | Sale of products | 5,504 | 10,203 |
| Foreign | Charlee SQM Thailand Co.Ltd. | Associate | Thailand | Dividends | - | 11 |
| 77.557.430-5 | Sales de Magnesio Ltda. | Associate | Chile | Sale of products | 831 | 1,472 |

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Notes to the Consolidated Financial Statements as of June 30, 2013

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

| Tax ID No. | Company | Nature | Country of origin | Transaction | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
|--------------|---|--|----------------------|------------------|---------------------|----------------------|
| 77.557.430-5 | Sales de Magnesio Ltda. | Associate | Chile | Dividends | 892 | 1,052 |
| Foreign | Kowa Company Ltd. | Other related parties | Japan | Sale of products | 55,866 | 123,581 |
| Foreign | SQM Vitas Brasil Agroindustria | Joint control or significant influence | Brazil | Sale of products | 36,016 | 40,518 |
| Foreign | SQM Vitas Peru S.A.C. | Joint control or significant influence | Peru | Sale of products | 21,672 | 26,123 |
| Foreign | SQM Vitas Southern Africa Pty. | Joint control or significant influence | South Africa | Sale of products | 9,339 | 10,930 |
| Foreign | SQM Vitas Fzco. | Joint venture | United Arab Emirates | Sale of products | 358 | 120 |
| Foreign | SQM Vitas Fzco. | Joint venture | United Arab Emirates | Sale of services | 69 | - |
| Foreign | Sichuan SQM Migao Chemical Fertilizers Co Ltda. | Joint venture | China | Sale of products | 43,250 | - |
| Foreign | Sichuan SQM Migao Chemical Fertilizers Co Ltda. | Joint venture | China | Sale of services | 46 | 62 |
| Foreign | Coromandel SQM | Joint venture | India | Sale of products | 4,341 | 2,300 |
| Foreign | SQM Star Qingdao Crop Nutrition Co., Ltd. | Joint venture | China | Sale of services | 44 | - |

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 9 - Related party disclosures (continued)**9.5 Trade receivables due from related parties, current:**

| Tax ID No. | Company | Nature | Country of origin | Currency | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
|--------------|--|---------------------------|----------------------|----------------------|---------------------|----------------------|
| 77.557.430-5 | Sales de Magnesio Ltda. | Associate | Chile | Ch\$ | 108 | 303 |
| Foreign | Charlee SQM Thailand Co. Ltd. | Associate | Thailand | US\$ | 1,578 | 6,098 |
| Foreign | Doktor Tarsa Tarim Sanayi AS | Associate | Turkey | US\$ | 24 | - |
| Foreign | Ajay Europe S.A.R.L. | Associate | France | Euro | 4,144 | 4,775 |
| Foreign | Ajay North America LLC. | Associate | United States | US\$ | 7,002 | 4,633 |
| Foreign | Abu Dhabi Fertilizer Industries WWL | Associate | United Arab Emirates | Arab Emirates dirham | 2,698 | 1,805 |
| Foreign | Kowa Company Ltd. | Jointly controlled entity | Japan | US\$ | 24,954 | 29,929 |
| 96.511.530-7 | Soc.de Inversiones Pampa Calichera | Jointly controlled entity | Chile | US\$ | 8 | 8 |
| Foreign | SQM Star Qingdao Crop Nutrition Co., Ltd | Joint venture | China | US\$ | - | 27 |
| Foreign | SQM Vitas Brasil Agroindustria | Joint venture | Brazil | US\$ | 25,401 | 27,903 |
| Foreign | SQM Vitas Peru S.A.C. | Joint venture | Peru | US\$ | 23,859 | 18,143 |
| Foreign | SQM Vitas Southern Africa PTY | Joint venture | South Africa | US\$ | 3,680 | 1,478 |
| Foreign | Coromandel SQM Sichuan SQM Migao | Joint venture | India | Indian rupee | 3,351 | 756 |
| Foreign | Chemical Fertilizers Co Ltda. | Joint venture | China | US\$ | 35,430 | 4,000 |
| 79.049.778-9 | Callegari Agrícola S.A. | Other related parties | Chile | Ch\$ | 635 | 844 |
| Foreign | Coromandel Internacional | Other related parties | India | Indian rupee | - | 670 |

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|---------------|--------------------|-----------------------|----------------------|----------------------|---------|---------|
| Foreign | Vitas Roullier SAS | Other related parties | France | Euro | 775 | - |
| Foreign | SQM Vitas Fzco. | Joint venture | United Arab Emirates | Arab Emirates dirham | 184 | - |
| Foreign | SQM Vitas Spain | Joint venture | Spain | Euro | 1,108 | - |
| Total to-date | | | | | 134,939 | 101,372 |

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Notes to the Consolidated Financial Statements as of June 30, 2013**Note 9 - Related party disclosures (continued)****9.6 Trade payables due to related parties, current:**

| Tax ID No. | Company | Nature | Country of origin | Currency | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
|------------------------|--------------------|-------------------|----------------------|-------------------------|---------------------|----------------------|
| Foreign | SQM Vitas Fzco. | Joint ventures | United Arab Emirates | Arab Emirates dirham | - | 19 |
| Total as of to-date | | | | | - | 19 |

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 9 - Related party disclosures (continued)

9.7 Board of Directors and Senior Management

1) Board of directors

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

As of September 30, 2013, the Company has an Audit Committee made up of three members of the Board of Directors. This Committee performs those duties provided in Article 50 bis of Law No. 18,046 on Shareholders Company, the Shareholders' Corporations Act.

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

2) Directors' Compensation

2.1.1 Board of Directors

Directors' compensation is detailed as follows:

A payment of a monthly fixed gross amount of UF 300 in favor of the Chairman of the Company's Board of Directors and UF 50 in favor of the seven remaining board members regardless of their attendance at Board meetings or the number of meetings attended during the respective month.

A payment in domestic currency in favor of the Chairman of the Company's Board of Directors consisting of a
b) variable and gross amount equivalent to 0.35% of profit for the period effectively earned by the Company during
fiscal year 2013.

A payment in domestic currency in favor of each Company's directors excluding the Chairman of the Board,
c) consisting of a variable and gross amount equivalent to 0.04% of profit for the period effectively earned by the
Company during fiscal years 2013.

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 9 - Related party disclosures (continued)

9.7 Board of Directors and Senior Management, continued

The fixed and variable amounts indicated above will not be subject to any charge between them, and those expressed as a percentage will be paid immediately after the shareholders at the respective Annual General Shareholders' Meeting of the Company approve the statement of financial position (balance sheet), the financial statements, the annual report, the report by the account inspectors and the report of external auditors for the fiscal years ending December 31, 2013.

Therefore, the remunerations and profit sharing paid to members of the Board of Directors and Audit Committee during 2013 amount to ThUS\$4,705 (ThUS\$ 3,973 as of December 31, 2012).

2.1.2 Audit Committee

The remuneration of Directors Committee is composed of:

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

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 9 - Related party disclosures (continued)

9.7 Board of Directors and Senior Management, continued

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

4) Senior management compensation

As of September 30, 2013, the global compensation paid to the 120 main executives amounts to ThUS\$19,749 (ThUS\$32,888 as of December 31, 2012). This includes monthly fixed salary and variable performance bonuses.

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

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

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

7) The Company's Managers and Directors do not receive or have not received any benefit during the period ended September 30, 2013 and the year ended December 31, 2012 or compensation for the concept of pensions, life insurance, paid time off, profit sharing, incentives, or benefits due to disability other than those mentioned in the preceding points.

8) In accordance with IAS 24, we should report that the Company's Director Mr. Wolf Von Appen B. is member of the Ultramar Group. During the period ended September 30, 2013, the amount of operations with this Group is approximately ThUS\$4,826 (ThUS\$22,577 as of December 31, 2012).

9.8 Key management personnel compensation

| | 9/30/2013 | 12/31/2012 |
|--|-----------|------------|
| | ThUS\$ | ThUS\$ |

| | | |
|---------------------------------------|--------|--------|
| Key management personnel compensation | 19,749 | 32,888 |
|---------------------------------------|--------|--------|

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Notes to the Consolidated Financial Statements as of June 30, 2013**Note 10 – Financial instruments**

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

| 10.1 | Types of other financial assets | |
|--|--|----------------------|
| Description of other financial assets | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
| Other current financial assets (1) | 591,076 | 244,161 |
| Derivatives (2) | 2,468 | 680 |
| Hedging assets, current | 31,355 | 71,262 |
| Total other current financial assets | 624,899 | 316,103 |
| Other non-current financial assets | 99 | 107 |
| Hedging assets, non-current | 6,943 | 29,385 |
| Total other non-current financial assets | 7,042 | 29,492 |

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

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

Detail of other current financial assets

| Institution | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
|--------------------------------|---------------------|----------------------|
| Banco Santander | 155,001 | 41,691 |
| BBVA | 110,745 | 31,579 |
| Banco de Crédito e Inversiones | 70,566 | 82,145 |
| Banco de Chile | 61,283 | 42,992 |
| Corpbanca | 146,217 | 10,499 |
| Banco Scotiabank | - | 25,141 |
| Banco Itaú | 40,220 | 10,114 |
| Banco Security | 7,044 | - |

Total 591,076 244,161

10.2 Trade and other receivables, current and non-current

| | 9/30/2013 | | | 12/31/2012 | | |
|-----------------------------------|-----------|-------------|---------|------------|-------------|---------|
| | Current | Non-current | Total | Current | Non-current | Total |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Trade receivables | 403,934 | - | 403,934 | 490,873 | - | 490,873 |
| Prepayments | 19,860 | - | 19,860 | 14,046 | - | 14,046 |
| Other receivables | 4,743 | 1,117 | 5,860 | 5,697 | 1,311 | 7,008 |
| Total trade and other receivables | 428,537 | 1,117 | 429,654 | 510,616 | 1,311 | 511,927 |

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Notes to the Consolidated Financial Statements as of June 30, 2013**Note 10 – Financial instruments, (continued)****10.2 Trade and other receivables, continued**

| | 9/30/2013 | | | 12/31/2012 | | |
|--|--------------------------------|---|--|--------------------------------|---|--|
| | Assets before allowances | Allowance for doubtful trade receivables | Assets for trade receivables, net | Assets before allowances | Allowance for doubtful trade receivables | Assets for trade receivables, net |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Receivables related to credit operations, current | 421,170 | (17,236) | 403,934 | 507,665 | (16,792) | 490,873 |
| Trade receivables, current | 421,170 | (17,236) | 403,934 | 507,665 | (16,792) | 490,873 |
| Prepayments, current | 22,660 | (2,800) | 19,860 | 14,046 | - | 14,046 |
| Other receivables, current | 6,707 | (1,964) | 4,743 | 7,698 | (2,001) | 5,697 |
| Current trade and other receivables | 450,537 | (22,000) | 428,537 | 529,409 | (18,793) | 510,616 |
| Other receivables, non-current | 1,117 | - | 1,117 | 1,311 | - | 1,311 |
| Non-current receivables | 1,117 | - | 1,117 | 1,311 | - | 1,311 |
| Total trade and other receivables | 451,654 | (22,000) | 429,654 | 530,720 | (18,793) | 511,927 |

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 10 – Financial instruments (continued)

10.2 Trade and other receivables, continued

Portfolio stratification, continued

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

Unsecuritized portfolio

As of September 30, 2013 and December 31, 2012, the detail of the unsecuritized portfolio is as follows:

09/30/2013

| | Not overdue | 31 - 60 days | 61 - 90 days | 91 - 120 days | 121 - 150 days | 151 - 180 days | 181 - 210 days | 211 - 250 days | Over 250 days | Total | |
|--|-------------|--------------|--------------|---------------|----------------|----------------|----------------|----------------|---------------|--------|---------|
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | |
| Number of customers, portfolio under no renegotiated terms | 3,261 | 1,008 | 549 | 403 | 357 | 331 | 324 | 287 | 280 | 1,809 | 8,609 |
| Portfolio under no renegotiated terms | 326,201 | 31,643 | 18,516 | 1,865 | 11,161 | 13,659 | 434 | 232 | 1,079 | 8,129 | 412,919 |
| Number of customers under renegotiated terms portfolio | 48 | 7 | 3 | 6 | 8 | 7 | 13 | 3 | 6 | 164 | 265 |

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| | | | | | | | | | | | |
|---|---------|--------|--------|-------|--------|--------|-----|-----|-------|--------|---------|
| Portfolio under renegotiated terms, gross | 3,546 | 270 | 109 | 225 | 323 | 593 | 280 | 104 | 46 | 2,755 | 8,251 |
| Total gross portfolio | 329,747 | 31,913 | 18,625 | 2,090 | 11,484 | 14,252 | 714 | 336 | 1,125 | 10,884 | 421,170 |

12/31/2012

| | Not overdue - 30 days | 31 - 60 days | 61 - 90 days | 91 - 120 days | 121 - 150 days | 151 - 180 days | 181 - 210 days | 211 - 250 days | Over 250 days | Total | |
|--|-----------------------|--------------|--------------|---------------|----------------|----------------|----------------|----------------|---------------|--------|---------|
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | |
| Number of customers, portfolio under no renegotiated terms | 3,176 | 1,305 | 584 | 406 | 399 | 409 | 302 | 348 | 378 | 2,344 | 9,651 |
| Portfolio under no renegotiated terms | 412,659 | 20,121 | 1,259 | 46,268 | 38 | 129 | 395 | 10,140 | 794 | 15,861 | 507,665 |
| Number of customers under renegotiated terms portfolio | - | - | - | - | - | - | - | - | - | - | - |
| Portfolio under renegotiated terms, gross | - | - | - | - | - | - | - | - | - | - | - |
| Total gross portfolio | 412,659 | 20,121 | 1,259 | 46,268 | 38 | 129 | 395 | 10,140 | 794 | 15,861 | 507,665 |

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 10 – Financial instruments, (continued)

10.2 Trade and other receivables, continued

The detail of allowances is as follows:

| Allowance and write-offs | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
|---|---------------------|----------------------|
| Allowance for portfolio under no renegotiated terms | 22,315 | 20,191 |
| Write-offs for the period | (315) | (1,398) |
| Total | 22,000 | 18,793 |

a) Credit risk concentration

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

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Notes to the Consolidated Financial Statements as of June 30, 2013**Note 10 – Financial instruments (continued)****10.3 Hedging assets and liabilities**

The balance represents derivative instruments measured at fair value which have been classified as hedges from exchange and interest rate risks related to the total obligations relating to bonds of the Company in Chilean pesos and UF (and the exchange risk in Chilean pesos of the Company's investment plans). As of September 30, 2013, the face value of cash flows in Cross Currency Swap contracts agreed upon in US dollars amounted to ThUS\$557,868 and as of December 31, 2012 such contracts amounted to ThUS\$515,156.

| Hedging assets | Derivative instruments (CCS) ThUS\$ | Effect on profit or loss for the period Derivative instruments ThUS\$ | Hedging reserve in gross equity ThUS\$ | Deferred tax hedging reserve in equity ThUS\$ | Hedging reserve in equity ThUS\$ |
|--------------------|--|---|---|--|-------------------------------------|
| September 30, 2013 | 38,298 | (25,330) | (8,000) | 1,600 | (6,400) |
| December 31, 2012 | 100,646 | 49,853 | (18,419) | 3,684 | (14,735) |

| Hedging liabilities | Derivative instruments (IRS) ThUS\$ | Effect on profit or loss for the period Derivative instruments ThUS\$ | Hedging reserve in gross equity ThUS\$ | Deferred tax hedging reserve in equity ThUS\$ | Hedging reserve in equity ThUS\$ |
|---------------------|--|---|---|--|-------------------------------------|
| September 30, 2013 | 1,508 | (228) | (1,187) | - | (1,187) |
| December 31, 2012 | 1,879 | 27 | (1,786) | - | (1,786) |

The balances in the effect on profit or loss column consider the interim effects of the contracts in force as of September 30, 2013 and December 31, 2012.

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Notes to the Consolidated Financial Statements as of June 30, 2013**Note 10 - Financial instruments (continued)****10.3 Hedging assets and liabilities, continued**

Derivative contract maturities are detailed as follows:

| Series | Contract amount ThUS\$ | Currency | Maturity date |
|--------|---------------------------|--------------|---------------|
| C | 69,275 | UF | 12/1/2026 |
| G | 33,673 | Chilean peso | 1/5/2014 |
| H | 191,638 | UF | 1/5/2018 |
| I | 56,041 | UF | 4/1/2014 |
| J | 92,440 | Chilean peso | 4/1/2014 |
| M | 46,463 | UF | 2/1/2017 |
| O | 68,338 | UF | 2/1/2017 |

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

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

Hedge Accounting

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

a) Fair value hedge

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

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

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

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Notes to the Consolidated Financial Statements as of June 30, 2013**Note 10 - Financial instruments (continued)****10.3 Hedging assets and liabilities, continued****b) Cash flow hedges**

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

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

As of September 30, 2013 and December 31, 2012, the detail is as follows:

| | 9/30/2013 | | | 12/31/2012 | | |
|---|-----------|-------------|-----------|------------|-------------|-----------|
| | Current | Non-current | Total | Current | Non-current | Total |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Bank borrowings | 150,917 | 329,407 | 480,324 | 122,373 | 379,119 | 501,492 |
| Obligations with the public (bonds payable) | 239,722 | 1,120,951 | 1,360,673 | 20,135 | 1,067,075 | 1,087,210 |
| Other financial liabilities | 4,532 | - | 4,532 | 10,335 | - | 10,335 |
| Total | 395,171 | 1,450,358 | 1,845,529 | 152,843 | 1,446,194 | 1,599,037 |

Current and non-current borrowings

As of September 30, 2013 and December 31, 2012, the detail is as follows:

| | 9/30/2013 | 12/31/2012 |
|--|-----------|------------|
| | ThUS\$ | ThUS\$ |
| Long-term borrowings | 329,407 | 379,119 |
| Short-term borrowings | 150,065 | 120,921 |
| Current portion of long-term borrowings | 852 | 1,452 |
| Short-term loans and current portion of long-term borrowings | 150,917 | 122,373 |
| Total borrowings assumed | 480,324 | 501,492 |

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 10 - Financial instruments (continued)

10.4 Financial liabilities, continued

a) Bank loans, current:

As of September 30, 2013 and December 31, 2012, the detail of this caption is as follows:

| Tax ID No. | Debtor Subsidiary | Country | Tax ID No. | Creditor Financial institution | Country | Currency or adjustment index | Repayment | Effective rate | Nominal rate | 9/ C U p 19 da TH |
|--------------|--|---------|--------------|-------------------------------------|-------------------|---------------------------------------|------------------|-------------------|-----------------|-------------------------------------|
| 93.007.000-9 | SQM.S.A. | Chile | 97.018.000-1 | Scotiabank Sud Americano | Chile | US\$ | Upon maturity | 0.49% | 0.49% | 7 |
| 93.007.000-9 | SQM.S.A. | Chile | 97.018.000-1 | Scotiabank Sud Americano | Chile | US\$ | Upon maturity | 0.65% | 0.65% | 2 |
| 93.007.000-9 | SQM S.A. | Chile | Foreign | Banco Estado NY Branch | United States | US\$ | Upon maturity | 3.27% | 2.39% | - |
| 79.626.800-K | SQM Salar S.A. | Chile | 97.030.000-7 | Banco Estado | Chile | US\$ | Upon maturity | 0.61% | 0.61% | - |
| 79.626.800-K | SQM Salar S.A. | Chile | 97.018.000-1 | Scotiabank Sud Americano | Chile | US\$ | Upon maturity | 0.60% | 0.60% | 2 |
| Extranjero | Royal Seed Trading Corporation A.V.V. | Aruba | Foreign | Bank of America | United States | US\$ | Upon maturity | 1.89% | 1.34% | 2 |
| Extranjero | Royal Seed Trading Corporation A.V.V. | Aruba | Foreign | Export Development Canada | Canada | US\$ | Upon maturity | 1.83% | 1.36% | 1 |
| Extranjero | Royal Seed Trading Corporation A.V.V. | Aruba | Foreign | Scotiabank & Trust (Cayman) Ltd. | Cayman Islands | US\$ | Upon maturity | 1.41% | 1.24% | - |
| Extranjero | Royal Seed Trading | Aruba | Foreign | Scotiabank & Trust (Cayman) Ltd. | Cayman Islands | US\$ | Upon maturity | 1.84% | 1.48% | 3 |

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| | | | | | | | | | | |
|-----------------|--|-------|--------------|--|------------------|------|------------------|-------|-------|---|
| Extranjero | Corporation A.V.V. Royal Seed Trading Corporation A.V.V. SQM | Aruba | Foreign | The Bank of Tokyo-Mitsubishi UFJ, Lda. (New York) | United States | US\$ | Upon maturity | 1.49% | 1.09% | 2 |
| 79.947.100-0 | Industrial S.A. | Chile | 97.030.000-7 | Banco Estado | Chile | US\$ | Upon maturity | 0.75% | 0.75% | - |
| Borrowing costs | | | | | | | | | | 2 |
| Total | | | | | | | | | | (|
| | | | | | | | | | | 2 |

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 10 - Financial instruments (continued)

10.4 Financial liabilities, continued

| Debtor | | Creditor | | | | Currency | Repayment | Effective | Nominal | 12 |
|--------------|---------------------------------------|----------|--------------|---|----------------|---------------------|---------------|-----------|----------|----|
| Tax ID No. | Subsidiary | Country | Tax ID No. | Financial institution | Country | or adjustment index | rate | rate | Up da TH | |
| 93.007.000-9 | SQM.S.A. | Chile | 97.030.000-7 | Banco Estado | Chile | US\$ | Upon maturity | 1.70% | 1.70% | - |
| 93.007.000-9 | SQM.S.A. | Chile | 97.030.000-7 | Banco Estado | Chile | US\$ | Upon maturity | 1.09% | 1.09% | - |
| 93.007.000-9 | SQM S.A. | Chile | Foreign | Banco Estado NY Branch | United States | US\$ | Upon maturity | 3.01% | 2.69% | 1 |
| 79.626.800-K | SQM Salar S.A. | Chile | 97.032.000-8 | Banco BBVA Chile | Chile | US\$ | Upon maturity | 1.90% | 1.90% | - |
| 79.626.800-K | SQM Salar S.A. | Chile | 97.018.000-1 | Scotiabank Sud Americano | Chile | US\$ | Upon maturity | 1.03% | 1.03% | 2 |
| Foreign | Royal Seed Trading Corporation A.V.V. | Aruba | Foreign | Bank of America | United States | US\$ | Upon maturity | 1.83% | 1.52% | - |
| Foreign | Royal Seed Trading Corporation A.V.V. | Aruba | Foreign | Export Development Canada | Canada | US\$ | Upon maturity | 1.81% | 1.46% | - |
| Foreign | Royal Seed Trading Corporation A.V.V. | Aruba | Foreign | Scotiabank & Trust (Cayman) Ltd. | Cayman Islands | US\$ | Upon maturity | 1.60% | 1.54% | - |
| Foreign | Royal Seed Trading Corporation A.V.V. | Aruba | Foreign | Scotiabank & Trust (Cayman) Ltd. | Cayman Islands | US\$ | Upon maturity | 1.92% | 1.62% | - |
| Foreign | Royal Seed Trading Corporation A.V.V. | Aruba | Foreign | The Bank of Tokyo-Mitsubishi UFJ, Lda. (New York) | United States | US\$ | Upon maturity | 1.49% | 1.26% | - |
| 79.947.100-0 | SQM Industrial | Chile | 97.030.000-7 | Banco Estado | Chile | US\$ | Upon maturity | 1.64% | 1.64% | - |

| | | | | | | | | | | |
|------------------|-----------------------------------|-------|--------------|-----------------------------|-------|------|------------------|-------|-------|---|
| 79.947.100-0 | S.A. SQM Industrial S.A. | Chile | 97.018.000-1 | Scotiabank Sud Americano | Chile | US\$ | Upon maturity | 1.04% | 1.04% | 2 |
| Total | | | | | | | | | | |
| Borrowing | | | | | | | | | | |
| costs | | | | | | | | | | |
| Total | | | | | | | | | | |

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 10 – Financial instruments (continued)

10.4 Financial liabilities, continued

b) Unsecured obligations, current:

As of September 30, 2013 and December 31, 2012, the detail of current unsecured interest-bearing obligations is composed of promissory notes and bonds, as follows:

Bonds

| Tax ID No. | Debtor Subsidiary | Country | Number of registration or ID of the instrument | Series | Maturity date | Currency or adjustment index | Periodicity Payment of interest | Repayment | Effective rate | Nominal rate |
|--------------|----------------------|---------|---|------------|------------------|---------------------------------------|---------------------------------------|------------------|-------------------|-----------------|
| 93.007.000-9 | SQM S.A | Chile | | MThUS\$200 | | | Semiannual | Upon maturity | | |
| 93.007.000-9 | SQM S.A | Chile | - | MThUS\$250 | 21/10/2013 | US\$ | Semiannual | Upon maturity | 5.70% | 5.50% |
| 93.007.000-9 | SQM S.A | Chile | - | MThUS\$300 | 03/10/2013 | US\$ | Semiannual | Upon maturity | 3.87% | 3.63% |
| 93.007.000-9 | SQM S.A | Chile | 446 | C | 01/12/2013 | UF | Semiannual | Semiannual | 4.44% | 4.00% |
| 93.007.000-9 | SQM S.A | Chile | 563 | G | 05/01/2014 | \$ | Semiannual | Upon maturity | 7.50% | 7.00% |
| 93.007.000-9 | SQM S.A | Chile | 564 | H | 05/01/2014 | UF | Semiannual | Semiannual | 5.10% | 4.90% |
| 93.007.000-9 | SQM S.A | Chile | 563 | I | 01/04/2014 | UF | Semiannual | Upon maturity | 3.35% | 3.00% |
| 93.007.000-9 | SQM S.A | Chile | 563 | J | 01/04/2014 | \$ | Semiannual | Upon maturity | 6.23% | 5.50% |
| 93.007.000-9 | SQM S.A | Chile | 700 | M | 01/02/2014 | UF | Semiannual | Upon maturity | 3.62% | 3.30% |
| 93.007.000-9 | SQM S.A | Chile | 699 | O | 01/02/2014 | UF | Semiannual | Upon maturity | 3.95% | 3.80% |
| Total | | | | | | | | | | |

Bond issuance costs
Total

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

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 10 – Financial instruments (continued)

10.4

Financial liabilities, continued

| Tax ID No. | Debtor | | registration or ID of the instrument | Series | Maturity date Payment of interest | Currency or adjustment index | Periodicity Payment of interest | Repayment | Effective rate | Nominal rate |
|--------------|------------|---------|---|--------|--------------------------------------|---------------------------------------|---------------------------------------|--------------------|-------------------|-----------------|
| | Subsidiary | Country | | | | | | | | |
| 93.007.000-9 | SQM S.A | Chile | | Single | | | Semiannual | Upon expiration | | |
| 93.007.000-9 | SQM S.A | Chile | - | Single | 4/21/2013 | US\$ | Semiannual | Upon expiration | 5.70% | 5.5% |
| 93.007.000-9 | SQM S.A | Chile | 446 | C | 6/1/2013 | UF | Semiannual | Semiannual | 4.44% | 4.0% |
| 93.007.000-9 | SQM S.A | Chile | 563 | G | 7/5/2013 | Ch\$ | Semiannual | Upon expiration | 7.50% | 7.0% |
| 93.007.000-9 | SQM S.A | Chile | 564 | H | 7/5/2013 | UF | Semiannual | Semiannual | 5.10% | 4.9% |
| 93.007.000-9 | SQM S.A | Chile | 563 | I | 4/1/2013 | UF | Semiannual | Upon expiration | 3.35% | 3.0% |
| 93.007.000-9 | SQM S.A | Chile | 563 | J | 4/1/2013 | Ch\$ | Semiannual | Upon expiration | 6.23% | 5.5% |
| 93.007.000-9 | SQM S.A | Chile | 700 | M | 8/1/2013 | UF | Semiannual | Upon expiration | 3.62% | 3.3% |
| 93.007.000-9 | SQM S.A | Chile | 699 | O | 8/1/2013 | UF | Semiannual | Upon expiration | 3.95% | 3.8% |
| | | | Total | | | | | | | |
| | | | Bond issuance | | | | | | | |
| | | | costs | | | | | | | |
| | | | Total | | | | | | | |

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 10 – Financial instruments (continued)

10.4 Financial liabilities, continued

c) Types of interest-bearing borrowings, non current

Non-current interest-bearing borrowings as of September 30, 2013 and December 31, 2012 are detailed as follows:

| Debtor | | | Creditor | | | Currency or adjustment index | Repayment | Effective rate | Nominal rate | 9/30/ matu Over to 3 ThU |
|--------------|--|---------|------------|---|-------------------|---------------------------------------|------------------|-------------------|-----------------|--------------------------------------|
| Tax ID No. | Subsidiary | Country | Tax ID No. | Financial institution | Country | | | | | |
| 93.007.000-9 | SQM S.A. | Chile | Foreign | Banco Estado NY Branch | United States | US\$ | Upon maturity | 3.27% | 2.45% | - |
| Foreign | Royal Seed Trading Corporation A.V.V. | Aruba | Foreign | Scotiabank & Trust (Cayman) Ltd. | Cayman Islands | US\$ | Upon maturity | 1.84% | 1.48% | 50,0 |
| Foreign | Royal Seed Trading Corporation A.V.V. | Aruba | Foreign | Bank of America | United States | US\$ | Upon maturity | 1.89% | 1.34% | - |
| Foreign | Royal Seed Trading Corporation A.V.V. | Aruba | Foreign | Export Development Canada | Canada | US\$ | Upon maturity | 1.83% | 1.36% | - |
| Foreign | Royal Seed Trading Corporation A.V.V. | Aruba | Foreign | The Bank of Tokyo-Mitsubishi UFJ, Ltd (New York) | United States | US\$ | Upon maturity | 1.49% | 1.09% | - |
| Total | | | | | | | | | | 50,0 |
| Total | Borrowings costs | | | | | | | | | (11,498) |

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| Debtor | | Creditor | | Currency | Repayment | Effective | Nominal | Year | | |
|--------------|---------------------------------------|----------|------------|--|----------------|---------------------|---------------|--------|--------|-----|
| Tax ID No. | Subsidiary | Country | Tax ID No. | Financial institution | Country | or adjustment index | rate | rate | to 3 | |
| 93.007.000-9 | SQM S.A. | Chile | Foreign | Banco Estado NY Branch | United States | US\$ | Upon maturity | 3.01 % | 2.69 % | - |
| Foreign | Royal Seed Trading Corporation A.V.V. | Aruba | Foreign | Scotiabank & Trust (Cayman) Ltd. | Cayman Islands | US\$ | Upon maturity | 1.60 % | 1.54 % | 50, |
| Foreign | Royal Seed Trading Corporation A.V.V. | Aruba | Foreign | Scotiabank & Trust (Cayman) Ltd. | Cayman Islands | US\$ | Upon maturity | 1.92 % | 1.62 % | 50, |
| Foreign | Royal Seed Trading Corporation A.V.V. | Aruba | Foreign | Bank of America | United States | US\$ | Upon maturity | 1.83 % | 1.52 % | - |
| Foreign | Royal Seed Trading Corporation A.V.V. | Aruba | Foreign | Export Development Canada | Canada | US\$ | Upon maturity | 1.81 % | 1.46 % | - |
| Foreign | Royal Seed Trading Corporation A.V.V. | Aruba | Foreign | The Bank of Tokyo-Mitsubishi UFJ, Ltd (New York) | United States | US\$ | Upon maturity | 1.49 % | 1.26 % | - |
| Total | | | | | | | | | | |
| Total | Borrowings costs | | | | | | | | | |

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 10 – Financial instruments (continued)

10.4 Financial liabilities, continued

d) Non-current unsecured interest-bearing bonds

The breakdown of non-current unsecured interest-bearing bonds as of September 30, 2013 and December 31, 2012 is detailed as follows:

| Tax ID No. | Debtor | | Number of registration of the instrument | Series or ID | Maturity date | Currency or adjustment index | Periodicity | | Effective rate | Nominal rate |
|--------------|------------|---------|--|----------------------------|---------------|------------------------------|---------------------|---------------|----------------|--------------|
| | Subsidiary | Country | | | | | Payment of interest | Repayment | | |
| 93.007.000-9 | SQM S.A | Chile | - | MThUS\$200 | 4/15/2016 | US\$ | Semiannual | Upon maturity | 6.32 % | 6.13 % |
| 93.007.000-9 | SQM S.A | Chile | - | MThUS\$250 | 4/21/2020 | US\$ | Semiannual | Upon maturity | 5.70 % | 5.50 % |
| 93.007.000-9 | SQM S.A | Chile | - | MThUS\$300 | 4/03/2013 | US\$ | Semiannual | Upon maturity | 3.87 % | 3.63 % |
| 93.007.000-9 | SQM S.A | Chile | 446 | C | 12/1/2026 | UF | Semiannual | Semiannual | 4.44 % | 4.00 % |
| 93.007.000-9 | SQM S.A | Chile | 564 | H | 1/5/2030 | UF | Semiannual | Semiannual | 5.10 % | 4.90 % |
| 93.007.000-9 | SQM S.A | Chile | 700 | M | 2/1/2017 | UF | Semiannual | Upon maturity | 3.62 % | 3.30 % |
| 93.007.000-9 | SQM S.A | Chile | 699 | O | 2/1/2033 | UF | Semiannual | Upon maturity | 3.95 % | 3.80 % |
| | | | Total | Bond issuance costs | | | | Total | | |

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| | | | | | | | | of the instrument | | | |
|--------------|---------|-------|-----|--------|-----------|------|--|----------------------|---------------|----------------------------|-------|
| 93.007.000-9 | SQM S.A | Chile | - | Single | | | | Semiannual | Upon maturity | 6.32% | 6.13% |
| 93.007.000-9 | SQM S.A | Chile | - | Single | 4/21/2020 | US\$ | | Semiannual | Upon maturity | 5.70% | 5.50% |
| 93.007.000-9 | SQM S.A | Chile | 446 | C | 12/1/2026 | UF | | Semiannual | Semiannual | 4.44% | 4.00% |
| 93.007.000-9 | SQM S.A | Chile | 564 | H | 1/5/2030 | UF | | Semiannual | Semiannual | 7.5% | 4.90% |
| 93.007.000-9 | SQM S.A | Chile | 563 | G | 1/5/2014 | Ch\$ | | Semiannual | Upon maturity | 5.10% | 7.00% |
| 93.007.000-9 | SQM S.A | Chile | 563 | I | 4/1/2014 | UF | | Semiannual | Upon maturity | 3.35% | 3.00% |
| 93.007.000-9 | SQM S.A | Chile | 563 | J | 4/1/2014 | Ch\$ | | Semiannual | Upon maturity | 6.23% | 5.50% |
| 93.007.000-9 | SQM S.A | Chile | 700 | M | 2/1/2017 | UF | | Semiannual | Upon maturity | 3.62% | 3.30% |
| 93.007.000-9 | SQM S.A | Chile | 699 | O | 2/1/2033 | UF | | Semiannual | Upon maturity | 3.95% | 3.80% |
| | | | | | | | | | | Total | |
| | | | | | | | | | | Bond issuance costs | |
| | | | | | | | | | | Total | |

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Notes to the Consolidated Financial Statements as of June 30, 2013

Note 10 - Financial instruments (continued)

10.4 Financial liabilities, continued

e) Additional information

Bonds

On the 30th of September and the 31st of December 2012, short term bonds of MUS\$ 239,722 and MUS\$ 20,135 respectively were classified as short-term, consisting of the current portion due plus accrued interest to date, excluding bond issue costs. The non-current portion consisted of MUS\$1,120,951 on the 30th September 2013 and MUS\$1,067,075 on the 31st December 2012, corresponding to the issuance of series C bonds, Single series bonds (MThUS\$ 200), series G bonds, series H bonds, series I bonds, series J bonds, second issue single series bonds (MThUS\$ 250), series M bonds, series O bonds and third issue single series bonds (MThUS\$ 300), excluding debt issue costs.

As of September 30, 2013 and December 31, 2012, the details of each issuance are as follows

Series “C” bonds

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

As of September 30, 2013 and December 31, 2012, the Company has made the following payments with a charge to the Series C bonds:

| | 9/30/2013 | 12/31/2012 |
|----------------------|-----------|------------|
| Payments made | ThUS\$ | ThUS\$ |

| | | |
|------------------|-------|-------|
| Principal | 3,481 | 6,858 |
| Interest payment | 1,930 | 4,004 |

Single series first issue MMUS\$200

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

As of September 30, 2013 and December 31, 2012, the Company has made the following payments with a charge to the Single Series bonds:

| | 9/30/2013 | 12/31/2012 |
|----------------------|-----------|------------|
| Payments made | ThUS\$ | ThUS\$ |
| Payments of interest | 6,125 | 12,250 |

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Notes to the Consolidated Financial Statements as of June 30, 2013**Note 10 - Financial instruments (continued)****10.4 Financial liabilities, continued****Series “G” and “H” bonds**

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

As of September 30, 2013 and December 31, 2012, the Company has made the following payments with a charge to the Series G and H bonds:

| | 9/30/2013 | 12/31/2012 |
|--------------------------------------|-----------|------------|
| Payments made | ThUS\$ | ThUS\$ |
| Payments of interest, Series G bonds | 2,962 | 2,845 |
| Payments of interest, Series H bonds | 9,062 | 8,565 |

Series “J” and “I” bonds

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

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As of September 30, 2013 and December 31, 2012, the Company has made the following payments with a charge to the Series J and I bonds:

| Payments made | 9/30/2013 | 12/31/2012 |
|-------------------------------------|-----------|------------|
| | ThUS\$ | ThUS\$ |
| Payment of interest, Series J bonds | 5,790 | 5,879 |
| Payment of interest, Series I bonds | 2,106 | 2,100 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 10 - Financial instruments (continued)

10.4 Financial liabilities, continued

Single series bonds, second issue MMUS\$250

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

As of September 30, 2013 and December 31, 2012, the detail of payments charged to the line of single series bonds, second issue is as follows:

| | 9/30/2013 | 12/31/2012 |
|------------------|-----------|------------|
| Payments made | ThUS\$ | ThUS\$ |
| Interest payment | 6,875 | 13,750 |

Series “M” and “O” bonds

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

As of September 30, 2013, and December 31, 2012 the Company has made the following payments with a charge to the Series M and O bonds:

Payments made

| | 9/30/2013 | 12/31/2012 |
|-------------------------------------|-----------|------------|
| | ThUS\$ | ThUS\$ |
| Payment of interest, Series M bonds | 1,522 | 765 |
| Payment of interest, Series O bonds | 2,626 | 1,320 |

Single series bonds, third issue MMUS\$300

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

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)**Note 10 - Financial instruments (continued)****10.5 Trade and other payables**

| | 9/30/2013 | | | 12/31/2012 | | |
|-----------------------|-----------|-------------|---------|------------|-------------|---------|
| | Current | Non-current | Total | Current | Non-current | Total |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Accounts payable | 190,326 | - | 190,326 | 207,429 | - | 207,429 |
| Deferred income | - | - | - | - | - | - |
| Retained (or accrued) | 551 | - | 551 | 515 | - | 515 |
| Total | 190,877 | - | 190,877 | 207,944 | - | 207,944 |

Purchase commitments held by the Company are recognized as liabilities when the goods and services are received by the Company. As of September 30, 2013, the Company has purchase orders amounting to ThUS\$63,761 (ThUS\$127,484 as of December 31, 2012).

10.6 Financial liabilities at fair value through profit or loss

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

| Financial liabilities at fair value through profit or loss | 9/30/2013 ThUS\$ | Effect on profit or loss as of | | Effect on profit or loss as of |
|---|---------------------|-----------------------------------|----------------------|-----------------------------------|
| | | 6/30/2013 ThUS\$ | 12/31/2012 ThUS\$ | |
| Current | | | | |
| Derivative instruments (forward) | 2,288 | (3,324) | 5,612 | (4,559) |
| Derivative instruments (options) | 736 | (1,756) | 2,492 | (1,456) |
| Derivative instruments (IRS) | 1,508 | 124 | 2,231 | (240) |
| | 4,532 | (4,956) | 10,335 | (6,255) |

Balances in the column effect on profit or loss consider the annual effects of agreements which were in force as of September 30, 2013.

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)**Note 10 - Financial instruments (continued)****10.7 Financial asset and liability categories**

a) Financial Assets

| Description of financial assets | 9/30/2013 | | | 12/31/2012 | | |
|--|-----------------------------|---------------------------------|---------------------------|-----------------------------|---------------------------------|---------------------------|
| | Current Amount ThUS\$ | Non-current Amount ThUS\$ | Total Amount ThUS\$ | Current Amount ThUS\$ | Non-current Amount ThUS\$ | Total Amount ThUS\$ |
| Financial assets measured at amortized cost | 591,076 | - | 591,076 | 244,161 | - | 244,161 |
| Investments held-to-maturity measured at amortized cost | - | 99 | 99 | - | 107 | 107 |
| Loans and receivables measured at amortized cost | 428,537 | 1,117 | 429,654 | 510,616 | 1,311 | 511,927 |
| Total financial assets measured at amortized cost | 1,019,613 | 1,216 | 1,020,829 | 754,777 | 1,418 | 756,195 |
| Financial assets at fair value through profit or loss | 2,468 | - | 2,468 | 680 | - | 680 |
| Financial assets at fair value through other comprehensive income | 31,355 | 6,943 | 38,298 | 71,261 | 29,385 | 100,646 |
| Total financial assets at fair value | 33,823 | 6,943 | 40,766 | 71,941 | 29,385 | 101,326 |
| Total financial assets | 1,053,436 | 8,159 | 1,061,595 | 826,718 | 30,803 | 857,521 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)**Note 10 - Financial instruments (continued)****10.7 Financial asset and liability categories (continued)**

b) Financial liabilities

| Description of financial liabilities at fair value through profit or loss | 9/30/2013 | | | 12/31/2012 | |
|---|-----------|-------------|-----------|------------|-------------|
| | Current | Non-current | Total | Current | Non-current |
| | Amount | Amount | Amount | Amount | Amount |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Financial liabilities at fair value through profit or loss | 4,532 | - | 4,532 | 10,335 | - |
| Financial liabilities at fair value through profit or loss | 4,532 | - | 4,532 | 10,335 | - |
| Financial liabilities measured at amortized cost | 581,516 | 1,450,358 | 2,031,874 | 350,452 | 1,446,194 |
| Total financial liabilities measured at amortized cost | 581,516 | 1,450,358 | 2,031,874 | 350,452 | 1,446,194 |
| Total financial liabilities | 586,048 | 1,450,358 | 2,036,406 | 360,787 | 1,446,194 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 10 - Financial instruments (continued)

Fair Value Measurement of Assets and Liabilities

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

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

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

The effects produced by movements of these values can be recognised in Finance Costs, Foreign Exchange or Other Equity Reserves, depending o

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

The value of the Company's reported liabilities is calculated as the present value of discounted cash flows at market rates at the time of valuation, taking into account the maturity date and exchange rate. The entry data used for the model includes the UF and peso rates, which are obtained using Bloomberg, the well known financial software company and the 'Asociación de Bancos e Instituciones Financieras' (ABIF) (Association of Banks and Financial

Institutions’).

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 10 - Financial instruments (continued)

10.8 Financial assets pledged as guarantee

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

As of September 30, 2013 and December 31, 2012, assets pledged as guarantees are as follows:

| | 9/30/2013 | 12/31/2012 |
|---------------------------|-----------|------------|
| | ThUS\$ | ThUS\$ |
| Restricted cash | | |
| Isapre Norte Grande Ltda. | 723 | 571 |
| Total | 723 | 571 |

10.9 Estimated fair value of financial instruments and financial derivatives

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

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

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

- Cash equivalent approximates fair value due to the short-term maturities of these instruments.
- Other current financial liabilities are considered at fair value equal to their carrying values.
- For interest-bearing liabilities with original maturity of more than a year, fair values are calculated at discounting contractual cash flows at their original current market with similar terms.

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

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)**Note 10 - Financial instruments (continued)****10.10 Estimated fair value of financial instruments and financial derivatives, continued**

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

| | 9/30/2013 | | 12/31/2012 | |
|--|-------------------|---------------|-------------------|------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Cash and cash equivalents | 444,593 | 444,593 | 324,353 | 324,353 |
| Current trade and other receivables | 428,537 | 428,537 | 510,616 | 510,616 |
| Other financial assets, current: | | | | |
| - Time deposits | 591,076 | 591,076 | 244,161 | 244,161 |
| - Derivative instruments | 2,468 | 2,468 | 680 | 680 |
| - Current hedging assets | 31,355 | 31,355 | 71,262 | 71,262 |
| Total other current financial assets | 624,899 | 624,899 | 316,103 | 316,103 |
| Non-Current Trade Receivables | 1,117 | 1,117 | 1,311 | 1,311 |
| Other non-current financial assets: | 99 | 99 | 107 | 107 |
| Non-current hedging assets | 6,943 | 6,943 | 29,385 | 29,385 |
| Other non-current financial assets: | 7,042 | 7,042 | 29,492 | 29,492 |
| Other financial liabilities, current: | | | | |
| - Bank loans | 150,917 | 150,917 | 122,373 | 122,373 |
| - Derivative instruments | 3,024 | 3,024 | 8,456 | 8,456 |
| - Hedging liabilities | 1,508 | 1,508 | 1,879 | 1,879 |
| - Unsecured obligations | 239,722 | 239,722 | 20,135 | 20,135 |
| Other financial liabilities, current | 395,171 | 395,171 | 152,843 | 152,843 |
| Current and non-current accounts payable | 190,877 | 190,566 | 207,944 | 207,944 |
| Other non-current financial liabilities: | | | | |
| - Bank loans | 329,407 | 346,073 | 379,119 | 401,465 |
| - Unsecured obligations | 1,120,951 | 1,120,735 | 1,067,075 | 1,137,363 |
| Other non-current financial liabilities: | 1,450,358 | 1,466,808 | 1,446,194 | 1,538,828 |

Fair value hierarchy

Fair value hierarchies are as follows:

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

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

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

The valuation techniques used to determine the fair value of our hedging instruments are those indicated in level 2.

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 10 - Financial instruments (continued)

10.11 Nature and scope of risks arising from financing instruments

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

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 11 – Equity-accounted investees

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

As of September 30, 2013 and December 31, 2012, in accordance with criteria established in Note 2.6 and Note 3.19, investment in associates recognized according to the equity method of accounting and joint ventures are as follows:

| Associates | Equity-accounted investees | | Joint ventures accounted for using the equity method | | Share on profit (loss) of associates and joint ventures accounted for using the equity method | | Share on total other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax | |
|-------------------------------------|----------------------------|----------------------|--|----------------------|---|----------------------|--|----------------------|
| | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
| Sales de Magnesio Ltda. | 1,312 | 1,656 | 641 | 1,088 | - | - | 641 | 1,088 |
| Abu Dhabi Fertilizer Industries WWL | 10,965 | 9,890 | 1,021 | 1,628 | - | - | 1,021 | 1,628 |
| Doktor Tarsa Tarim Sanayi AS | 15,622 | 15,346 | 2,475 | 4,134 | - | - | 2,475 | 4,134 |
| Ajay North America | 13,211 | 15,357 | 5,957 | 10,927 | - | - | 5,957 | 10,927 |
| Ajay Europe SARL | 7,033 | 8,495 | 2,988 | 6,295 | - | - | 2,988 | 6,295 |
| SQM Eastmed Turkey | 139 | 85 | 130 | - | - | - | 130 | - |
| Charlee SQM Thailand Co. Ltd. | 1,801 | 126 | 215 | 32 | - | - | 215 | 32 |
| Total | 50,083 | 50,955 | 13,427 | 24,104 | - | - | 13,427 | 24,104 |

| Associate | Description of the nature of the relationship | Domicile | Country of incorporation | Share of ownership in associates | Dividends received | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
|-------------------------------------|---|---------------------------------|--------------------------|----------------------------------|--------------------|---------------------|----------------------|
| Sales de Magnesio Ltda. | Commercialization of magnesium salts. | El Trovador 4285, Las Condes | Chile | 50 % | | 892 | 1,052 |
| Abu Dhabi Fertilizer Industries WWL | Distribution and commercialization of specialty plant nutrients in the Middle East. | PO Box 71871, Abu Dhabi | United Arab Emirates | 50 % | | - | - |
| Doktor Tarsa Tarim | Distribution and commercialization of specialty plant nutrients in | Organize Sanayi Bolgesi, Ikinci | Turkey | 50 % | | - | - |

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| | | | | | | | | |
|-------------------------------|--|--|---------------|----|---|-------|--------|--|
| Sanayi AS | Turkey. | Kisim, 22 cadde TR07100 Antalya 1400 Industry RD | | | | | | |
| Ajay North America | Production and commercialization of iodine derivatives. | Power Springs GA 30129 | United States | 49 | % | 8,698 | 10,628 | |
| Ajay Europe SARL | Production and commercialization of iodine derivatives. | Z.I. du Grand Verger BP 227 53602 Evron Cedex | France | 50 | % | 5,093 | 3,446 | |
| SQM Eastmed Turkey | Production and commercialization of specialty products. | Organize Sanayi Bolgesi, Ikinci Kisim, 22 cadde TR07100 Antalya | Turkey | 50 | % | - | - | |
| Charlee SQM Thailand Co. Ltd. | Distribution and commercialization of specialty plant nutrients. | 31 Soi 138 (Meesuk) LLapdrawrd, Bangkapi, 10240 Bangkok | Thailand | 40 | % | - | - | |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 11 – Equity-accounted investees (continued)

11.2 Assets, liabilities, revenue and expenses of associates

| | 9/30/2013 | | | | 9/30/2013 | | | |
|-------------------------------------|------------|-------------|-------------|-------------|------------|----------------------------|----------------------|----------------------|
| | Assets | | Liabilities | | Revenue | Gain (loss) | Other | Comprehensive income |
| | Current | Non-current | Current | Non-current | | from continuing operations | comprehensive income | |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Sales de Magnesio Ltda. | 3,818 | 299 | 1,494 | - | 10,225 | 1,283 | - | 1,283 |
| Abu Dhabi Fertilizer Industries WWL | 25,275 | 2,327 | 5,672 | - | 31,173 | 2,042 | - | 2,042 |
| Doktor Tarsa Tarim Sanayi AS | 72,454 | 6,735 | 47,943 | - | 64,899 | 4,950 | - | 4,950 |
| Ajay North America | 27,591 | 9,236 | 9,865 | - | 57,727 | 12,157 | - | 12,157 |
| Ajay Europe SARL | 19,961 | 1,890 | 7,786 | - | 52,052 | 5,976 | - | 5,976 |
| SQM Eastmed Turkey | 146 | 299 | 165 | - | 139 | 259 | - | 259 |
| Charlee SQM Thailand Co. Ltd. | 8,505 | 511 | 4,513 | - | 17,041 | 538 | - | 538 |
| Total | 157,750 | 21,297 | 77,438 | - | 233,256 | 27,205 | - | 27,205 |
| | 12/31/2012 | | | | 12/31/2012 | | | |
| | Assets | | Liabilities | | Revenue | Gain (loss) | Other | Comprehensive income |
| | Current | Non-current | Current | Non-current | | from continuing operations | comprehensive income | |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Sales de Magnesio Ltda. | 4,662 | 364 | 1,713 | - | 14,259 | 2,177 | - | 2,177 |
| Abu Dhabi Fertilizer Industries WWL | 21,885 | 2,187 | 4,291 | - | 42,899 | 3,255 | - | 3,255 |
| Doktor Tarsa Tarim Sanayi AS | 67,345 | 7,982 | 36,332 | 8,304 | 77,839 | 8,267 | - | 8,267 |
| Ajay North America | 28,914 | 8,719 | 6,292 | - | 83,340 | 22,300 | - | 22,300 |
| Ajay Europe SARL | 27,587 | 2,091 | 12,688 | - | 84,203 | 12,591 | - | 12,591 |
| SQM Eastmed Turkey | 16 | 412 | 258 | - | - | - | - | - |
| Charlee SQM Thailand Co. Ltd. | 12,898 | 462 | 13,048 | - | 13,536 | 81 | - | 81 |

| | | | | | | | | |
|-------|---------|--------|--------|-------|---------|--------|---|--------|
| Total | 163,307 | 22,217 | 74,622 | 8,304 | 316,076 | 48,671 | - | 48,671 |
|-------|---------|--------|--------|-------|---------|--------|---|--------|

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 11 – Investment in Associates (continued)

11.3 Other information

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

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

The equity method was applied to the Statement of Financial Position as of September 30, 2013 and December 31, 2012.

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

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 12 - Joint Ventures

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

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

12.2 Disclosures of interest in joint ventures

a) Operations conducted in 2013

As of September 30, there are no changes in the composition of the interest in joint ventures.

b) Operations conducted in 2012

On March 2012, the Company Coromandel SQM increased its capital by ThUS\$394. This Company has an ownership of 50% in Soquimich European Holding B.V.

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 12 - Joint Ventures (continued)

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

| Joint venture | Description of the nature of the relationship | Domicile | Country of incorporation | Share of interest in ownership | Dividends received | |
|---|--|---|--------------------------|--------------------------------|--------------------|------------|
| | | | | | 9/30/2012 | 12/31/2012 |
| | | | | | ThUS\$ | ThUS\$ |
| Sichuan SQM Migao Chemical Fertilizers Co Ltda. | Production and distribution of soluble fertilizers. | Huangjing Road, Dawan Town, Qingbaijiang District, Chengdu Municipality, Sichuan Province | China | 50 % | - | - |
| Coromandel SQM | Production and distribution of potassium nitrate. | 1-2-10, Sardar Patel Road, Secunderabad – 500003 Andhra Pradesh | India | 50 % | - | - |
| SQM Vitas Fzco. | Production and commercialization of specialty plant and animal nutrition and industrial hygiene. | Jebel ALI Free Zone P.O. Box 18222, Dubai | United Arab Emirates | 50 % | - | - |
| SQM Star Qingdao Crop Nutrition Co., Ltd. | Production and distribution of nutrient plant solutions with specialties NPK soluble | Longquan Town, Jimo City, Qingdao Municipality, Shangdong Province | China | 50 % | - | - |
| SQM Vitas Brazil | Without information | Via Cndeias, Km. 01 Sem Numero, Lote 4, Bairro Cia Norte, Candeias, Bahia. | Brazil | 99,99 % | - | - |
| SQM Vitas Peru | Without information | Av. Juan de Arona 187, Torre B, Oficina 301-II, San Isidro, Lima | Peru | 99,63 % | - | - |

| | | | | | | |
|---------------------------|---------------------|--|-----|---|---|---|
| SQM Vitas Southern Africa | Without information | 33 Waterford Office Park Waterford Drive Fourways, 2055 South Africa | 100 | % | - | - |
| SQM Vitas Spain | Without information | Without information Spain | 100 | % | | |
| SQM Vitas Holland | Without information | Without information Dutch Antilles s | 50 | % | - | - |
| SQM Vitas PlantacoteB.V. | Without information | Herikerbergweg 238, 1101 CM Amsterdam Dutch Antilles Zuidoost | 50 | % | - | - |

| Joint Venture | Equity-accounted investees | | Share on profit (loss) of associates and joint ventures accounted for using the equity method | | Share on other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax | | Share on total other comprehensive income of associates and joint ventures accounted for using the equity method | |
|---|----------------------------|----------------------|---|----------------------|--|----------------------|--|----------------------|
| | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
| Sichuan SQM Migao Chemical Fertilizers Co Ltda. | 13,259 | 10,428 | 295 | 287 | 11 | - | 306 | 287 |
| Coromandel SQM | 761 | 683 | 57 | 184 | - | (87) | 57 | 98 |
| SQM Vitas Fzco. | 11,912 | 7,153 | 694 | (266) | (266) | (159) | 428 | (425) |
| SQM Star Qingdao Crop Nutrition Co., Ltd. | 1,358 | 1,079 | 279 | 48 | - | - | 279 | 48 |
| SQM Vitas Holland | (187) | - | (221) | - | - | - | (221) | - |
| | 27,103 | 19,343 | 1,104 | 253 | (255) | (246) | 849 | 8 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)**Note 12 - Joint Ventures (continued)****12.3 Investment in joint ventures accounted for under the equity method of accounting:**

The following companies are subsidiaries of SQM Vitas Fzco.

| Equity-accounted investees | Share on profit (loss) of associates and joint ventures accounted for using the equity method | | Share on other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax | | Share on total other comprehensive income of associates and joint ventures accounted for using the equity method | | | |
|----------------------------|---|----------------------|--|----------------------|--|----------------------|--------|----------|
| | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ | | |
| SQM Vitas Brazil | 3,893 | 2,799 | 1,561 | (621) | - | (306) | 664 | (927) |
| SQM Vitas Peru | 3,739 | 2,525 | (808) | (28) | - | (26) | (199) | (54) |
| SQM Vitas Southern Africa | 384 | 506 | (370) | (238) | - | 14 | (110) | (224) |
| SQM Vitas Spain | - | 248 | - | - | - | - | (139) | - |
| SQM Vitas Plantacote B.V. | - | - | - | - | - | - | - | - |
| Total | 8,016 | 6,078 | 383 | (887) | - | (318) | (216) | (1,205) |

12.4 Assets, liabilities, revenue and expenses from Joint Ventures:**9/30/2013**

| | Assets | | Liabilities | | Revenue | Gain (loss) from continuing operations | Other comprehensive income | Comprehensive income |
|---|-------------------|-----------------------|-------------------|-----------------------|---------|--|----------------------------|----------------------|
| | Current ThUS\$ | Non-current ThUS\$ | Current ThUS\$ | Non-current ThUS\$ | | ThUS\$ | ThUS\$ | ThUS\$ |
| Sichuan SQM Migao Chemical Fertilizers Co Ltda, | 41,003 | 9,584 | 24,069 | - | 19,657 | 590 | 22 | 612 |
| Coromandel SQM | 4,687 | 1,158 | 4,324 | - | 6,910 | 114 | - | 114 |
| SQM Vitas Fzco, | 12,927 | 11,864 | 817 | 151 | 14,417 | 1,388 | (532) | 856 |
| SQM Star Qingdao Crop Nutrition Co., Ltd, | 3,238 | 239 | 605 | 156 | 5,974 | 558 | - | 558 |

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| | | | | | | | | |
|---------------------------|---------|--------|---------|-------|---------|--------|--------|--------|
| SQM Vitas Brazil | 37,441 | 6,874 | 31,822 | 8,600 | 62,491 | 1,328 | - | 1,328 |
| SQM Vitas Peru | 27,644 | 1,682 | 25,587 | - | 26,351 | (397) | - | (397) |
| SQM Vitas Southern Africa | 6,133 | 867 | 6,617 | - | 11,323 | (220) | - | (220) |
| SQM Vitas Spain | 2,427 | 947 | 3,525 | - | 1,125 | (278) | - | (278) |
| SQM Vitas Holland | 43 | - | - | 418 | - | (442) | - | (442) |
| SQM Vitas PlantacoteB,V, | 966 | 6,581 | 7,965 | - | 1,083 | (436) | - | (436) |
| Total | 136,509 | 39,796 | 105,331 | 9,325 | 149,331 | 2,205 | (510) | 1,695 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)**Note 12 - Joint Ventures (continued)****12.4 Assets, liabilities, revenue and expenses from Joint Ventures, continued**

| | 12/31/2012 | | 12/31/2012 | | Revenue ThUS\$ | Gain (loss) from continuing operations ThUS\$ | Other comprehensive income ThUS\$ | Comprehensive income ThUS\$ |
|---|-------------------|-----------------------|-------------------|-----------------------|-------------------|---|--|-----------------------------------|
| | Assets | | Liabilities | | | | | |
| | Current ThUS\$ | Non-current ThUS\$ | Current ThUS\$ | Non-current ThUS\$ | | | | |
| Sichuan SQM Migao Chemical Fertilizers Co Ltda. | 21,843 | 9,984 | 6,899 | 4,072 | 29,980 | 573 | - | 573 |
| Coromandel SQM | 4,388 | 1,397 | 4,419 | - | 5,633 | 369 | (174) | 195 |
| SQM Vitas Fzco. | 4,568 | 10,522 | 785 | - | 19,643 | (532) | (318) | (850) |
| SQM Star Qingdao Crop Nutrition Co., Ltd. | 1,986 | 304 | 132 | - | 5,028 | 95 | - | 95 |
| SQM Vitas Brazil | 36,874 | 6,865 | 32,331 | 8,609 | 53,955 | (621) | (306) | (927) |
| SQM Vitas Peru | 23,308 | 1,512 | 20,149 | 2,145 | 32,376 | (28) | (26) | (54) |
| SQM Vitas Southern Africa | 2,730 | 101 | 2,325 | - | 12,850 | (238) | 14 | (224) |
| SQM Vitas Spain | - | - | - | - | - | - | - | - |
| Total | 95,697 | 30,685 | 67,040 | 14,826 | 159,465 | (382) | (810) | (1,192) |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 12 - Joint Ventures (continued)

12.5 Other Joint Venture disclosures:

| | Cash and cash equivalents | | Other current financial liabilities | | Other non-current financial liabilities | |
|---|---------------------------|----------------------|-------------------------------------|----------------------|---|----------------------|
| | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
| Sichuan SQM Migao Chemical Fertilizers Co Ltda. | 649 | 485 | - | - | - | - |
| Coromandel SQM | 153 | 248 | 96 | 1,289 | - | - |
| SQM Vitas Fzco. | 9,197 | 7,977 | - | - | - | - |
| SQM Star Qingdao Crop Nutrition Co., Ltd. | 1,513 | 524 | - | - | - | - |
| SQM Vitas Brazil | 933 | 549 | 237 | 66 | 8,600 | 8,609 |
| SQM Vitas Peru | 843 | 286 | - | - | - | - |
| SQM Vitas Southern Africa | 174 | 179 | - | - | - | - |
| SQM Vitas Spain | 662 | - | - | - | - | - |
| SQM Vitas Holland | 43 | - | - | - | - | - |
| SQM Vitas Plantacote B.V. | 131 | - | 5,398 | - | - | - |
| Total | 14,298 | 10,248 | 5,731 | 1,355 | 8,600 | 8,609 |

| | Depreciation and amortization expense | | Interest expense | | Income tax expense, continuing operations | |
|---|---------------------------------------|----------------------|---------------------|----------------------|---|----------------------|
| | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
| Sichuan SQM Migao Chemical Fertilizers Co Ltda. | (570) | (702) | (578) | - | (40) | (97) |
| Coromandel SQM | (70) | (91) | (101) | (75) | (49) | (56) |
| SQM Vitas Fzco. | (734) | (982) | (11) | (15) | - | - |
| SQM Star Qingdao Crop Nutrition Co., Ltd. | (50) | (74) | - | - | (168) | (27) |
| SQM Vitas Brazil | (257) | (247) | (697) | (463) | (33) | - |
| SQM Vitas Peru | (24) | (32) | (102) | (102) | 58 | - |
| SQM Vitas Southern Africa | (49) | (29) | (7) | (37) | - | - |
| SQM Vitas Spain | - | - | (1) | - | - | - |
| SQM Vitas Holland | - | - | - | - | - | - |
| SQM Vitas Plantacote B.V. | (377) | - | (107) | - | - | - |

Total (2,131) (2,157) (1,604) (692) (232) (180)

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

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)**Note 13 - Intangible assets and goodwill****13.1 Balances**

| | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
|---------------------------------------|---------------------|----------------------|
| Intangible assets other than goodwill | 28,809 | 24,013 |
| Goodwill | 38,388 | 38,388 |
| Total | 67,197 | 62,401 |

13.2 Disclosures on intangible assets and goodwill

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

Balances and movements in the main classes of intangible assets as of September 30, 2013 and December 31, 2012 are detailed as follows:

| Intangible assets and goodwill | Useful life | 9/30/2013 | | Net Value ThUS\$ |
|---|-------------|---------------------------|---------------------------------------|---------------------|
| | | Gross amount ThUS\$ | Accumulated Amortization ThUS\$ | |
| Trademarks | Finite | 3,821 | (3,821) | - |
| Software | Finite | 5,342 | (2,813) | 2,529 |
| Intellectual property rights, patents and other industrial property rights, service and exploitation rights | Finite | 1,508 | (866) | 642 |
| Intellectual property rights, patents and other industrial property rights, service and exploitation rights | Indefinite | 23,650 | (1,994) | 21,656 |
| Other intangible assets | Indefinite | 4,134 | (152) | 3,982 |
| Intangible assets other than goodwill | | 38,455 | (9,646) | 28,809 |
| Goodwill | Indefinite | 40,178 | (1,790) | 38,388 |

Total intangible assets and goodwill 78,633 (11,436) 67,197

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)**Note 13 - Intangible assets and goodwill (continued)****13.2 Disclosures on intangible assets and goodwill, continued**

| Intangible assets and goodwill | Useful life | 12/31/2012 | | Net Value ThUS\$ |
|---|-------------|---------------------------|---------------------------------------|---------------------|
| | | Gross amount ThUS\$ | Accumulated Amortization ThUS\$ | |
| Trademarks | Finite | 3,821 | (3,821) | - |
| Software | Finite | 3,765 | (2,115) | 1,650 |
| Intellectual property rights, patents and other industrial property rights, service and exploitation rights | Finite | 1,198 | (820) | 378 |
| Intellectual property rights, patents and other industrial property rights, service and exploitation rights | Finite | 22,612 | (1,987) | 20,625 |
| Other intangible assets | Indefinite | 1,512 | (152) | 1,360 |
| Intangible assets other than goodwill | | 32,908 | (8,895) | 24,013 |
| Goodwill | Indefinite | 40,178 | (1,790) | 38,388 |
| Total intangible assets and goodwill | | 73,086 | (10,685) | 62,401 |

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

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

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

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

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

The method used to express the amortization is useful life.

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 13 - Intangible assets and goodwill (continued)

13.2 Disclosures on intangible assets and goodwill, continued

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

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

d) Information to be disclosed on assets generated internally

The Company has no intangible assets generated internally.

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 13 - Intangible assets and goodwill (continued)

13.2 Disclosures on intangible assets and goodwill, continued

e) Movements in identifiable intangible assets as of September 30, 2013:

| Movements in identifiable intangible assets | Trademarks Net ThUS\$ | Software Net ThUS\$ | Intellectual property rights, patents and other property rights, exploitation way, Net ThUS\$ | Industrial property rights, patents, exploration way, Net ThUS\$ | Other rights, rights, rights, ThUS\$ | Industrial rights, rights, rights, Net ThUS\$ | Goodwill, Net ThUS\$ | Identifiable intangible assets, Net ThUS\$ |
|---|-----------------------------|---------------------------|--|---|--|--|----------------------------|---|
| Opening balance | - | 1,650 | 378 | 20,625 | 1,360 | 38,388 | 62,401 | |
| Additions | | 1,577 | 310 | 1,038 | 2,622 | - | 5,547 | |
| Amortization | | (698) | (46) | (7) | - | - | (751) | |
| Other increases (decreases) | | - | - | - | - | - | - | |
| Final balance | - | 2,529 | 642 | 21,656 | 3,982 | 38,388 | 67,197 | |

f) Movements in identifiable intangible assets as of December 31, 2012:

| Movements in identifiable intangible assets | Trademarks Net ThUS\$ | Software Net ThUS\$ | Intellectual property rights, patents and other property rights, exploitation way, Net ThUS\$ | Industrial property rights, patents, exploration way, Net ThUS\$ | Other rights, rights, rights, ThUS\$ | Industrial rights, rights, rights, Net ThUS\$ | Goodwill, Net ThUS\$ | Identifiable intangible assets, Net ThUS\$ |
|---|-----------------------------|---------------------------|--|---|--|--|----------------------------|---|
| Opening balance | - | 1,938 | 440 | 1,542 | 396 | 38,605 | 42,921 | |
| Additions | | 501 | - | 19,080 | 964 | - | 20,545 | |
| Amortization | | (789) | (62) | - | - | - | (851) | |
| Other increases (decreases) | | - | - | 3 | - | (217) | (214) | |
| Final balance | - | 1,650 | 378 | 20,625 | 1,360 | 38,388 | 62,401 | |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)**Note 14 - Property, plant and equipment**

As of September 30, 2013 and December 31, 2012, the detail of property, plant and equipment is as follows:

14.1 Types of property, plant and equipment

| Description of types of property, plant and equipment | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
|---|---------------------|----------------------|
| Property, plant and equipment, net | | |
| Land | 109,301 | 109,060 |
| Buildings | 161,860 | 169,731 |
| Machinery | 403,165 | 438,331 |
| Transport equipment | 99,240 | 88,954 |
| Furniture and fixtures | 8,115 | 6,736 |
| Office equipment | 5,642 | 5,249 |
| Constructions in progress | 608,065 | 423,184 |
| Other property, plant and equipment | 740,888 | 747,045 |
| Total | 2,136,276 | 1,988,290 |
| Property, plant and equipment, gross | | |
| Land | 109,301 | 109,060 |
| Buildings | 332,984 | 329,397 |
| Machinery | 1,092,700 | 1,065,641 |
| Transport equipment | 250,149 | 224,462 |
| Furniture and fixtures | 25,394 | 22,667 |
| Office equipment | 38,158 | 36,215 |
| Constructions in progress | 608,065 | 423,184 |
| Other property, plant and equipment | 1,398,704 | 1,336,991 |
| Total | 3,855,455 | 3,547,617 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 14 - Property, plant and equipment (continued)

14.1 Types of property, plant and equipment, continued

| | 9/30/2013 | 12/31/2012 |
|---|-----------|------------|
| | ThUS\$ | ThUS\$ |
| Accumulated depreciation and value impairment of property, plant and equipment, total | | |
| Accumulated depreciation and value impairment of buildings | 171,124 | 159,666 |
| Accumulated depreciation and value impairment of machinery | 689,535 | 627,310 |
| Accumulated depreciation and value impairment of transport equipment | 150,909 | 135,508 |
| Accumulated depreciation and value impairment of furniture and fixtures | 17,279 | 15,931 |
| Accumulated depreciation and value impairment of office equipment | 32,516 | 30,966 |
| Accumulated depreciation and value impairment of other property, plant and equipment | 657,816 | 589,946 |
| Total | 1,719,179 | 1,559,327 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 14 - Property, plant and equipment (continued)

14.2 Reconciliation of changes in property, plant and equipment by type as of September 30, 2013 and December 31, 2012:

| Reconciliation entries of changes in property, plant and equipment by type as of September 30, 2013 | Land | Buildings, net | Machinery, net | Transport equipment, net | Furniture and fixtures, net | Office and equipment, net | Constructions in progress | Other property, plant and equipment, net | P |
|---|---------|----------------|----------------|--------------------------|-----------------------------|---------------------------|---------------------------|--|---|
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | T |
| Opening balance | 109,060 | 169,731 | 438,331 | 88,954 | 6,736 | 5,249 | 423,184 | 747,045 | |
| Changes | | | | | | | | | |
| Additions | 511 | 42 | 1,856 | 3 | 59 | 377 | 333,973 | 2,785 | |
| Divestitures | - | 3 | (49) | (6) | 1 | 6 | (4,596) | (23) | |
| Depreciation expense | - | (11,484) | (62,930) | (15,398) | (1,347) | (1,471) | - | (66,722) | |
| Increase(decrease) in foreign currency exchange | (20) | (8) | (7) | (8) | - | (19) | - | (50) | |
| Reclassification | - | 3,484 | 25,848 | 25,695 | 2,666 | 1,597 | (115,580) | 56,290 | |
| Other increases (decreases) (*) | (250) | 92 | 116 | - | - | (97) | (28,916) | 1,563 | |
| Total changes | 241 | (7,871) | (35,166) | 10,286 | 1,379 | 393 | 184,881 | (6,157) | |
| Final balance | 109,301 | 161,860 | 403,165 | 99,240 | 8,115 | 5,642 | 608,065 | 740,888 | |

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

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 14 - Property, plant and equipment (continued)

14.2 Reconciliation of changes in property, plant and equipment by type as of September 30, 2013 and December 31, 2012, continued:

| Reconciliation entries of changes in property, plant and equipment by type as of December 31, 2012 | Land | Buildings, net | Machinery, net | Transport equipment, net | Furniture and fixtures, net | Office and equipment, net | Constructions in progress | Other property, plant and equipment, net | P |
|--|---------|----------------|----------------|--------------------------|-----------------------------|---------------------------|---------------------------|--|---|
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | T |
| Opening balance | 108,992 | 146,532 | 424,460 | 82,822 | 5,015 | 5,312 | 297,996 | 683,913 | |
| Changes | | | | | | | | | |
| Additions | 36 | - | 1,092 | 34 | 70 | 323 | 443,349 | 972 | |
| Divestitures | - | - | (115) | - | (67) | (12) | (2,936) | (78) | |
| Depreciation expense | - | (14,800) | (79,534) | (18,400) | (1,858) | (1,857) | - | (79,709) | |
| Increase(decrease) in foreign currency exchange | 32 | (1) | 5 | 15 | - | (13) | - | 68 | |
| Reclassification | - | 37,916 | 92,441 | 24,535 | 3,576 | 1,478 | (287,291) | 127,345 | |
| Other increases (decreases) (*) | - | 84 | (18) | (52) | - | 18 | (27,934) | 14,534 | |
| Total changes | 68 | 23,199 | 13,871 | 6,132 | 1,721 | (63) | 125,188 | 63,132 | |
| Final balance | 109,060 | 169,731 | 438,331 | 88,954 | 6,736 | 5,249 | 423,184 | 747,045 | |

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

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 14 - Property, plant and equipment (continued)

14.3 Detail of property, plant and equipment pledged as guarantee

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

14.4 Additional information

Interest capitalized in construction-in-progress:

The amount capitalized for this concept amounted to ThUS\$13,015 as of September 30, 2013 and ThUS\$ 14,156 as of December 31, 2012.

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 Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 15 - Employee benefits

15.1 Provisions for employee benefits

| Classes of benefits and expenses by employee | 9/30/2013 | 12/31/2012 |
|---|------------------|-------------------|
| | ThUS\$ | ThUS\$ |
| Current | | |
| Profit sharing and bonuses | 13,952 | 33,974 |
| Total | 13,952 | 33,974 |
| Non-current | | |
| Profit sharing and bonuses | 2,477 | 6,056 |
| Severance indemnity payments | 33,992 | 34,431 |
| Pension Plan | 322 | 409 |
| Total | 36,791 | 40,896 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 15 Employee benefits (continued)

15.2 Policies on defined benefit plan

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

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

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

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

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

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

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

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

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

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)**Note 15 - Employee benefits (continued)****15.3 Other long-term benefits**

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

| Staff severance indemnities at actuarial value | 9/30/2013 | 12/31/2012 |
|---|-----------|------------|
| | ThUS\$ | ThUS\$ |
| Staff severance indemnities, Chile | 33,351 | 33,731 |
| Other obligations in companies elsewhere | 641 | 700 |
| Total other non-current liabilities | 33,992 | 34,431 |
| | | |
| SQM North America's pensions plan | 322 | 409 |
| Total post-employment obligations | 322 | 409 |

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

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

Benefit payment conditions

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

Methodology

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

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

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Note 15 - Employee benefits (continued)

15.3 Other long-term benefits, continued

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

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

15.4 Post-employment benefit obligations

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

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

15.5 Staff severance indemnities

As of September 30, 2013 and December 31, 2012, severance indemnities calculated at the actuarial value are as follows:

| | 2013 | 2012 |
|--------------------------|----------|----------|
| | ThUS\$ | ThUS\$ |
| Opening balance | (34,431) | (28,188) |
| Current cost of service | (5,991) | (8,087) |
| Interest cost | (1,023) | (1,037) |
| Actuarial gain/loss | 40 | 40 |
| Exchange rate difference | 1,710 | (2,237) |
| Contributions paid | 5,703 | 5,078 |
| Balance | (33,992) | (34,431) |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)**Note 15 - Employee benefits (continued)****15.5 Staff severance indemnities, continued**

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

| | 9/30/2013 | | 12/31/2012 | | |
|-------------------------------------|-----------|---|------------|---|--------|
| Mortality rate | RV - 2012 | | RV - 2011 | | |
| Actual annual interest rate | 6 | % | 6 | % | |
| Voluntary retirement rotation rate: | | | | | |
| Men | 0.9 | % | 0.9 | % | annual |
| Women | 1.53 | % | 1.53 | % | annual |
| Salary increase | 3.0 | % | 3.0 | % | annual |
| Retirement age: | | | | | |
| Men | 65 | | 65 | | years |
| Women | 60 | | 60 | | years |

Note 16 - Executive compensation plan

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

Characteristics of the plan

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

Participants in this plan

This compensation plan includes 41 executives of the Company, who are entitled to this benefit, provided they stay with the Company during the dates these options are executed. The dates for exercising the options will be the first 7 calendar days of May following to the fiscal year.

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)**Note 16 - Executive compensation plan (continued)****Compensation**

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

The movement of the options in effect for the period, the average prices for the fiscal year of the options and the average contractual life of the options in effect as of September 30, 2013 and December 31, 2012 are the following:

| | | |
|----------------------------------|------------|-----------|
| Movement for the period | 2013 | 2012 |
| In effect as of January 1 | 2,200,500 | 2,340,000 |
| Granted during the fiscal year | 45,000 | 103,500 |
| Redundant workers | (145,500) | 103,500 |
| Exercised during the fiscal year | - | 139,500 |
| In circulation as of December 31 | 2,100,000 | 2,200,500 |
| Average contractual life | 36 months | 40 months |

The amounts accrued by the plan, as of September 30, 2013 and December 31, 2012, amount to:

| | | |
|--------------------------|----------|--------|
| Effect on profit or loss | 2013 | 2012 |
| | ThUS\$ | ThUS\$ |
| Effect on profit or loss | (6,000) | 3,142 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 17 - Disclosures on equity

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

17.1 Capital management

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

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

In addition, capital management must comply with the external capital requirements imposed (or covenants) in its financial obligations, which regulate the indebtedness level in 1.4 times, in its more strict level.

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

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

| CAPITAL MANAGEMENT | 9/30/2013 | 12/31/2012 | Description (1) | Calculation (1) |
|-----------------------|-----------|------------|-----------------|-----------------|
|-----------------------|-----------|------------|-----------------|-----------------|

| | | | | |
|------------------------------|---------|---------|---|---|
| Net Financial Debt MUS\$ | 769,094 | 929,197 | Financial Debt – Financial Resources | Other current Financial Liabilities + Other Non-Current Financial Liabilities – Cash and Cash Equivalents – Other Current Financial Assets – Hedging Assets, non-current |
| Liquidity | 2,80 | 3.69 | Current Asset divided by Current Liability | Total Current Assets / Total Current Liabilities |
| Net Debt / Capitalization | 0.24 | 0.30 | Net Financial Debt divided by Total Equity | Net financial debt / (Net financial debt + Total Equity) |
| ROE | 22.8 | % 30.1 | % Income divided by Total Equity | Total Income / Equity (UH 12 months) |
| ROA | 18.4 | % 25.1 | % EBITDA – Depreciation divided by Net Total Assets of financial resources less related parties investments | (Gross Income – Administrative Expenses)/ (Total Assets – Cash and Cash Equivalents – Other Current Financial Assets Other Non-Current Financial Assets – Equity-accounted Investees) (UH 12 months) |
| Indebtedness | 1.08 | 1.02 | Total Liability on Equity | Total Liabilities / Total Equity |

(1) Assumes the absolute value of the accounting records

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 17 - Disclosures on equity (continued)

17.1 17.1 Capital management, continued

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

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

17.2 17.2 Disclosures on preferred share capital

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

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

Series "A":

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

Series "B":

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

- 2) 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 September 30, 2013 and December 31, 2012, the Group does not maintain shares in the parent either directly or through its companies in which it has investments.

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)**Note 17 - Disclosures on equity (continued)****17.2 Disclosures on preferred share capital, continued**

Detail of types of capital in preference shares:

| Type of capital in preferred shares Description of type of capital in preferred shares | 9/30/2013 | | 12/31/2012 | |
|---|-------------|-------------|-------------|-------------|
| | Series A | Series B | Series A | Series B |
| Number of authorized shares | 142,819,552 | 120,376,972 | 142,819,552 | 120,376,972 |
| Number of fully subscribed and paid shares | 142,819,552 | 120,376,972 | 142,819,552 | 120,376,972 |
| Number of subscribed, partially paid shares | - | - | - | - |
| Par value of shares in ThUS\$ | 0.9435 | 2.8464 | 0.9435 | 2.8464 |
| Increase (decrease) in the number of current shares | - | - | - | - |
| Number of current shares | 142,819,552 | 120,376,972 | 142,819,552 | 120,376,972 |
| Number of shares owned by the entity or its subsidiaries or associates | - | - | - | - |
| Number of shares whose issuance is reserved due to the existence of options or agreements to dispose shares | - | - | - | - |
| Capital amount in shares ThUS\$ | 134,750 | 342,636 | 134,750 | 342,636 |
| Amount of premium issuance ThUS\$ | - | - | - | - |
| Amount of reserves ThUS\$ | - | - | - | - |
| Total number of subscribed shares, total | 142,819,552 | 120,376,972 | 142,819,552 | 120,376,972 |

As of September 30, 2013 and December 31, 2012, the Company has not placed any new issuances of shares on the market.

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 17 - Disclosures on equity (continued)

17.3 Disclosures on reserves in equity

Reserves for currency exchange conversion

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

Reserve for cash flow hedges

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

Reserve for actuarial gains or losses in defined benefit plans

Our subsidiary SQM North America has established pension plans for its retired employees that are calculated by measuring the projected obligation of IAS using a net salary progressive rate net of adjustments to inflation, mortality and turnover assumptions, deducting the resulting amounts at present value using a 6.5% interest rate for 2013 and 2012.

Other reserves

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

| | 9/30/2013 | 12/31/2012 |
|--|-----------|------------|
| | ThUS\$ | ThUS\$ |
| Revaluation surplus | | |
| Reserve for currency exchange conversion | (3,203) | (330) |
| Reserve for cash flow hedges | (7,587) | (16,522) |
| Reserve for actuarial gains or losses in defined benefit plans | (2,243) | (2,243) |
| Other reserves | (1,677) | (1,677) |
| Total other reserves | (14,710) | (20,772) |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 17 - Disclosures on equity (continued)

17.4 Dividend policies

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

The Company's dividend policy for 2013 is as follows:

Distribution and payment in favor of each shareholder of a final dividend which will be equivalent to 50% of Profit for the period obtained in 2013.

Distribution and payment, if possible during 2013, 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 2013 and its amount could not exceed 50% of the retained earnings for distribution obtained during 2013, which are reflected in the Company's financial statements as of September 30, 2013.

The distribution and payment by the Company of the remaining balance of the final dividend related to Profit for the period for the 2013 commercial year in up to two installments, which will have to be effectively paid and distributed prior to June 30, 2014.

An amount equivalent to the remaining 50% of the Company's Profit for the period for 2013 will be retained and destined to the financing of operations of one or more of the Company's investment projects with no prejudice of the possible future capitalization of the entirety or a portion of this.

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

-The Board of Directors considers as necessary to indicate that the aforementioned Dividends Policy correspond to the intention or expectation of the Board regarding this matter. Consequently, the enforcement of such Policy Dividends is necessarily conditioned to net incomes finally obtained, to the results indicating the Company's regular forecasts or

the existence of certain conditions that could affect them. Notwithstanding the above and to the extent that such policy dividend does not suffer a significant change, SQM S.A. will timely communicate its shareholders on this matter.

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 17 - Disclosures on equity (continued)

17.5 Provisional dividends

On April 25th, 2013 in the 38th ordinary shareholders meeting, a dividend payment of US\$1.23323 per share was approved, based on the net income earned through normal business activities in 2012. Taking into account the interim dividend already paid of US\$0.94986 per share, a final dividend of 0.28337 per share was paid and distributed to shareholders of SQM and was recorded in the respective register as of the fifth business day prior to the day of payment. This dividend was paid in the equivalent amount in Chilean pesos in accordance with the value of the 'Observed Dollar' or 'US Dollar' that appeared in the Official Gazette on April 25, 2013.

On November 20, 2012, the Board of Directors of Sociedad Química y Minera de Chile S.A, agreed to pay and distribute to the Company's shareholders a provisional of US\$0.94986 per share. The above, since December 12, 2012, is charged against the income accrued during the first 9 months of said fiscal year, in favor of the Shareholders who appeared registered in SQM's Shareholders Registry by the 5th working day prior to the date the dividend will be paid, and in its equivalent in Chilean pesos according to the value of the "Observed dollar" or "USA dollar" that appears published in the Official Gazette on December 5, 2012.

On April 26, 2012, at the 37th General Shareholders' meeting it was agreed to pay a final dividend of US\$1.03679 per share in relation to net profit for the commercial year 2011. US\$0.73329 per share was already paid as an interim dividend, and this amount should be subtracted from the dividend detailed above. In line with this, the balance, amounting to US\$0.30350 per share, will be paid and distributed among shareholders of the Company who are registered with their respective shareholders registry as of the fifth business day prior to the day in which this dividend will be paid. Such amount, if appropriate, will be paid in its equivalent in Chilean pesos according to the value of the "Observed dollar" or "USA dollar" that appears published in the Official Gazette on April 26, 2012.

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 17 - Disclosures on equity (continued)

17.5 Provisional dividends, continued

Dividends presented deducted from equity are:

| | 9/30/2013 | 12/31/2012 |
|--|-----------|------------|
| | ThUS\$ | ThUS\$ |
| Dividends attributable to owners of the parent | 2,200 | 253,438 |
| Dividends payable | 199,070 | 76,267 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)**Note 18 - Provisions and other non-financial liabilities****18.1 Types of provisions**

| | 9/30/2013 | | | 12/31/2012 | | |
|--|-------------------|---------------------------|-----------------|-------------------|---------------------------|-----------------|
| | Current ThUS\$ | Non- current ThUS\$ | Total ThUS\$ | Current ThUS\$ | Non- current ThUS\$ | Total ThUS\$ |
| Provision for legal complaints (*) | 8,567 | 3,000 | 11,567 | 5,567 | 3,000 | 8,567 |
| Reestructuración | 12,000 | - | 12,000 | - | - | - |
| Provision for dismantling, restoration and rehabilitation cost | - | 4,535 | 4,535 | - | 4,357 | 4,357 |
| Other provisions | 11,573 | - | 11,573 | 12,922 | - | 12,922 |
| Total | 32,140 | 7,535 | 39,675 | 18,489 | 7,357 | 25,846 |

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

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)**Note 18 - Provisions and other non-financial liabilities (continued)**

| 18.2 | Description of other provisions | |
|---|--|----------------------|
| Description of other provisions | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
| Current provisions, other short-term provisions | | |
| Provision for tax loss in fiscal litigation | 1,471 | 1,606 |
| Royalties, agreement with CORFO (the Chilean Economic Development Agency) | 6,249 | 7,712 |
| Fine to Brazil | 2,500 | 2,500 |
| Miscellaneous provisions | 1,353 | 1,104 |
| Total | 11,573 | 12,922 |
| Other long-term provisions | | |
| Mine closure | 4,535 | 4,357 |
| Total | 4,535 | 4,357 |

18.3 Other non-financial liabilities, current

| Description of other liabilities | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
|--|---------------------|----------------------|
| Tax withholdings | 1,064 | 11,887 |
| VAT payable | 1,823 | 16,481 |
| Guarantees received | 1,001 | 872 |
| Accrual for dividend | 199,070 | 76,267 |
| Monthly tax provisional payments | 11,796 | 22,073 |
| Deferred income | 46,538 | 16,291 |
| Withholdings from employees and salaries payable | 6,515 | 7,546 |
| Accrued vacations | 18,866 | 20,710 |
| Other current liabilities | 145 | 73 |
| Total | 286,818 | 172,200 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 18 - Provisions and other non-financial liabilities (continued)**18.4 Changes in provisions as of 9/30/2013**

| Description of items that gave rise to variations | Guarantees | Restructuring | Legal complaints | Provision for | | | Total |
|---|------------|---------------|------------------|-------------------|--|------------------|----------|
| | | | | Onerous contracts | dismantling, restoration and rehabilitation cost | Other provisions | |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Total provisions, initial balance | - | - | 8,567 | - | 4,357 | 12,922 | 25,846 |
| Changes in provisions: | | | | | | | |
| Additional provisions | - | 12,000 | 3,000 | - | 178 | 7,715 | 22,893 |
| Provision used | - | - | - | - | - | (8,927) | (8,927) |
| Increase(decrease) in foreign currency exchange | - | - | - | - | - | (137) | (137) |
| Total provisions, final balance | - | 12,000 | 11,567 | - | 4,535 | 11,573 | 39,675 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 18 - Provisions and other non-financial liabilities (continued)**18.4 Changes in provisions as of 12/31/2012**

| Description of items that gave rise to variations | Guarantees | Restructuring | Legal complaints | Onerous contracts | Provision for | | Other provisions | Total |
|---|------------|---------------|------------------|-------------------|--|------------------|------------------|----------|
| | | | | | dismantling, restoration and rehabilitation cost | Other provisions | | |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Total provisions, initial balance | - | - | 7,571 | - | 3,724 | 14,237 | | 25,532 |
| Changes in provisions: | | | | | | | | |
| Additional provisions | - | - | 1,000 | - | 633 | 8,863 | | 10,496 |
| Provision used | - | - | (4) | - | - | (10,061) | | (10,065) |
| Increase (decrease) in foreign currency exchange | - | - | - | - | - | (117) | | (117) |
| Total provisions, final balance | - | - | 8,567 | - | 4,357 | 12,922 | | 25,846 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

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

18.5

Detail of main types of provisions

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

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

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

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

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

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Note 19 - Contingencies and restrictions

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

19.1 Lawsuits and other relevant events

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

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

3. Plaintiffs :Eduardo Fajardo Nuñez, Ana Maria Canales Poblete, Raquel Beltran Parra, Eduardo Fajardo Beltran and Martina Fajardo Beltran.
 Defendants :SQM Salar S.A. and its insurers
 Date :November 2009
 Court :20th Civil Court in Santiago
 Reason :Labor Accident
 Status :.Ruled in favor of plaintiff for damages of \$600m. Appeal pending.
 Nominal value :ThUS\$1,880

4. Plaintiffs :Compañía Productora de Yodo y Sales S.A.
 Defendants :SQM Químicos S.A. (SQM)

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Date : November 1999
Court : Civil Court of Pozo Almonte
Reason : Partial voidance of mining property Paz II 1 to 25
Status : First instance ruling in favor of SQM. Appeal pending resolution
Nominal value : Approximately ThUS\$162

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Note 19 - Contingencies and restrictions (continued)

19.1 Lawsuits and other relevant events, continued

5. Plaintiff : Compañía Productora de Yodo y Sales S.A.
 Defendant : SQM Químicos S.A. (SQM)
 Date : November 1999
 Court : Civil Court of Pozo Almonte
 Reason : Partial voidance of mining property Paz III 1 to 25
 Status : First instance ruling in favor of SQM. Appeal pending resolution
 Nominal value : Approximately ThUS\$204
6. Plaintiff : City of Pomona, California USA
 Defendant : SQM North America Corporation
 Date : December 2010
 Court : United States District Court Central District of California
 Reason : Payment of expenses and other amount related to the treatment of groundwater to allow for consumption by removing the existing perchlorate in such groundwater and that supposedly come from Chilean fertilizer.
 Status : Conditional waiver as a result of pending appeal. Appeal will be reviewed in a hearing in October of 2013. Awaiting decision.
 Nominal value : Not possible to determine
7. Plaintiff : City of Lindsay, California USA
 Defendant : SQM North America Corporation
 Reason : The lawsuit also was filed against Sociedad Química y Minera de Chile S.A. this lawsuit has not yet been notified to the Company
 Date : December 2010
 Court : United States District Court Eastern District of California
 Reason : Payment of expenses and other amount related to the treatment of groundwater to allow for consumption by removing the existing perchlorate in such groundwater and that supposedly come from Chilean fertilizer.
 Status : Claim. Suspended procedure
 Nominal value : Not possible to determine
8. Plaintiff : Metalúrgica FAT Limitada
 Defendant : SQM Salar S.A.
 Date : August 2011

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Court :9th Civil Court in Santiago
Reason :Compensation for early termination of supply contract and installation of metal structures
Status :.Verdict of \$40m in damages. Appeal pending.
Nominal :ThUS\$175
value

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Note 19 - Contingencies and restrictions (continued)**19.1 Lawsuits and other relevant events, continued**

9. Plaintiff : Angelina Castillo Figueroa and others
 Defendant : SQM Nitratos S.A. and its insurers
 Date : June 2012
 Court : 2nd Civil Court in Santiago
 Reason : Compensation claim for alleged civil liability under tort derived from explosion occurred on September 6, 2010 near Baquedano causing the death of 6 workers
 Status : Evidence.
 Nominal value : ThUS\$9,400
10. Plaintiff : María Angélica Alday Fuentes
 Defendant : Vladimir Roco Alvarez, Compass Catering S.A. and SQM S.A.
 Date : August 2012
 Court : 1st Civil Court in Antofagasta
 Reason : Compensation for moral damages for attempt to sexual abuse.
 Status : Replay to claim.
 Nominal value : ThUS\$200
11. Plaintiff : Workers Union of the Sociedad Industrial Minera Nueva Victoria
 Defendant : SQM S.A. and SQM Industrial S.A.
 Date : May 2013
 Court : Iquique Labor Court of First Instance
 Reason : Charging of benefits allegedly owed due to possible application of bonus for meeting goals
 Status : Trial Preparation Hearings (2)
 Nominal Value : ThS\$400
12. Plaintiff : Sergio Herrera Contreras and others
 Defendant : SQM Salar S.A.
 Date : August 2013
 Court : Antofagasta Labor Court of First Instance
 Reason : Charging of benefits allegedly owed due to possible application of bonus for meeting goals
 Status : Response to law suit
 Nominal Value : ThUS\$160

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Note 19 - Contingencies and restrictions (continued)

19.1 Lawsuits and other relevant events, continued

13. Plaintiff : Cristián Plaza Portilla and others
Defendant : SQM Salar S.A.
Date : August 2013
Court : Antofagasta Labor Court of First Instance
Reason : Charging of benefits allegedly owed due to possible application of bonus for meeting goals
Status : Response to law suit
Nominal Value : ThUS\$160
14. Plaintiff : Ramón Sandoval García
Defendant : EICC Limitada y, subsidiariamente, Skanska Chile S.A. and SQM S.A.
Date : August 2013
Court : Antofagasta Labor Court of First Instance
Reason : Charge for undue dismissal and other benefits
Status : Response to law suit
Nominal Value : ThUS\$480
15. Plaintiff : Workers Union of the Sociedad Industrial Minera Nueva Victoria
Defendant : SQM S.A. and SQM Industrial S.A.
Date : October 2013
Court : Iquique Labor Court of First Instance
Reason : Charging of benefits allegedly owed due to possible application of bonus for meeting goals
Status : Response to law suits (2)
Nominal Value : ThUS\$400

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Note 19 - Contingencies and restrictions (continued)

19.1 Lawsuits and other relevant events, continued

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

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

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

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

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Note 19 - Contingencies and restrictions (continued)

19.2 Restrictions to management or financial limits

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

- To maintain a minimum equity of ThUS\$900,000.

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

To maintain a Total Indebtedness Ratio not higher than 1.4 times Total Indebtedness level defined as the Total Liabilities ratio divided by Total Equity.

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

As of September 30, 2013, the aforementioned financial indicators are as follows:

| Indicator | 9/30/2013 | 12/31/2012 |
|--|-----------|------------|
| Equity ThUS\$ | 2,394,692 | 2,187,446 |
| Net Financial Debt/ EBITDA | 0.84 | 0.83 |
| Indebtedness | 1.08 | 1.02 |
| SQM Industrial and SQM Salar debt / Current assets | 0.02 | 0.04 |

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

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

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

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Note 19 - Contingencies and restrictions (continued)

19.3

Commitments

The subsidiary SQM Salar S.A. has signed a rental contract with the Economic Development Agency (CORFO), which establishes that this subsidiary will pay rent to CORFO for the concept of commercialization of certain mining properties owned by CORFO and for the products resulting from this commercialization. The annual rent stated in the aforementioned contract is calculated on the basis of sales of each type of product. The contract is in force until 2030, and rent began being paid in 1996 reflecting an expense amount of ThUS\$17,931 as of September 30, 2013 (ThUS\$ 27,193 as of December 31, 2012).

19.4

Restricted or pledged cash

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

This guarantee, according to the regulations issued by the Chilean Superintendence of Healthcare is equivalent to the total sum owed to its members and medical providers, Banco de Chile reports the present value of the guarantee to the Chilean Superintendence of Healthcare and Isapre Norte Grande Ltda. on a daily basis. As of September 30, 2013, the guarantee amounts to ThUS\$723.

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Note 19 - Contingencies and restrictions (continued)**19.5 Securities obtained from third parties**

The main security received from third parties (distributors) to guarantee Soquimich Comercial S.A.'s compliance with obligations in contracts of commercial mandates for the distribution and sale of fertilizers amounted to ThUS\$15,440 as of September 30, 2013, as of December 31, 2012 these amounted to ThUS \$4,126 which is detailed as follows:

| Entity name | 9/30/2013 | 12/31/2012 |
|-------------------------------------|-----------|------------|
| | ThUS\$ | ThUS\$ |
| Agrícola Dallaserra Eirl | 263 | - |
| Agrícola Lobert Ltda. | 1,322 | - |
| Agrícola Los Angeles S.A. | 249 | - |
| Agroc Patricio Bornand L. Eirl | 408 | - |
| Agrocomercial Bornand Ltda. | 358 | - |
| Agroindustrial Orzonaga Ltda. | 139 | - |
| Arena Fertilizantes Y Semillas Dist | 298 | - |
| Bernardo Guzman Schmidt | 144 | - |
| Bioleche Comercial Ltda | 3,570 | - |
| Comercial Agrosal Ltda. | 121 | - |
| Contador Frutos S.A. | 1,506 | - |
| Dante Hauri Gomez | 131 | - |
| Fertglobal Chile Ltda. | 992 | 1,042 |
| Gilberto Rivas Y Cia. Ltda. | 141 | - |
| Hortofruticola La Serena | 336 | - |
| Johannes Epple Davanzo | 973 | - |
| Juan Luis Gaete Chesta | 442 | - |
| Lemp Martin Julian | 129 | - |
| Llanos Y Wammes Soc.Com.Ltda. | 992 | 2,084 |
| Neyib Farran Y Cia. Ltda. | 139 | - |
| Sebastian Urrutia Araya | 121 | - |
| Soc.Agr. Huifquenco Cia Ltda. | 122 | - |
| Soc. Agrocom. Julio Polanco | 137 | - |
| Tattersall Agroinsumos S.A. | 1,861 | 1,000 |
| Vicente Oyarce Castro | 546 | - |
| Total | 15,440 | 4,126 |

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

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

| Creditor of the guarantee | Debtor Name | Relationship | Type of guarantee | Pending balances as of the closing date of the financial statements | |
|--|-------------------------------------|--------------|----------------------|---|----------------------|
| | | | | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
| Australian and New Zealand Bank | SQM North America Corp | Subsidiary | Bond | - | - |
| Australian and New Zealand Bank | SQM Europe N.V. | Subsidiary | Bond | - | - |
| Generale Bank | SQM North America Corp | Subsidiary | Bond | - | - |
| Generale Bank | SQM Europe N.V. | Subsidiary | Bond | - | - |
| Kredietbank | SQM North America Corp | Subsidiary | Bond | - | - |
| Kredietbank | SQM Europe N.V. | Subsidiary | Bond | - | - |
| Banks and financial institutions | SQM Investment Corp. N.V. | Subsidiary | Bond | - | - |
| Banks and financial institutions | SQM Europe N.V. | Subsidiary | Bond | - | - |
| Banks and financial institutions | SQM North America Corp | Subsidiary | Bond | - | - |
| Banks and financial institutions | Nitratos Naturais do Chile Ltda. | Subsidiary | Bond | - | - |
| Banks and financial institutions | SQM México S.A. de C.V. | Subsidiary | Bond | - | - |
| Banks and financial institutions | SQM Brasil Ltda. | Subsidiary | Bond | - | - |
| “BNP” | SQM Investment Corp. N.V. | Subsidiary | Bond | - | - |
| Sociedad Nacional de Minería A.G. | SQM Potasio S.A. | Subsidiary | Bond | - | - |
| Scotiabank & Trust (Cayman) Ltd. | Royal Seed Trading A.V.V. | Subsidiary | Bond | 50,031 | 50,235 |
| Scotiabank & Trust (Cayman) Ltd. | Royal Seed Trading A.V.V. | Subsidiary | Bond | 50,338 | 50,164 |
| Bank of America | Royal Seed Trading A.V.V. | Subsidiary | Bond | 40,261 | 40,141 |
| Export Development Canada | Royal Seed Trading A.V.V. | Subsidiary | Bond | 50,190 | 50,020 |
| The Bank of Tokyo-Mitsubishi UFJ Ltd. | Royal Seed Trading A.V.V. | Subsidiary | Bond | 50,259 | 50,140 |
| JP Morgan Chase Bank | SQM Industrial S.A. | Subsidiary | Bond | - | - |
| The Bank of Nova Scotia | SQM Investment Corp. N.V. | Subsidiary | Bond | - | - |
| Morgan Stanley Capital Services | | Subsidiary | Bond | - | - |

| | | | | | |
|--|------------------------------|------------|------|---|---|
| | SQM Investment Corp. N.V. | | | | |
| The Bank of Tokyo-Mitsubishi UFJ Ltd. | SQM Investment Corp. N.V. | Subsidiary | Bond | - | - |

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

| Debtor | | | | Pending balances as of the closing date of the financial statements | |
|-----------------------------|---------------------------|--------------|----------------------|---|----------------------|
| Creditor of the guarantee | Name | Relationship | Type of guarantee | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
| HSBC | SQM Investment Corp. N.V. | Subsidiary | Bond | - | - |
| Deutsche Bank AG | SQM Investment Corp. N.V. | Subsidiary | Bond | - | - |
| Credit Suisse International | SQM Investment Corp. N.V. | Subsidiary | Bond | - | - |

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Note 20 - Revenue

As of September 30, 2013 and 2012, revenue is detailed as follows:

| Types of revenue | January to September 2013 | | July to September 2012 | |
|-----------------------|---------------------------------|-----------|------------------------------|---------|
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Sales of goods | 1,702,923 | 1,822,355 | 518,288 | 612,939 |
| Provision of services | 8,007 | 5,853 | 2,786 | 2,313 |
| Total | 1,710,930 | 1,828,208 | 521,074 | 615,252 |

Note 21 - Earnings per Share

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

As expressed, earnings per share are detailed as follows:

| Basic earnings per share | 9/30/2013 | 9/30/2012 |
|--|-----------|-----------|
| | ThUS\$ | ThUS\$ |
| Earnings (losses) attributable to owners of the parent | 398,139 | 507,417 |

| Number of common shares in circulation | 9/30/2013 | 12/31/2012 |
|--|-------------|-------------|
| | Units | Units |
| | 263,196,524 | 263,196,524 |

9/30/2013 9/30/2012

Basic earnings per share (US\$ per share) 1.5127 1.9279

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

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Note 22 - Borrowing costs

The cost of interest is recognized as expenses in the year in which it is incurred, except for interest that is directly related to the acquisition and construction of tangible property, plant and equipment assets and that complies with the requirements of IAS 23. As of September 30, 2013, total interest expenses incurred amount to ThUS\$44,082 (ThUS\$41,520 as of September 30, 2012).

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

Costs of capitalized interest, property, plant and equipment

The cost of capitalized interest is determined by applying the average or weighted average of all financing costs incurred by the Company to the monthly end balances of works-in-progress meeting the requirements of IAS 23.

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

| | 9/30/2013 | | 9/30/2012 | |
|--|-----------|---|-----------|---|
| Capitalization rate of costs for capitalized interest, property, plant and equipment | 7 | % | 7 | % |
| Amount of costs for interest capitalized in ThUS\$ | 13,015 | | 10,244 | |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 23 - Effect of fluctuations on foreign currency exchange rates**a) Foreign currency exchange differences recognized in profit or loss except for financial instruments measured at fair value through profit or loss:**

| | 9/30/2013 ThUS\$ | 9/30/2012 ThUS\$ |
|---|---------------------|---------------------|
| Conversion foreign exchange gains (losses) recognized in the result of the year. | (11,343) | (17,689) |
| Conversion foreign exchange reserves attributable to the owners of the controlling entity | (2,873) | 702 |
| Conversion foreign exchange reserves attributable to the non-controlling entity | (52) | 91 |

b) Reserves for foreign currency exchange differences:

As of September 30, 2013, and December 31, 2012, foreign currency exchange differences are detailed as follows:

| Detail | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
|---|---------------------|----------------------|
| Changes in equity generated through the equity method: | | |
| Comercial Hydro S.A. | 1,004 | 1,004 |
| SQMC Internacional Ltda. | 31 | 39 |
| Proinsa Ltda. | 23 | 29 |
| Comercial Agrorama Ltda. | 62 | 87 |
| Isapre Norte Grande Ltda. | 27 | 59 |
| Almacenes y Depósitos Ltda. | 77 | 99 |
| Sales de Magnesio Ltda. | 130 | 209 |
| Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A. | 14 | 20 |
| Agrorama S.A. | (11) | (6) |
| Doktor Tarsa | (3,080) | (1,074) |
| SQM Vitas Fzco | (584) | (318) |
| Ajay Europe | - | (275) |
| SQM Eastmed Turkey | (44) | (42) |
| Charlee SQM (Thailand) Co. Lta. | (61) | (32) |
| Coromandel SQM India | (244) | (118) |
| SQM Italia SRL | 60 | 28 |

| | | | | |
|-------------------------|--------|---|------|---|
| SQM Oceania Pty Limited | (619 |) | (39 |) |
| SQM Indonesia S.A. | 12 | | - | |
| Total | (3,203 |) | (330 |) |

c) Functional and presentation currency

The functional currency in these companies corresponds to the currency of the country of origin of each entity, and its presentation currency is the US dollar.

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Note 23 - Effect of fluctuations on foreign currency exchange rates (continued)

d) Reasons to use one presentation currency and a different functional currency

- The total revenues of these subsidiaries are associated with the local currency.
- The commercialization cost structure of these companies is affected by the local currency.
- The equities of these companies are expressed in local currency (Chilean peso).

Note 24 - Environment

24.1 Disclosures of disbursements related to the environment

The Company is continuously concerned with protecting the environment both in its production processes and with respect to products manufactured. This commitment is supported by the principles indicated in the Company's Sustainable Development Policy. The Company is currently operating under an Environmental Management System (EMS) that has allowed it to strengthen its environmental performance through the effective application of the Company's Sustainable Development Policy.

Operations that use caliche as a raw material are carried out in desert areas with climatic conditions that are favorable for drying solids and evaporating liquids using solar energy. Operations involving the open-pit extraction of minerals, due to their low waste-to-mineral ratio, generate remaining deposits that slightly alter the environment. A portion of the ore extracted is crushed, a process in which particle emissions occur. Currently this operation is conducted only at the Pedro de Valdivia worksite and no ore crushing process is conducted in the Maria Elena sector.

Many of the Company's products are shipped in bulk at the Port of Tocopilla. In 2007 the city of Tocopilla was declared a zone Saturated with MP10 Particles mainly due to the emissions from the electric power plants that operate in that city. In October 2010 the Decontamination Plan for Tocopilla was put in place. Accordingly, the Company has committed to taking several measures to mitigate the effects derived from bulk product movements in the port. These measures have been successfully implemented since 2007.

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

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Note 24- Environment (continued)

24.1 Disclosures of disbursements related to the environment, continued

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

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

24.2 Detail of information on disbursements related to the environment

The accumulated disbursements in which the Company incurred as of September 30, 2013 for the concept of investments in production processes, verification and control of compliance with ordinances and laws relative to industrial processes and facilities, including prior year disbursements related to these projects amounted to ThUS\$18,382 and are detailed as follows:

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Note 24- Environment (continued)

24.2 Detail of information on disbursements related to the environment, continued

Accumulated expenses as of 9/30/2013

| Identification of Parent or subsidiary | Name of the Project with which the disbursement is associated | Concept for which the disbursement was made |
|---|---|--|
| SQM Industrial S.A. | Environmental and Community Management (Expense as the first quarter of 2013) | Not classified |
| SQM Industrial S.A. | CQLX-SCarmen and Lagarto hazardous waste yard | Sustainability |
| SQM Industrial S.A. | JQH9 – Purchase of Bertrams Boiler | Sustainability: Environment and Risk prevention |
| SQM Industrial S.A. | A. MNYS - Measures of Technological Change | Environmental processing |
| SQM Industrial S.A. | Cultural Heritage Dissemination Maria Elena | Environmental processing |
| SQM Industrial S.A. | MP5W - Normalization TK´s Combustibles | Sustainability: Environment and Risk prevention |
| SQM Industrial S.A. | MPQU - Construction of Hazardous Chemical Supplies warehouse | Sustainability: Environment and Risk prevention |
| SQM Industrial S.A. | MQA8- Normalization gas system, external cafeterias (Stage 1: projects) | Sustainability: Environment and Risk prevention |
| Sqm Industrial S.A. | MQ8M - Reconditioning monitoring station ME | Sustainability: Environment and Risk prevention |
| SQM Industrial S.A. | MQHF -Sustaining of batteries ME | Sustainability: Environment and Risk prevention |
| Sqm Industrial S.A. | MQK2-Elimination of PCBs I | Sustainability: Environment and Risk prevention |
| SQM Industrial S.A. | PPC1-Remove switches park PCB sub 3 and 1/12 Pedro de Valdivia | Sustainability: Environment and Risk prevention |
| SQM Industrial S.A. | PPZU - Standardize and certify Plant Fuel Tanks | Environmental processing |
| SQM Industrial S.A. | SQ7X-Reach 2011-2013 | Sustainability: Environment and Risk prevention |
| SQM Industrial S.A. | TQA2 - Drainage Improvement Villa Prat | Sustainability: Environment and Risk prevention |
| Sqm Industrial S.A. | IQWZ – NORMALIZATION TK LIQUID FUELS NV | Sustainability: Environment and Risk prevention |
| SQM Industrial S.A. | JQ8K – DIA Line 4 Floor Drying, Coya Sur | Environmental processing |
| SQM Industrial S.A. | FP55 - FPXA-EIA Pampa Blanca Expansion | Environmental processing |
| SQM Industrial S.A. | JQB6 - DIA Plant NPT4, Coya Sur | Environmental processing |
| SQM Industrial S.A. | PQLV-DIA Pedro de Valdivia Mine | Environmental processing |
| SQM S.A. | IPFT-Cultural Heritage Region I | Sustainability |

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Note 24- Environment (continued)

24.2 Detail of information on disbursements related to the environment, continued

Accumulated expenses as of 9/30/2013, continued

| Identification of Parent or subsidiary | Name of the Project with which the disbursement is associated | Concept for which the disbursement was made |
|---|--|--|
| SQM S.A. | IPXE-Environmental monitoring plan Llamara Salt Flat | Cost reduction |
| SQM S.A. | IPXF-Environmental monitoring plan Pampa del Tamarugal | Sustainability: Environment and Risk prevention |
| SQM S.A. | IQ1M-PSA Re-injection of water to Puquíos Llamara | Sustainability: Environment and Risk prevention |
| SQM S.A. | IQ3S-Hazardous Materials Management Standardization | Sustainability |
| SQM S.A. | IQ53-Cultural heritage route Soronal adduction (Pampa Hermosa) | General Projects (ThUS\$ < 50) |
| SQM S.A. | IQ54-Cultural heritage Pampa Hermosa | Minor projects (between ThUS\$50 and ThUS\$100) |
| SQM S.A. | IQOW-Deposit authorization for Humberstone heritage | Sustainability: Environment and Risk prevention |
| SQM S.A. | IQPJ-Mine Area equity measures Stage I | Sustainability |
| SQM S.A. | MQLQ-Gas scrubbing system | Not Classified |
| SQM S.A. | IQ6M - IQ6N-DIA Nueva Victoria Sur mine expansion | Environmental Processing |
| SQM S.A. | IP83-DIA Expansion TLN-15 | Environmental Processing |
| SQM S.A. | IQX6 – Environmental Management Plan for Tamarugos Pampa del Tamarugal 2013-2014 | Sustainability: Environment and Risk prevention |
| SQM S.A. | IQXB – Environmental Management Plan for Tamarugos Salar de Llamara 2013-2014 | Sustainability: Environment and Risk prevention |
| SQM Salar S.A. | LQDM-Certification of tanks | Sustainability: Environment and Risk prevention |
| SQM Salar S.A. | LQI6-EIA Operating Maintenance at Salar de Atacama | Environmental Processing |
| SQM Salar S.A. | LQNI-DIA KCl floor drying and compacting expansion | Environmental Processing |
| SIT S.A. | TPYX-Enabling the dust collector of the crib and court seal 3 Tocopilla | Sustainability: Environment and Risk prevention |
| SIT S.A. | TQAV-Paving paths IV | Sustainability |

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Note 24- Environment (continued)

24.2 Detail of information on disbursements related to the environment, continued

Accumulated expenses as of 9/30/2013, continued

| Identification of Parent or subsidiary | Name of the Project with which the disbursement is associated | Concept for which the disbursement was made will be made |
|---|--|---|
| SIT S.A. | TQQ5- Environmental curtains Field No. 8 | Sustainability: Environment and Risk prevention |
| SQM S.A. | IQWS – Equity measures of Stage II Mining Areas | Sustainability: Environment and Risk prevention |
| SQM Nitratos S.A. | IQMH - Normalization Mine NV area operation | Sustainability: Environment and Risk prevention |
| SQM Nitratos S.A. | PQ19 – Mine waste water treatment plant | Sustainability: Environment and Risk prevention |
| SQM Salar S.A. | LQ38-Field Drying Sludge | Sustainability |
| SQM Salar S.A. | LQ8 – Waste room Toconao Campsite | Sustainability: Natural Resources |
| Total | | |

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Note 24- Environment (continued)

24.2 Detail of information on disbursements related to the environment, continued

Future expenses as of 9/30/2013

| Identification of Parent or subsidiary | Name of the Project with which the disbursement is associated | Concept for which the disbursement was made or will be made |
|---|---|--|
| SQM Industrial S.A. | Enviomental Operations MNYS - Measures of Technological Change Cultural Heritage | Not Classified |
| SQM Industrial S.A. | Dissemination Maria Elena | Environmental processing |
| SQM Industrial S.A. | MP5W - Normalization TK's Combustibles | Sustainability: Environment and Risk prevention |
| SQM Industrial S.A. | MPQU - Construction of Hazardous Chemical Supplies warehouse | Sustainability: Environment and Risk prevention |
| SQM Industrial S.A. | MQA8- Normalization gas system, external cafeterias (Stage 1: projects) | Sustainability: Environment and Risk prevention |
| SQM Industrial S.A. | MQ8M - Reconditioning monitoring station ME | Sustainability: Environment and Risk prevention |
| Sqm Industrial S.A. | MQK2-Elimination of PCBs I | Sustainability: Environment and Risk prevention |
| SQM Industrial S.A. | PPC1-Remove switches park PCB sub 3 and 1/12 Pedro de Valdivia | Sustainability: Environment and Risk prevention |
| SQM Industrial S.A. | PPZU - Standardize and certify Plant Fuel Tanks | Environmental Processing |
| SQM Industrial S.A. | IQWZ - Normalization TK liquid fuels NV | Sustainability: Environment and Risk prevention |
| SQM Industrial S.A. | FP55 - FPXA – EIA Pampa Blanca Expansion | Environmental Processing |
| SQM Industrial S.A. | PQLV – EIS Pedro de Valdivia Mine | Environmental Processing |
| SQM Industrial S.A. | PQXM – EIS Operation with Heaps in PV | Environmental Processing |
| SQM S.A. | IPFT-Cultural Heritage Region I | Sustainability |
| SQM S.A. | IPXE-Environmental monitoring plan Llamara Salt Flat | Cost reduction |
| SQM S.A. | IQ1M-PSA Re-injection of water to Puquíos Llamara | |

| | | |
|----------|---|---|
| SQM S.A. | IQ3S-Hazardous Materials Management Standardization | Sustainability: Environment and Risk prevention |
| SQM S.A. | IQ54-Cultural heritage Pampa Hermosa | Sustainability Minor projects (between ThUS\$50 and ThUS\$299) |

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Note 24- Environment (continued)

24.2 Detail of information on disbursements related to the environment, continued

Future expenses as of 9/30/2013

| Identification of Parent or subsidiary | Name of the Project with which the disbursement is associated | Concept for which the disbursement was made or will be made |
|---|--|--|
| SQM S.A. | IQPJ-Mine Area equity measures Stage I | Sustainability |
| SQM S.A. | MQLQ-Gas scrubbing system | Not Classified |
| SQM S.A. | IQX6 – Environmental management Plan for Tamarugos Pampa del Tamarugal 2013-2014 | Sustainability: Environment and Risk prevention |
| SQM S.A. | IQXB – Environmental management Plan for Tamarugos Salar de Llamara 2013-2014 | Sustainability: Environment and Risk prevention |
| SQM Salar S.A. | LQDM-Certification of tanks | Sustainability: Replacement of Equipment |
| SQM Salar S.A. | LQSZ-Gas Certification for Casino Andino | Sustainability: Environment and Risk prevention |
| SQM Salar S.A. | LQI6-EIA Operating Maintenance at Salar de Atacama | Environmental Processing |
| SQM Salar S.A. | LQG8 – Waste room Toconao Campsite | Sustainability: Natural Resources |
| SIT S.A. | TPYX-Enabling the dust collector of the crib and court seal 3 Tocopilla | Sustainability: Environment and Risk prevention |
| SIT S.A. | TQLY-Dust extractor packing machine No 1. | Environmental Processing |
| SIT S.A. | TQQ5-Environmental Curtains Field No. 8 | Sustainability: Environment and Risk prevention |
| SQM S.A. | IQWS - Equity measures of Stage II Mining Areas | Sustainability: Environment and Risk prevention |
| SQM Nitratos S.A. | IQMH-Normalization Mine NV area operation | Sustainability: Environment and Risk prevention |
| TOTAL | | |

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Note 24- Environment (continued)

24.2 Detail of information on disbursements related to the environment, continued

Accumulated expenses as of 12/31/2012, continued

| Identification of the Parent or subsidiary | Name of the project with which the disbursement is associated | Concept for which the disbursement was made or will be made | Asset / Expense | De the exp |
|---|---|--|------------------------|-------------------|
| SQM Industrial S.A. | Environmental Management (Expense as of December 2012) | Not classified | Expense | No |
| SQM Industrial S.A. | IQ8G – Improvement of Bureau of Exchange, offices and facilities | Sustainability | Asset | No |
| SQM Industrial S.A. | JQEZ – Change of Bertrams Prilling Boiler CS | Sustainability: Replacement of equipment | Asset | De |
| SQM Industrial S.A. | JQH9 – Purchase of Bertrams Boiler | Sustainability: Replacement of equipment | Asset | De |
| SQM Industrial S.A. | MNYS - Measures of Technological Change Cultural Heritage Dissemination Maria Elena | Sustainability: Environment and Risk prevention | Expense | No |
| SQM Industrial S.A. | MP5W - TK's Fuel Standards | Sustainability | Asset | No |
| SQM Industrial S.A. | MPQU - Construction of Hazardous Chemical Supplies warehouse | Sustainability: Environment and Risk prevention | Asset | De |
| SQM Industrial S.A. | MQ8M - Reconditioning monitoring station ME | Sustainability: Renovation | Expense | No |
| SQM Industrial S.A. | MQA8 – Normalization gas systems peripheral casinos (stage 1 of project) | Not classified | Expense | No |
| SQM Industrial S.A. | MQAJ - Improvements to Camp Water and Sewage (P Contesse commitment to DDSS) | Not classified | Expense | No |
| SQM Industrial S.A. | MQBM - Archaeological Digging Deployment Maria Elena - Toco | Sustainability: Environment and Risk prevention | Expense | No |
| SQM Industrial S.A. | MQHF- Pilas ME Maintenance | Sustainability | Asset | No |
| SQM Industrial S.A. | MQK2- Elimination of PCBs I | Not classified | Expense | No |

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Note 24- Environment (continued)

24.2 Detail of information on disbursements related to the environment, continued

Accumulated expenses as of 12/31/2012, continued

| Identification of the Parent or subsidiary | Name of the project with which the disbursement is associated | Concept for which the disbursement was made or will be made | Asset / Expense |
|---|--|--|------------------------|
| SQM Industrial S.A. | PPC1 - Remove switches park OCB sub 3 and 1/12 Pedro de Valdivia | Sustainability: Replacement of equipment | Expense |
| SQM Industrial S.A. | PPNK - Management of Ammonia PV stoppage plant | Environment and Risk prevention Sustainability: | Asset Expense |
| SQM Industrial S.A. | PPZU - Standardize and certify Plant Fuel Tanks | Environment and Risk prevention | Asset |
| SQM Industrial S.A. | SQ7X - Reach 2011-2013 | Sustainability | Expense |
| SQM Industrial S.A. | TQA2 - Improvement sewage Villa Prat | Not classified | Expense |
| SQM Industrial S.A. | JQ8K - DIA Line 4 Floor Drying , Coya Sur (Project: Drying Line 4) | Environmental procedure | Asset |
| SQM Industrial S.A. | FP55 - FPXA - Zone Mine EIS PB - PB Expansion EIS (Projects: Pampa Blanca Saltwater - Saltwater Stage I) | Environmental procedure | Asset |
| SQM Industrial S.A. | JQB6 - NPTIV (DIA Planta NPT4, Coya Sur) | Environmental procedure | Asset |
| SQM Industrial S.A. | PQLV- Mine PV New Area (DIA Pedro de Valdivia Mine) | Ambient procedure | Expense |
| SQM Industrial S.A. | CQLX-Yard for Hazrdous Waste - S. del Carmen and Lagarto | Sustainability | Expense |
| SQM S.A. | MQLQ- Gas Washing System | Sustainability: Risk Prevention and Environment | Asset |
| SQM S.A. | AQ0A - Well Drilling 4 Uptake Change Point Tamarugal Pampa | Sustainability: Natural Resources | Asset |

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Note 24- Environment (continued)

24.2 Detail of information on disbursements related to the environment, continued

Accumulated expenses as of 12/31/2012, continued

| Identification of the Parent or subsidiary | Name of the project with which the disbursement is associated | Concept for which the disbursement was made or will be made | Asset / Expense | Description of the asset or expense Item |
|---|--|--|------------------------|---|
| SQM S.A. | IPFT - Cultural Heritage Region I | Sustainability | Expense | Not classified |
| SQM S.A. | IPXE - Environmental Monitoring Plan Llamara Salt flat | Cost reduction | Expense | Not classified |
| SQM S.A. | IPXF - Environmental Monitoring Plan Pampa del Tamarugal | Sustainability: Environment and Risk prevention | Expense | Not classified |
| SQM S.A. | IQ08 - PSA Llamara & Pampa del Tamarugal | Sustainability: Environment and Risk prevention | Asset | Development |
| SQM S.A. | IQ0C - Mine Area Enhancement NV | Sustainability: Environment and Risk prevention | Expense | Not classified |
| SQM S.A. | IQ1K - Construction of 3 observation wells in Sur Viejo | Capacity Expansion | Asset | Development |
| SQM S.A. | IQ1M - PSA Re-injection of water to Puquios Llamara | Sustainability: Environment and Risk prevention | Asset | Not classified |
| SQM S.A. | IQ3S- Hazardous Materials Management Standardization | Sustainability | Asset - Expense | Not classified |
| SQM S.A. | IQ52 - New Victoria Environment Office | Minor projects (between ThUS\$50 and ThUS\$299) | Expense | Not classified |
| SQM S.A. | IQ53 - Cultural heritage route Soronal adduction (Pampa Hermosa) | General projects (< ThUS\$50) | Expense | Not classified |
| SQM S.A. | IQ54 - Cultural heritage Pampa Hermosa | Minor projects (between ThUS\$50 and ThUS\$299) | Asset | Not classified |
| SQM S.A. | IQ9V – Quillagua Project | Minor projects (between ThUS\$50 and ThUS\$299) | Expense | Not classified |

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Note 24- Environment (continued)

24.2 Detail of information on disbursements related to the environment, continued

Accumulated expenses as of 12/31/2012, continued

| Identification of the Parent or subsidiary | Name of the project with which the disbursement is associated | Concept for which the disbursement was made or will be made | Asset / Expense | Description of the asset or expense Item |
|---|--|--|------------------------|---|
| SQM S.A. | PQB9-PQB9 - Change of exhaust extractor SO2 gas | Not classified | Asset | Not classified |
| SQM S.A. | MQLQ- Gas scrubbing system | Not classified | Asset | Development |
| SQM S.A. | IQOW- Deposit authorization for Humberstone heritage | Sustainability: Environment and Risk prevention | Expense | Not classified |
| SQM S.A. | IQPJ- Mine Area equity measures Stage I | Sustainability | Expense | Not classified |
| SQM S.A. | IQ6M -IQ6N-DIA Nueva Victoria Sur Mine Expansion | Environmental processing | Asset | Not classified |
| SQM S.A. | IP83 - DIA Expansion TLN-15 | Environmental processing | Asset | Not classified |
| SQM Salar S.A. | CQ4M – Regularization of Contractor facilities | Sustainability: Environment and Risk prevention | Asset | Not classified |
| SQM Salar S.A. | CQ8U - New Changing Room CL - HL | Sustainability: Environment and Risk prevention | Asset | Not classified |
| SQM Salar S.A. | LP82 - Project for the Promotion of Agricultural Activity in Communities of the Salt deposit | Sustainability: Environment and Risk prevention | Expense | Development |
| SQM Salar S.A. | LPTF – Environmental study and exploration 2010 | Environmental processing | Expense | Not classified |
| SQM Salar S.A. | LPTJ - Improvements Sanitary Works | Sustainability | Asset | Not classified |
| SQM Salar S.A. | LQDM – Certification of tanks | Sustainability: Replacement of equipment | Asset | Not classified |
| SQM Salar S.A. | LQI6-EIA Operating maintenance at Salar de Atacama | Environmental processing | Asset | Not classified |
| SQM Salar S.A. | LQNI-DIA KCI Floor Drying and compacting expansion | Environmental processing | Asset | Not classified |

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Note 24- Environment (continued)

24.2 Detail of information on disbursements related to the environment, continued

Accumulated expenses as of 12/31/2012, continued

| Identification of the Parent or subsidiary | Name of the project with which the disbursement is associated | Concept for which the disbursement was made or will be made | Asset / Expense | Description of the asset or expense Item |
|---|---|--|------------------------|---|
| SIT S.A. | MQ6Y-MQ6Y - Maintenance and repair of ME and Tocopilla bureau of exchange | Sustainability: Environment and Risk prevention | Expense | Not classified |
| SIT S.A. | TPR8 - Disposal of liquid waste generation by aspiration | Sustainability | Expense | Not classified |
| SIT S.A. | TPYX - Enabling the dust collector of the crib and court seal 3 Tocopilla | Sustainability: Environment and Risk prevention | Asset / Expense | Development |
| SIT S.A. | TQAP - Paving Field No. 3 and No. 4 | Capacity Expansion | Expense | Not classified |
| SIT S.A. | TQAV - Paving paths IV | Sustainability | Asset | Development |
| SIT S.A. | TQM2- Unloading/loading encapsulation project/Field 1 and 8 | Sustainability | Asset | Not classified |
| SIT S.A. | TQLY- Dust extractor packing machine No. 1 | Environmental processing | Asset | Not classified |
| SIT S.A. | TQNA- Tocopilla weather station (Tocopilla Decontamination Plan Network) | Sustainability: Environment and Risk prevention | Asset | Not classified |
| SIT S.A. | TQQ5- Environmental curtains Field No. 8 | Sustainability: Environment and Risk prevention | Expense | Not classified |
| SQM Nitratos S.A. | IQDN - Storage Rises – Maintenance of Mine NV | Not classified | Asset | Not classified |
| Minera Nueva Victoria S.A. | IQ4C - Development Camp (Osmosis and Others) | Minor projects (between ThUS\$50 and ThUS\$299) | Asset | Not classified |
| SQM Nitratos S.A. | PQI9 – Mine waste water treatment plant | Sustainability: Environment and Risk prevention | Asset | Not classified |
| SQM Nitratos S.A. | IQMH - Normalization Mine NV area operation | Sustainability: Environment and Risk prevention | Asset | Not classified |

SQM Salar S.A. LQFD – Bureaus of exchange

Not classified

Asset

Not classified
TOTAL

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Note 24- Environment (continued)

24.2 Detail of information on disbursements related to the environment, continued

Future expenses as of 12/31/2012

| Identification of the Parent or subsidiary | Name of the project with which the disbursement is associated | Concept for which the disbursement was made or will be made | Asset / Expense | Description of the asset or expense Item |
|---|--|--|------------------------|---|
| SQM Industrial S.A. | Environmental and Community Management (Budget available for the second quarter of 2012) | Not classified | Expense | Not classified |
| SQM Industrial S.A. | MNYS - Measures of Technological Change Cultural Heritage Dissemination Maria Elena | Environmental processing | Expense | Not classified |
| SQM Industrial S.A. | MP5W - Normalization TK's Combustibles | Sustainability: Environment and Risk prevention | Asset | Not classified |
| SQM Industrial S.A. | MPQU - Construction of Hazardous Chemical Supplies warehouse | Sustainability: Environment and Risk prevention | Asset | Development |
| SQM Industrial S.A. | MQHF -Sustaining of batteries ME | Sustainability: Environment and Risk prevention | Asset - Expense | Not classified |
| SQM Industrial S.A. | PPC1-Remove switches park OCB sub 3 and 1/12 Pedro de Valdivia | Sustainability: Environment and Risk prevention | Expense | Not classified |
| SQM Industrial S.A. | PPZU - Standardize and certify Plant Fuel Tanks | Environmental processing | Asset | Not classified |
| SQM Industrial S.A. | SQ7X-Reach 2011-2013 | Sustainability: Environment and Risk prevention | Expense | Not classified |
| SQM Industrial S.A. | TQA2 - Drainage Improvement Villa Prat | Sustainability: Environment and Risk prevention | Expense | Not classified |
| SQM Industrial S.A. | CQLX- SCarmen and Lagarto hazardous waste yard | Sustainability | Asset | Not classified |
| | | Sustainability | Asset | Research |

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|---------------------|---|---|---------|----------------|
| SQM Industrial S.A. | JQL7- KNO3 prilled dust collection and drying engineering and project | | | |
| SQM Industrial S.A. | MQBM - Archaeological Digging Deployment Maria Elena - Toco | Sustainability: Environment and Risk prevention | Expense | Not classified |
| SQM Industrial S.A. | MQK2 – Elimination of PCBs I | Sustainability: Environment and Risk prevention | Expense | Not classified |
| SQM Industrial S.A. | FP55 - FPXA-EIA Pampa Blanca Expansion | Environmental processing | Asset | Not classified |

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Note 24- Environment (continued)

24.2 Detail of information on disbursements related to the environment, continued

Future expenses as of 12/31/2012

| Identification of the Parent or subsidiary | Name of the project with which the disbursement is associated | Concept for which the disbursement was made or will be made | Asset / Expense | Description of the asset or expense Item |
|---|--|--|------------------------|---|
| SQM Industrial S.A. | JQB6 - DIA Plant NPT4, Coya Sur | Environmental processing | Asset | Not classified |
| SQM Industrial S.A. | PQLV-DIA Pedro de Valdivia Mine | Environmental processing | Asset | Not classified |
| SQM S.A. | IPFT - Cultural Heritage Region I | Sustainability | Expense | Not classified |
| SQM S.A. | IPXE - Environmental Monitoring Plan Llamara Salt flat | Cost reduction | Expense | Not classified |
| SQM S.A. | IPXF - Environmental Monitoring Plan Pampa del Tamarugal | Sustainability: Environment and Risk prevention | Expense | Not classified |
| SQM S.A. | IQ1M - PSA Re-injection of water to Puquios Llamara | Sustainability: Environment and Risk prevention | Asset | Not classified |
| SQM S.A. | IQ3S- Hazardous Materials Management Standardization | Sustainability | Asset - Expense | Not classified |
| SQM S.A. | IQ54 - Cultural heritage Pampa Hermosa | Minor projects (between ThUS\$50 and ThUS\$299) | Asset | Not classified |
| SQM S.A. | MQLQ- Gas scrubbing system | Not classified | Asset | Development |
| SQM S.A. | IQOW- Deposit authorization for Humberstone heritage | Sustainability: Environment and Risk prevention | Expense | Not classified |
| SQM S.A. | IQ6M -IQ6N-DIA Nueva Victoria Sur Mine Expansion | Environmental processing | Asset | Not classified |
| SQM Salar S.A. | LQDM – Certification of tanks | Sustainability: Replacement of equipment | Asset | Not classified |

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| | | | | |
|----------------|---|--|-----------------|----------------|
| SQM Salar S.A. | LQI6-EIA Operating maintenance at Salar de Atacama | Environmental processing | Asset | Not classified |
| SQM Salar S.A. | LQNI-DIA KCI Floor Drying and compacting expansion | Environmental processing | Asset | Not classified |
| SIT S.A. | TPYX - Enabling the dust collector of the crib and court seal 3 Tocopilla | Sustainability: Environment and Risk prevention | Asset / Expense | Development |

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Note 24- Environment (continued)

24.2 Detail of information on disbursements related to the environment, continued

Future expenses as of 12/31/2012

| Identification of the Parent or subsidiary | Name of the project with which the disbursement is associated | Concept for which the disbursement was made or will be made | Asset / Expense | Description of the asset or expense Item |
|---|--|--|------------------------|---|
| SIT S.A. | TQAV - Paving paths IV | Sustainability | Asset | Development |
| SIT S.A. | TQQ5- Environmental curtains Field No. 8 | Sustainability: Environment and Risk prevention | Expense | Not classified |
| SQM Nitratos S.A. | IQMH - Normalization Mine NV area operation | Sustainability: Environment and Risk prevention | Asset | Not classified |
| SQM Salar S.A. | LQG8 – Waste room Toconao Campsite | Sustainability: Natural Resources | Expense | Not classified |
| | | | | Total |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Nota 24 – Environment (continued)

24.3 Description of each project, indicating whether they are in process or have been finished

SQM Industrial S.A.

CQLX: The project includes the construction at each location a courtyard of 145 m² approx. The project is in process.

JQH9: The purpose of this project is to purchase Bertram's boilers in order to improve the combustion levels, decreasing and controlling the emission of fumes to the environment. The project is in process.

IQWZ: Perform Survey of Tank facilities (certified, mechanical, piping, electrical and instrumentation) by a specialist company in the area of liquid fuels and with the capacity as a certifying body. Perform the Detail Engineering and then perform the implementation of the changes required to normalize the TKs facilities and leave them in conditions to be declared and registered with the SEC. The budget of MUS\$ 123 only covers the costs associated to the survey and Detail Engineering. Project underway.

MNYS: Preparation and execution of a project of geoglyphs conservation; editing and publishing a book and implementing a diffusion center. Construction of a collection deposit. All these are compensation measures of the project Technological Change Maria Elena. The project is in process.

MP5W: Normalization of the fuel storage and distribution system in SQM installations. The project is in process.

MPQU: Construction of warehouses for dangerous chemicals supplies in order to decrease the chance of accidents and pollution. The project is in process.

MQA8: Normalization of gas networks of peripheral casinos (stage 1: projects): CS, Lagarto, Iodum, PV, Toco and Rancho 6. The Project is in process.

MQHF: Enable a wastewater plant in Toco according to SD 594, a change room for operators and contractors, among other things. The project is in process.

MQK2: The project involves the decontamination of equipment and items contaminated with PCBs and / or final disposal in accordance with applicable regulations. The project is in process.

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 24 – Environment (continued)

24.3 Description of each project indicating whether they are in process or have been finished
(continued)

PPC1: Purchase and replacement of equipment contaminated with PCB and obsolete equipment without spare parts. The project is in process.

PPZU: The necessary actions to normalize and certify certified fuel tanks in the plants in María Elena, Coya Sur and Pedro de Valdivia were performed. The project is in process.

SQ7X: The purpose of this project is obtaining and recording information of components and finished products of SQM in the ECHA database to comply with the requirements set forth by the REACH regulation of the European Union. The project is in process.

TQA2: This project aims to improve the sewerage system of Villa Prat. The project is in process.

JQ8K: This project has the purpose of building a new drying plant in Coya Sur. The projected expenses correspond only to the environmental filing. The project is in process.

FP55 – FPXA: These 2 projects have a final objective consisting in the installation of a sea water sucking system of 87 km from the Mejillones area to the SQM facilities located in Pampa Blanca. The projected expenses correspond only to the filing of the EIA of the PB mine zone and the EIA of the PB expansion. Both projects are in process.

JQB6: Preparation and filing of the EID of project NPT4 of Coya Sur, which increases the salt production capacity. The project is in process.

PQLV: Preparation and filing of EID Pedro de Valdivia. The project is in process.

JQL7: Conduct a study to optimize future dust collection and product lost in KNO₃ Drying and Prilling plants in CS. Achieve an exact estimate of product loss in dust format.

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 24 - Environment (continued)

24.3 Description of each Project indicating whether they are in process or have been finished (continued)

SOM S.A.

IPFT: The project contemplates the implementation of measures committed in projects in the area of the Nueva Victoria mine, update of operations in Nueva Victoria, evaporation ducts and pits in Iris. The project is in process.

IPXE: To implement the plan of environment follow-up of Project Pampa Hermosa in Salar de Llamara. The project is in process.

IPXF: To implement the environment plan follow-up of the project Pampa Hermosa in Pampa del Tamarugal. The project is in process.

IQ1M: To implement environmental commitments included in the EIS of project "Pampa Hermosa" to safeguard the puquios zone that is in the Salar de Llamara water reservoir. The project is in process.

IQ3S: Improvements in the storage installations of dangerous raw materials in Nueva Victoria. The project is in process.

IQ53: To perform equity assay to the new location of the Soronal abduction trace Project Pampa Hermosa approved through N° 890/2010. The project is in process.

IQ54: This corresponds to the implementation of environmental commitments acquired through the environment assessment of the project Pampa Hermosa (RCA N°890/2010). The project is in process.

IQOW: Enable a deposit in Humberstone Saltpeter to store material of heritage interest recovered in land campaigns of Project ZMNV (performed and to be performed).

IQPJ: The project consists of the implementation of heritage measures involved in the Environmental Assessment for the mine areas. The measures will be implemented according to the requirements of the mining operation VPONV.

IQWS: Implementation of patrimonial environmental commitments for releasing Mining Areas in 2013, necessary for the performance of Mining exploitation of the VPONV, while complying with the commitments acquired through the Environmental Assessment System (EAS). Project underway.

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 24 - Environment (continued)

24.3 Description of each Project indicating whether they are in process or have been finished
(continued)

IPXE: To implement the plan of environment follow-up of Project Pampa Hermosa in Salar de Llamara. The project is in process.

MLQ: Design and implement a system to scrub gases allowing mitigating SO2 emissions, this system should be aligned to SQM's Sustainable Development Policy. The project is in process.

IQ6M – IQ6N: Preparation and filing of the EID of the Project "Expansion of Mina Nueva Victoria". The projected expenses only include the environment document filing. The project is in process.

IP83: Preparation and filing of the EID of the Project "Extension TLN-15". The projected expenses only include the environment document filing. The project is in process.

SQM Salar S.A.

LQ38: This project has the purpose to comply with the current regulations and with observations raised by the SEREMI of Health. The project is in process.

LQ8: Increase the capacity of the waste room of Toconao Camp, in order to avoid accumulation problems and waste handling. The project is in process.

LQSZ: To perform certifications to comply with the SEC regulations.

LQI6: Preparation and processing of the EIA Update Operations in the Salar de Atacama. The project is in process.

LQNI.: Preparation and processing of EID of project "Expansion of Drying and KCI Compacting Plant". The expenses considered include environmental processing only. The project is in process

LQDM: Certification of the liquid fuel storage tanks. The project is in process.

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 24 - Environment (continued)

24.3 Description of each Project indicating whether they are in process or have been finished (continued)

SIT S.A.

TPYX: To comply with the commitment of decreasing the emission of particulate material towards the city of Tocopilla. The project is in process.

TQAV: Paving and maintenance of internal roads of the port of Tocopilla, to decrease pollution and to comply with the Supreme Decree related to the saturated zone. The project is in process.

TQLY: This project aims at eliminating environmental contamination that may exist in the areas of work of operators. The project is in process.

TQM2: The project involves recovering operating conditions by changing the pitch pipe No.1 thus reducing the environmental pollution. The project is in process.

TQQ5: This project aims to contain emissions of particulate material to prevent contamination to adjacent communities. The project is in process.

SOM Nitratos S.A.

IQMH: Creation of an area allowing to store hazardous substances. The project is in process.

PQ19: Construction of a new pit replacing the current with a new waste water treatment technology. The project is in process.

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 25 - Other current and non-current non-financial assets

As of September 30, 2013, and December 31, 2012, the detail of other current and non-current assets is as follows:

| | 9/30/2013 | 12/31/2012 |
|--|-----------|------------|
| Other non-financial assets, current | ThUS\$ | ThUS\$ |
| Domestic Value Added Tax | 16,466 | 42,136 |
| Foreign Value Added Tax | 8,402 | 9,306 |
| Prepaid mining licenses | 3,850 | 1,512 |
| Prepaid insurance | 2,246 | 8,278 |
| Other prepayments | 1,594 | 494 |
| Other assets | 937 | 6,094 |
| Total | 33,495 | 67,820 |

| | 9/30/2013 | 12/31/2012 |
|---|-----------|------------|
| Other non-financial assets, non-current | ThUS\$ | ThUS\$ |
| Stain development expenses and prospecting expenses (1) | 18,995 | 16,839 |
| Guarantee deposits | 723 | 571 |
| Other assets | 252 | 272 |
| Total | 19,970 | 17,682 |

Assets for the exploration or evaluation of mineral resources are amortized to the extent that the explored or evaluated area has been 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 (1) under Inventory and are amortized according to the estimated ore reserves contained, and expenses associated with future reserves are presented under Other non-current assets. Those expenses incurred on properties with low ore grade that are not economically exploitable are directly charged to income. As of September 30, 2013 balances associated with the exploration and assessment of mineral resources is presented under Inventory for ThUS\$ 6,482 (ThUS\$ 6,174 as of December 31, 2012).

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)**Note 25 - Other current and non-current non-financial assets (continued)****Reconciliation of changes in assets for exploration and mineral resource evaluation, by type**

Movements in assets for the exploration and evaluation of mineral resources as of September 30, 2013, and December 31, 2012:

| Reconciliation | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
|--|---------------------|----------------------|
| Assets for the exploration and evaluation of mineral resources, net, opening balance | 16,839 | 21,395 |
| Changes in assets for exploration and assessment of mineral resources: | | |
| Additions, other than business combinations | 4,030 | 843 |
| Depreciation and amortization | (1,567) | (2,080) |
| Increase (Decrease) due to transfers and other charges | (307) | (3,319) |
| Assets for exploration and assessment of mineral resources, net, closing balance | 18,995 | 16,839 |

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

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 26 - Operating segments

26.1 Operating segments

General information:

The amount of each item presented in each operating segment is equal to that reported to the maximum authority that makes decisions regarding the operation, in order to decide on the allocation of resources to the defined segments and to assess its performance.

Factors used to identify segments on which a report should be presented:

Segments reported are strategic business units that offer different products and services. These are managed separately because each business requires different technology and marketing strategies.

Description of the types of products and services on which each reportable segment obtain its income from ordinary activities

The operating segments, through which incomes of ordinary activities are obtained, that generate expenses and whose operating results are reviewed on a regular basis by the maximum authority who makes decisions regarding operations, relate to the following groups of products:

- 1.- Specialty plant nutrients
- 2.- Iodine and its derivatives
- 3.- Lithium and its derivatives
- 4.- Industrial chemicals
- 5.- Potassium

6.- Other products and services

Description of income sources for all the other segments

Information relative to assets, liabilities and profit and expenses that cannot be assigned to the segments indicated above, due to the nature of production processes, is included under "Unassigned amounts" category of the disclosed information.

Basis of accounting for transactions between reportable segments

Sales between segments are made in the same conditions as those made to third parties, and are consistently measures as presented in the income statement.

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 26 - Operating segments (continued)

26.1 Operating segments, continued

Description of the nature of the differences between measurements of results of reportable segments and the result of the entity before the expense or income tax expense of incomes and discontinued operations.

The information reported in the segments is extracted from the Company's consolidated financial statements and therefore is not required to prepare reconciliations between the data mentioned above and those reported in the respective segments, according to what is stated in paragraph 28 of IFRS 8, "Operating Segments".

Description of the nature of the differences between measurements of assets of reportable segments and the Company's assets

Assets are not shown classified by segments, as this information is not readily available, some of these assets are not separable by the type of activity to which these are affect and since this information is not used by management in decisions making with respect to resources to be allocated to each defined segment. All assets are disclosed in the "unallocated amounts" category.

Description of the nature of the differences between measurements of liabilities of reportable segments and the Company's liabilities

Liabilities are not shown classified by segments, as this information is not readily available, some of these liabilities are not separable by the type of activity to which these are affected and since this information is not used by management in decisions making regarding resources to be allocated to each defined segment. All liabilities are disclosed in the "unallocated amounts" category.

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 26 - Operating segments (continued)**26.2 Operating segment disclosures as of September 30, 2013 and September 30, 2012:**

9/30/2013

| | Specialty plant nutrients | Iodine and its derivatives | Lithium and its derivatives | Industrial chemicals | Potassium | Other products and services | Reportable segments | Operating segments | Elimina of inter- segment amounts |
|---|---------------------------------|-------------------------------------|--------------------------------------|-------------------------|-----------|--------------------------------------|------------------------|-----------------------|---|
| Operating segment items | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Revenue | 533,310 | 358,445 | 148,372 | 129,342 | 472,267 | 69,194 | 1,710,930 | 1,710,930 | - |
| Revenues from transactions with other operating segments of the same entity | 94,989 | 556,280 | 105,942 | 189,275 | 399,608 | 275,558 | 1,621,652 | 1,621,652 | (1,621,652) |
| Revenues from external customers and transactions with other operating segments of the same entity | 628,299 | 914,725 | 254,314 | 318,617 | 871,875 | 344,752 | 3,332,582 | 3,332,582 | (1,621,652) |
| Interest revenue | - | - | - | - | - | - | - | - | - |
| Interest expense | - | - | - | - | - | - | - | - | 145,640 |
| depreciation and amortization expense | (49,671) | (33,385) | (13,819) | (12,047) | (43,986) | (6,445) | (159,353) | (159,353) | - |
| The entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method | - | - | - | - | - | - | - | - | - |
| income tax expense, continuing operations | - | - | - | - | - | - | - | - | (2,377) |
| Other items other than significant cash | - | - | - | - | - | - | - | - | - |
| Income (loss) before taxes | 124,489 | 203,619 | 71,000 | 35,906 | 134,671 | 89,498 | 659,183 | 659,183 | (479,500) |

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| | | | | | | | | | |
|---|-----------|----------|--------|----------|----------|--------|-----------|-----------|---------|
| Net income (loss) from continuing operations | 124,489 | 203,619 | 71,000 | 35,906 | 134,671 | 89,498 | 659,183 | 659,183 | (481,9 |
| Net income (loss) from discontinued operations | | | | | | | | | |
| Net income (loss) | 124,489 | 203,619 | 71,000 | 35,906 | 134,671 | 89,498 | 659,183 | 659,183 | (481,9 |
| Assets | - | - | - | - | - | - | - | - | (8,556, |
| Equity-accounted investees | - | - | - | - | - | - | - | - | (3,865, |
| Increase of non-current assets | - | - | - | - | - | - | - | - | |
| Liabilities | - | - | - | - | - | - | - | - | (4,300, |
| Equity | | | | | | | | | |
| Equity and liability impairment loss recognized in profit or loss | (16,008) | (1,864) | (771) | (3,854) | (6,575) | (400) | (29,472) | (29,472) | - |
| Cash flows from (used in) operating activities | - | - | - | - | - | - | - | - | - |
| Cash flows from (used in) investing activities | - | - | - | - | - | - | - | - | - |
| Cash flows from (used in) financing activities | - | - | - | - | - | - | - | - | - |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 26 - Operating segments (continued)**26.2 Operating segment disclosures as of September 30, 2013 and September 30, 2012:**

9/30/2012

| Operating segment items | Specialty plant nutrients | Iodine and its derivatives | Lithium and its derivatives | Industrial chemicals | Potassium | Other products and services | Reportable segments | Operating segments | Elimination of inter-segment amounts |
|---|---------------------------|----------------------------|-----------------------------|----------------------|-----------|-----------------------------|---------------------|--------------------|--------------------------------------|
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Revenue | 515,896 | 449,063 | 164,871 | 169,294 | 456,608 | 72,476 | 1,828,208 | 1,828,208 | - |
| Revenues from transactions with other operating segments of the same entity | 192,807 | 639,310 | 111,896 | 229,463 | 421,970 | 349,792 | 1,945,238 | 1,945,238 | (1,945,238) |
| Revenues from external customers and transactions with other operating segments of the same entity | 708,703 | 1,088,373 | 276,767 | 398,757 | 878,578 | 422,268 | 3,773,446 | 3,773,446 | (1,945,238) |
| Interest revenue | - | - | - | - | - | - | - | - | - |
| Interest expense | - | - | - | - | - | - | - | - | 170,100 |
| depreciation and amortization expense | (41,193) | (35,856) | (13,164) | (13,518) | (36,459) | (5,787) | (145,977) | (145,977) | - |
| The entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method | - | - | - | - | - | - | - | - | - |
| income tax expense, continuing operations | - | - | - | - | - | - | - | - | - |
| Other items other than significant cash | - | - | - | - | - | - | - | - | - |
| Income (loss) before taxes | 171,456 | 285,683 | 81,272 | 60,398 | 190,751 | 4,697 | 794,257 | 794,257 | (568,000) |
| Net income (loss) from continuing operations | 171,456 | 285,683 | 81,272 | 60,398 | 190,751 | 4,697 | 794,257 | 794,257 | (568,000) |

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| | | | | | | | | | |
|--|-----------|----------|--------|----------|----------|--------|-----------|-----------|-------|
| Net income (loss) from discontinued operations | | | | | | | | | |
| Net income (loss) | 171,456 | 285,683 | 81,272 | 60,398 | 190,751 | 4,697 | 794,257 | 794,257 | (568, |
| Assets | - | - | - | - | - | - | - | - | (8.43 |
| Equity-accounted investees | - | - | - | - | - | - | - | - | (3.21 |
| Increase of non-current assets | - | - | - | - | - | - | - | - | |
| Liabilities | - | - | - | - | - | - | - | - | (4.77 |
| Equity | | | | | | | | | |
| Equity and liability | | | | | | | | | |
| Reversal of impairment losses recognized in profit and loss for the year | | | | | - | | - | - | |
| Impairment loss recognized in profit or loss | (10,416) | (3,068) | (568) | (3,384) | (4,002) | (271) | (21,709) | (21,709) | - |
| Cash flows from (used in) operating activities | - | - | - | - | - | - | - | - | - |
| Cash flows from (used in) investing activities | - | - | - | - | - | - | - | - | - |
| Cash flows from (used in) financing activities | - | - | - | - | - | - | - | - | - |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 26 - Operating segments (continued)**26.3 Statement of comprehensive income classified by operating segments based on groups of products as of September 30, 2013:**

| Items in the statement of comprehensive income | Specialty plant nutrients ThUS\$ | Iodine and its derivatives ThUS\$ | Lithium and its derivatives ThUS\$ | Industrial chemicals ThUS\$ | Potassium ThUS\$ | Other products and services ThUS\$ | Corporate Unit ThUS\$ |
|--|-------------------------------------|--------------------------------------|---------------------------------------|--------------------------------|---------------------|---------------------------------------|--------------------------|
| Revenue | 533,310 | 358,445 | 148,372 | 129,342 | 472,267 | 69,194 | - |
| Cost of sales | (408,821) | (154,826) | (77,372) | (93,436) | (337,596) | (63,696) | - |
| Gross profit | 124,489 | 203,619 | 71,000 | 35,906 | 134,671 | 5,498 | - |
| Other incomes by function | - | - | - | - | - | 84,000 | 11,978 |
| Administrative expenses | - | - | - | - | - | - | (76,071) |
| Other expenses by function | - | - | - | - | - | - | (32,100) |
| Other gains (losses) | - | - | - | - | - | - | (12,270) |
| Financial income | - | - | - | - | - | - | 9,749 |
| Financial costs | - | - | - | - | - | - | (44,080) |
| interest in the profit or loss of associates and joint ventures accounted for by the equity method | - | - | - | - | - | - | 14,531 |
| Exchange differences | - | - | - | - | - | - | (11,340) |
| Profit (loss) before taxes | 124,489 | 203,619 | 71,000 | 35,906 | 134,671 | 89,498 | (139,600) |
| Income tax expense | - | - | - | - | - | - | (117,000) |
| Profit (loss) from continuing operations | 124,489 | 203,619 | 71,000 | 35,906 | 134,671 | 89,498 | (256,600) |
| Profit (loss) from discontinued operations | - | - | - | - | - | - | - |
| Profit (loss) | 124,489 | 203,619 | 71,000 | 35,906 | 134,671 | 89,498 | (256,600) |
| Profit (loss, attributable to | | | | | | | |
| Profit (loss) attributable to the controller's owners | - | - | - | - | - | - | - |
| Profit (loss) attributable to the non controllers | - | - | - | - | - | - | - |
| Profit (loss) | - | - | - | - | - | - | - |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 26 - Operating segments (continued)**26.3 Statement of comprehensive income classified by operating segments based on groups of products as of September 30, 2012:**

| Items in the statement of comprehensive income | Specialty plant nutrients ThUS\$ | Iodine and its derivatives ThUS\$ | Lithium and its derivatives ThUS\$ | Industrial chemicals ThUS\$ | Potassium ThUS\$ | Other products and services ThUS\$ | Corporate Unit ThUS\$ |
|--|-------------------------------------|--------------------------------------|---------------------------------------|--------------------------------|---------------------|---------------------------------------|--------------------------|
| Revenue | 515,896 | 449,063 | 164,871 | 169,294 | 456,608 | 72,476 | - |
| Cost of sales | (344,440) | (163,380) | (83,599) | (108,896) | (265,857) | (67,779) | - |
| Gross profit | 171,456 | 285,683 | 81,272 | 60,398 | 190,751 | 4,697 | - |
| Other incomes by function | - | - | - | - | - | - | 10,577 |
| Administrative expenses | - | - | - | - | - | - | (74,321) |
| Other expenses by function | - | - | - | - | - | - | (24,750) |
| Other gains (losses) | - | - | - | - | - | - | 145 |
| Financial income | - | - | - | - | - | - | 20,230 |
| Financial costs | - | - | - | - | - | - | (41,520) |
| interest in the profit or loss of associates and joint ventures accounted for by the equity method | - | - | - | - | - | - | 20,030 |
| Exchange differences | - | - | - | - | - | - | (17,600) |
| Profit (loss)before taxes | 171,456 | 285,683 | 81,272 | 60,398 | 190,751 | 4,697 | (107,321) |
| Income tax expense | - | - | - | - | - | - | (173,900) |
| Profit (loss)from continuing operations | 171,456 | 285,683 | 81,272 | 60,398 | 190,751 | 4,697 | (281,221) |
| Profit (loss) from discontinued operations | - | - | - | - | - | - | - |
| Profit (loss) | 171,456 | 285,683 | 81,272 | 60,398 | 190,751 | 4,697 | (281,221) |
| Profit (loss, attributable to | | | | | | | |
| Profit (loss) attributable to the controller´s owners | - | - | - | - | - | - | - |
| Profit (loss) attributable to the non controllers | - | - | - | - | - | - | - |
| Profit (loss) | - | - | - | - | - | - | - |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 26 - Operating segments (continued)**26.4 Revenue from transactions with other Company operating segments as of September 30, 2013**

| Items in the statement of comprehensive income | Specialty plant nutrients ThUS\$ | Iodine and its derivatives ThUS\$ | Lithium and its derivatives ThUS\$ | Industrial chemicals ThUS\$ | Potassium ThUS\$ | Other products and services ThUS\$ | Total segments and Corporate unit ThUS\$ |
|--|-------------------------------------|--------------------------------------|---------------------------------------|--------------------------------|---------------------|---------------------------------------|---|
| Revenue | 533,310 | 358,445 | 148,372 | 129,342 | 472,267 | 69,194 | 1,710,930 |

26.4 Revenue from transactions with other Company operating segments as of September 30, 2012

| Items in the statement of comprehensive income | Specialty plant nutrients ThUS\$ | Iodine and its derivatives ThUS\$ | Lithium and its derivatives ThUS\$ | Industrial chemicals ThUS\$ | Potassium ThUS\$ | Other products and services ThUS\$ | Total segments and Corporate unit ThUS\$ |
|--|-------------------------------------|--------------------------------------|---------------------------------------|--------------------------------|---------------------|---------------------------------------|---|
| Revenue | 515,896 | 449,063 | 164,871 | 169,294 | 456,608 | 72,476 | 1,828,208 |

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Note 26 - Operating segments (continued)

26.5 Disclosures on geographical areas

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

26.6 Disclosures on main customers

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

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Note 26 - Operating segments (continued)**26.7 Segments by geographical areas as of September 30, 2013 and September 30, 2012**

| | Chile | Latin America and the Caribbean | Europe | North America | Asia and others | 9/30/2013 |
|---------------------------------------|-----------|---------------------------------------|---------|------------------|--------------------|-----------|
| Items | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Revenue | 167,657 | 300,337 | 417,130 | 436,557 | 389,249 | 1,710,930 |
| Non-current assets: | 2,209,382 | 452 | 36,336 | 15,737 | 38,722 | 2,300,629 |
| Equity-accounted investees | 1,312 | - | 24,595 | 13,211 | 38,068 | 77,186 |
| Intangible assets other than goodwill | 28,473 | - | - | 332 | 4 | 28,809 |
| Goodwill | 26,929 | 86 | 11,373 | - | - | 38,388 |
| Property, plant and equipment, net | 2,132,899 | 165 | 368 | 2,194 | 650 | 2,136,276 |
| Investment property | - | - | - | - | - | - |
| Other non-current assets | 19,769 | 201 | - | - | -- | 19,970 |

| | Chile | Latin America and the Caribbean | Europe | North America | Asia and others | 9/30/2012 |
|---------------------------------------|-----------|---------------------------------------|---------|------------------|--------------------|-----------|
| Items | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Revenue | 182,481 | 319,562 | 456,191 | 462,558 | 407,416 | 1,828,208 |
| Non-current assets: | 1,945,713 | 530 | 34,449 | 17,333 | 35,063 | 2,033,088 |
| Equity-accounted investees | 728 | - | 22,780 | 15,299 | 34,739 | 73,546 |
| Intangible assets other than goodwill | 3,649 | - | - | 393 | 6 | 4,048 |
| Goodwill | 27,146 | 86 | 11,373 | - | - | 38,605 |
| Property, plant and equipment, net | 1,894,618 | 224 | 296 | 1,641 | 318 | 1,897,097 |
| Investment property | - | - | - | - | - | - |
| Other non-current assets | 19,572 | 220 | - | - | - | 19,792 |

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Note 26 - Operating segments (continued)

26.8 Property, plant and equipment classified by geographical areas

The company's main productive facilities are located near their mines and extraction facilities in northern Chile. The following table presents the main production facilities as of September 30, 2013 and December 31, 2012:

| Location | Products: |
|-------------------|--|
| Pedro de Valdivia | Production of nitrite, sulfate, and iodine |
| María Elena | Production of nitrite, sulfate, and iodine |
| Coya Sur | Production of nitrite, sulfate, and iodine |
| Nueva Victoria | Production of iodine and nitrate salts |
| Salar de Atacama | Potassium chloride, Lithium chloride and boric acid |
| Salar del Carmen | Production of Lithium carbonate and lithium hydroxide, production of boron |
| Tocopilla | Port facilities |

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Nota 27 - Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature

| | 9/30/2013 | 9/30/2012 | | 9/30/2013 | 9/30/2012 |
|---|------------------|------------------|--|------------------|------------------|
| | ThUS\$ | ThUS\$ | | ThUS\$ | ThUS\$ |
| 27.1 Revenue | | | | | |
| Products | 1,702,923 | 1,822,355 | | | |
| Services | 8,007 | 5,853 | | | |
| Total | 1,710,930 | 1,828,208 | | | |
| 27.2 Cost of sales | | | | | |
| Raw material and supplies | | | | (618,470) | (761,423) |
| Types of employee benefits expenses | | | | | |
| Salaries and wages | | | | (107,293) | (97,031) |
| Other short-term employee benefits | | | | (26,781) | (50,764) |
| Termination benefit expenses | | | | (6,934) | (2,291) |
| Total employee benefits expenses | | | | (141,008) | (150,086) |
| Depreciation expense | | | | (158,997) | (141,603) |
| Amortization expense | | | | - | - |
| Impairment loss (review of impairment losses) recognized in profit or loss for the year | | | | (29,472) | (21,709) |
| Other expenses, by nature (*) | | | | (187,800) | 40,870 |
| Total | | | | (1,135,747) | (1,033,951) |

(*) Include the variation of finished and products in-process

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 27 - Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature (continued)

| | 9/30/2013 | 9/30/2012 |
|---|------------------|------------------|
| | ThUS\$ | ThUS\$ |
| 27.3 Other income | | |
| Discounts obtained from suppliers | 991 | 711 |
| Compensation received | 3,890 | 53 |
| Penalties charged to suppliers | 312 | 255 |
| Insurance recovered | 1,134 | 4,126 |
| Excess in the provision of liabilities with 3rd parties | 580 | 654 |
| Excess in allowance for doubtful accounts | - | 154 |
| Sale of Property, plant and equipment | 98 | 245 |
| Sale of materials, spare parts and supplies | 1,217 | 1,070 |
| Sale of mining concessions | 86,006 | 1,472 |
| Sale of scrap | 22 | 133 |
| Excess indemnity provision Yara South Africa | 247 | 335 |
| Lowest Price paid in portfolio purchase | 716 | - |
| Lowest Price in goodwill purchases | 227 | - |
| Other operating results | 538 | 1,370 |
| Total | 95,978 | 10,578 |

| | 9/30/2013 | 9/30/2012 |
|--|------------------|------------------|
| | ThUS\$ | ThUS\$ |
| 27.4 Administrative expenses | | |
| Employee benefit expenses by nature | | |
| Salaries and wages | (34,873) | (30,448) |
| Other short-term benefits to employees | (2,651) | (2,913) |
| Total employee benefit expenses | (37,524) | (33,361) |
| Other expenses, by nature | (38,546) | (40,967) |
| Total | (76,070) | (74,328) |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Nota 27 - Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature (continued)

| | 9/30/2013 ThUS\$ | 9/30/2012 ThUS\$ |
|---|---------------------|---------------------|
| 27.5 Other expenses by function | | |
| Clases de gasto de beneficios a los empleados | | |
| Otros beneficios a los empleados a corto plazo | (6) | (19) |
| Depreciation and amortization expenses | | |
| Depreciation of stopped assets | (356) | (4,374) |
| Impairment loss (review of impairment losses) recognized in profit or loss for the year | | |
| Impairment of allowance for doubtful accounts | (1,301) | (733) |
| Provision for loss in auction of materials and spare parts | - | (3,000) |
| Subtotal to date | (1,301) | (3,733) |
| Other expenses, by nature | | |
| Legal Expenses | (3,384) | (455) |
| Worksite stoppage expenses | (60) | (57) |
| VAT and other unrecoverable tax | (3,075) | (851) |
| Fines paid | (322) | (367) |
| Consultancy services | (6) | (19) |
| Investment Plan Expenses | (15,543) | (9,439) |
| Donations rejected as expense | (3,784) | (3,275) |
| Provision for work closing | (177) | (137) |
| Indemnities paid | (146) | - |
| Claims (Loss) expenses | (2,038) | - |
| Other operating expenses | (1,903) | (2,048) |
| Subtotal to date | (30,438) | (16,648) |
| Total | (32,101) | (24,774) |

| 9/30/2013 ThUS\$ | 9/30/2012 ThUS\$ |
|---------------------|---------------------|
|---------------------|---------------------|

27.6 Other income (expenses)

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| | | |
|---|-----------|--------|
| Provision for re-structuring | (12,000) | - |
| Adjustment of Equity Method, prior year | (364) | 196 |
| Sale of investment in associates | - | (404) |
| Other | 89 | 353 |
| Total | (12,275) | 145 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 27 - Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature (continued)

| 27.7 Summary of expenses by nature : | January to September | | July to September | |
|---|----------------------|-------------|-------------------|-----------|
| | 2013 | 2012 | 2013 | 2012 |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Raw material and supplies used | (618,470) | (761,423) | (185,112) | (250,342) |
| Types of employee benefits expenses | | | | |
| Salaries and wages | (142,166) | (127,479) | (45,370) | (45,948) |
| Other short-term employee benefits | (29,438) | (53,696) | (12,799) | (20,022) |
| Termination benefit expenses | (6,934) | (2,291) | (3,720) | (1,122) |
| Total employee benefit expenses | (178,538) | (183,466) | (61,889) | (67,092) |
| Depreciation and amortization expenses | | | | |
| Depreciation expense | (159,353) | (145,977) | (55,047) | (51,736) |
| Amortization expense | - | - | - | - |
| Impairment loss (reversal of impairment losses) recognized in profit or loss for the year | (30,773) | (25,442) | (7,462) | (9,517) |
| Other expenses, by nature | (269,059) | (16,745) | (108,248) | (9,529) |
| Total expenses, by nature | (1,256,193) | (1,133,053) | (417,758) | (388,216) |

This table corresponds to the summary from Note 27.2 to 27.6 required by the Chilean Superintendence of Securities and Insurance

| 27.8 Financial Expenses | January to September | | July to September | |
|---------------------------------------|----------------------|----------|-------------------|----------|
| | 2013 | 2012 | 2013 | 2012 |
| | MUS\$ | MUS\$ | MUS\$ | MUS\$ |
| Interest on bank loans and overdrafts | (2.367) | (1.945) | (833) | (650) |
| Interest on bonds | (47.431) | (41.100) | (17.348) | (14.699) |
| Interest on loans | (6.612) | (7.457) | (2.160) | (2.688) |
| Capitalized interest costs | 13.015 | 10.244 | 3.871 | 3.167 |
| Other financial costs | (687) | (1.262) | (181) | (192) |

Total (44.082) (41.520) (16.651) (15.062)

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Nota 28 - Income tax and deferred taxes

Accounts receivable from taxes as of September 30, 2013 and December 31, 2012, are as follows:

| 28.1 | Current tax assets: | |
|---|----------------------------|------------|
| | 9/30/2013 | 12/31/2012 |
| | ThUS\$ | ThUS\$ |
| Monthly provisional income tax payments, Chilean companies current year | 24,948 | 23,713 |
| Monthly provisional payment Royalty | 6,770 | 2,430 |
| Monthly provisional income tax payments, foreign companies | 2,671 | 1,979 |
| Corporate tax credits (1) | 818 | 144 |
| Corporate tax absorbed by tax losses (2) | 7,571 | 1,968 |
| Total | 42,778 | 30,234 |

These credits are available to companies and relate to the corporate tax payment in April of the following year.

- (1) These credits include, amongst others, training expense credits (SENCE) and property, plant and equipment acquisition credits that are equivalent to 4% of the property, plant and equipment purchases made during the year. In addition, some credits relate to the donations the Group has made during 2013 and 2012.

- (2) This concept corresponds to the absorption of non-operating losses (NOL's) determined by the company at year end, which must be imputed or recorded in the Retained Taxable Profits Registry (FUT).

In accordance with the laws in force and as provided by article 31, No. 3 of the Income Tax Law, when profits recorded in the FUT that have not been withdrawn or distributed are totally or partially absorbed by NOL's, the corporate tax paid on such profits (20%, 17%, 16.5%, 16%, 15%, 10% depending on the year in which profits were generated) will be considered to be a provisional payment with respect to the portion representing the absorbed accumulated tax profits.

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 28 - Income tax and deferred taxes (continued)

28.1 Current tax assets, continued

Taxpayers are entitled to apply for a refund of this monthly provisional income tax payments on the absorbed profits recorded in the FUT registry via their tax returns (Form 22).

Therefore, the provisional payment for absorbed profits (PPAP) recorded in the FUT is in effect a recoverable tax, and as such the Company records it as an asset.

28.2 Current tax liabilities:

| Current tax liabilities | 9/30/2013 | 12/31/2012 |
|--------------------------------|-----------|------------|
| | ThUS\$ | ThUS\$ |
| 1st Category income tax | 22,476 | 9,811 |
| Royalty tax on mining activity | - | 3,597 |
| Foreign company income tax | 9,637 | 10,206 |
| Article 21 Single Tax | - | 10 |
| Total | 32,113 | 23,624 |

Income tax is determined on the basis of the determination of tax result to which the tax rate currently in force in Chile is applied. As established by Law 20.630, beginning on 2012 and after this tax rate is 20%.

The provision for royalty is determined by applying the tax rate determined for the Net operating income (NOI).

In conclusion, both concepts represent the estimated amount the Company will have to pay for income tax and specific tax on mining.

28.3 Tax earnings

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As of September 30, 2013, and December 31, 2012, the Company and its subsidiaries have recorded the following consolidated balances for retained tax earnings, income not constituting revenue subject to income tax, accumulated tax losses and credit for shareholders:

| | 9/30/2013 | 12/31/2012 |
|---|-----------|------------|
| | ThUS\$ | ThUS\$ |
| Taxable profits with credit rights (1) | 1,508,636 | 1,262,201 |
| Taxable profits without credit right(1) | 95,326 | 138,535 |
| Taxable loss | 10,564 | 9,931 |
| Credit for shareholders | 361,022 | 294,146 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 28 - Income tax and deferred taxes (continued)

28.3

Tax earnings, continued

The Retained Taxable Profits Registry (FUT) is a chronological registry where the profits generated and distributed by the company are recorded. The object of the FUT is to control the accumulated tax profits of the company that may be distributed, withdrawn or remitted to the owners, shareholders or partners, and the final taxes that must be imposed, called in Chile Global Aggregate Tax (that levies persons resident or domiciled in Chile), or Withholding Tax (that levies persons “Not” resident or domiciled in Chile).

The FUT Register contains profits with credit rights and profits without credit rights, which arise out of the inclusion of the net taxable income determined by the company or the profits received by the company that may be dividends received or withdrawals made during the period.

Profits without credit rights represent the tax payable by the company within the year and filed the following year, therefore they will be deducted from the FUT Registry the following year.

Profits with credit rights may be used to reduce the final tax burden of owners, shareholders or partners, which upon withdrawal are entitled to use the credits associated with the relevant profits.

In summary, companies use the FUT Registry to maintain control over the profits they generate that have not been distributed to the owners and the relevant credits associated with such profits.

28.4 Income tax and deferred taxes

Assets and liabilities recognized in the Statement of financial position are offset if and only if:

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 or tax subject; or

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

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 28 - Income tax and deferred taxes (continued)

28.4 Income tax and deferred taxes, continued

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

- (a) deductible temporary differences;
- (b) the offset of losses obtained in prior periods and not yet subject to tax deduction; and
- (c) the offset of unused credits from prior periods.

The Company recognizes a deferred tax asset when there is certainty that these can be offset with tax income from subsequent periods, losses or fiscal credits not yet used, but solely as long as it is more likely than not that there will be tax earnings in the future against which to charge to these losses or unused fiscal credits.

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

d.1 Income tax assets and liabilities as of September 30, 2013 are detailed as follows:

| Description of deferred income tax assets and liabilities | Net position, assets | | Net position, liabilities | |
|---|----------------------|-----------------------|---------------------------|-----------------------|
| | Assets ThUS\$ | Liabilities ThUS\$ | Assets ThUS\$ | Liabilities ThUS\$ |
| Depreciation | - | - | - | 155,967 |
| Doubtful accounts impairment | - | - | 7,308 | - |
| Accrued vacations | - | - | 3,612 | - |
| Manufacturing expenses | - | - | - | 63,624 |
| Unrealized gains (losses) from sales of products | - | - | 88,962 | - |
| Fair value of bonds | - | - | 1,600 | - |
| Severance indemnity | - | - | - | 4,816 |

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| | | | | |
|---|-----|---|---------|---------|
| Hedging | - | - | - | 8,745 |
| Inventory of products, spare parts and supplies | 6 | - | 21,795 | - |
| Research and development expenses | - | - | - | 5,377 |
| Tax losses | - | - | 1,276 | - |
| Capitalized interest | - | - | - | 21,500 |
| Expenses in assumption of bank loans | - | - | - | 3,015 |
| Unaccrued interest | - | - | 184 | - |
| Fair value of property, plant and equipment | - | - | 3 | - |
| Employee benefits | - | - | 1,234 | - |
| Royalty deferred income taxes | - | - | - | 7,721 |
| Other | 442 | - | 9,974 | - |
| Balance to date | 448 | - | 135,948 | 270,765 |
| Net balance | 448 | - | - | 134,817 |

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Note 28 - Income tax and deferred taxes (continued)**28.4 Income tax and deferred taxes, continued**

d.2 Income tax assets and liabilities as of December 31, 2012 are detailed as follows

| Description of deferred income tax assets and liabilities | Net position, assets | | Net position, liabilities | |
|---|----------------------|-----------------------|---------------------------|-----------------------|
| | Assets ThUS\$ | Liabilities ThUS\$ | Assets ThUS\$ | Liabilities ThUS\$ |
| Depreciation | - | - | - | 145,251 |
| Doubtful accounts impairment | - | - | 5,807 | - |
| Accrued vacations | - | - | 3,971 | - |
| Manufacturing expenses | - | - | - | 60,160 |
| Unrealized gains (losses) from sales of products | - | - | 105,879 | - |
| Fair value of bonds | - | - | 3,684 | - |
| Severance indemnity | - | - | - | 4,483 |
| Hedging | - | - | - | 22,890 |
| Inventory of products, spare parts and supplies | 37 | - | 14,990 | - |
| Research and development expenses | - | - | - | 4,917 |
| Tax losses | - | - | 1,509 | - |
| Capitalized interest | - | - | - | 20,449 |
| Expenses in assumption of bank loans | - | - | - | 2,243 |
| Unaccrued interest | - | - | 215 | - |
| Fair value of property, plant and equipment | - | - | - | 2,743 |
| Employee benefits | - | - | 2,027 | - |
| Royalty deferred income taxes | - | - | - | 8,430 |
| Other | 186 | - | 8,039 | - |
| Balance to date | 223 | - | 146,121 | 271,566 |
| Net balance | 223 | - | - | 125,445 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 28 - Income tax and deferred taxes (continued)**28.4 Income tax and deferred taxes, continued**

d.3 Reconciliation of changes in deferred tax liabilities (assets) as of September 30, 2013

| | Deferred tax liabilities (assets) at the beginning of the period | Deferred tax expense (income) recognized in profit or loss | Deferred tax related to items credited (debited) directly to equity | Total increase (decrease) of deferred tax liabilities (assets) | Deferred tax liabilities (assets) at the end of the period |
|---|--|--|---|--|--|
| Depreciation | 145,251 | 10,716 | - | 10,716 | 155,967 |
| Doubtful accounts impairment | (5,807) | (1,501) | - | (1,501) | (7,308) |
| Accrued vacations | (3,971) | 359 | - | 359 | (3,612) |
| Manufacturing expenses | 60,160 | 3,464 | - | 3,464 | 63,624 |
| Unrealized gains (losses) from sales of products | (105,879) | 16,917 | - | 16,917 | (88,962) |
| Fair value of bonds | (3,684) | - | 2,084 | 2,084 | (1,600) |
| Severance indemnity | 4,483 | 333 | - | 333 | 4,816 |
| Hedging | 22,890 | (14,145) | - | (14,145) | 8,745 |
| Inventory of products, spare parts and supplies | (15,027) | (6,774) | - | (6,774) | (21,801) |
| Research and development expenses | 4,917 | 460 | - | 460 | 5,377 |
| Capitalized interest | 20,449 | 1,051 | - | 1,051 | 21,500 |
| Expenses in assumption of bank loans | 2,243 | 772 | - | 772 | 3,015 |
| Unaccrued interest | (215) | 31 | - | 31 | (184) |
| Fair value of property, plant and equipment | 2,743 | (2,746) | - | (2,746) | (3) |
| Employee benefits | (2,027) | 793 | - | 793 | (1,234) |
| Royalty deferred income taxes | 8,430 | (709) | - | (709) | 7,721 |
| Other | (8,225) | (2,191) | - | (2,191) | (10,416) |
| Unused tax losses | (1,509) | 233 | - | 233 | (1,276) |
| Total temporary differences, losses and unused fiscal credits | 125,222 | 7,063 | 2,084 | 9,147 | 134,369 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 28 - Income tax and deferred taxes (continued)**28.4 Income tax and deferred taxes, continued**

d.3 Reconciliation of changes in deferred tax liabilities (assets) as of December 31, 2012

| | Deferred tax liabilities (assets) at the beginning of the period | Deferred tax expense (income) recognized in profit or loss | Deferred tax related to items credited (debited) directly to equity | Total increase (decrease) of deferred tax liabilities (assets) | Deferred tax liabilities (assets) at the end of the period |
|---|--|--|---|--|--|
| Depreciation | 114,151 | 31,100 | - | 31,100 | 145,251 |
| Doubtful accounts impairment | (4,061) | (1,746) | - | (1,746) | (5,807) |
| Accrued vacations | (2,642) | (1,329) | - | (1,329) | (3,971) |
| Manufacturing expenses | 54,747 | 5,413 | - | 5,413 | 60,160 |
| Unrealized gains (losses) from sales of products | (97,441) | (8,438) | - | (8,438) | (105,879) |
| Fair value of bonds | (2,104) | - | (1,580) | (1,580) | (3,684) |
| Severance indemnity | 3,036 | 1,447 | - | 1,447 | 4,483 |
| Hedging | 16,636 | 6,254 | - | 6,254 | 22,890 |
| Inventory of products, spare parts and supplies | (7,866) | (7,161) | - | (7,161) | (15,027) |
| Research and development expenses | 4,598 | 319 | - | 319 | 4,917 |
| Capitalized interest | 17,461 | 2,988 | - | 2,988 | 20,449 |
| Expenses in assumption of bank loans | 1,855 | 388 | - | 388 | 2,243 |
| Unaccrued interest | (386) | 171 | - | 171 | (215) |
| Fair value of property, plant and equipment | (1,539) | 4,282 | - | 4,282 | 2,743 |
| Employee benefits | (1,177) | (850) | - | (850) | (2,027) |
| Royalty deferred income taxes | 10,035 | (1,605) | - | (1,605) | 8,430 |
| Other | (5,967) | (2,258) | - | (2,258) | (8,225) |
| Unused tax losses | (1,046) | (463) | - | (463) | (1,509) |
| Total temporary differences, losses and unused fiscal credits | 98,290 | 28,512 | (1,580) | 26,932 | 125,222 |

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Note 28 - Income tax and deferred taxes (continued)

28.4 Income tax and deferred taxes, continued

d.4 Deferred taxes related to benefits for tax losses

The Company's tax loss carryforwards (NOL carryforwards) were mainly generated by losses in Chile, which in accordance with current Chilean tax regulations have no expiration date.

As of September 30, 2013 and December 31, 2012, tax loss carryforwards (NOL carryforwards) are detailed as follows:

| | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
|-----------------|---------------------|----------------------|
| Chile | 1,276 | 1,509 |
| Other countries | - | - |
| Other countries | 1,276 | 1,509 |

Tax losses as of December 31 correspond mainly to Servicios Integrales de Tránsitos y Transferencias S.A., Exploraciones Mineras e Isapre Norte Grande Ltda.

d.5 Unrecognized deferred income tax assets and liabilities

Unrecognized deferred tax assets and liabilities as of September 30, 2013 and December 31, 2012 are as follows:

| | 9/30/2013 ThUS\$ | 12/31/2012 ThUS\$ |
|----------------------|---------------------|----------------------|
| Assets (liabilities) | | |

| | | | | |
|------------------------------|-------|---|-------|---|
| Tax losses (NOL's) | 139 | | 139 | |
| Doubtful accounts impairment | 81 | | 81 | |
| Inventory impairment | 1,020 | | 1,020 | |
| Pensions plan | (536 |) | (536 |) |
| Accrued vacations | 29 | | 29 | |
| Depreciation | (57 |) | (57 |) |
| Other | (19 |) | (19 |) |
| Balances to date | 657 | | 657 | |

Tax losses mainly relate to the United States, and they expire in 20 years.

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 28 - Income tax and deferred taxes (continued)

28.4 Income tax and deferred taxes, continued

d.6 Movements in deferred tax assets and liabilities

Movements in deferred tax assets and liabilities as of September 30, 2013 and December 31, 2012 are detailed as follows:

| | 9/30/2013 ThUS\$ Liabilities (assets) | 12/31/2012 ThUS\$ Liabilities (assets) |
|--|--|---|
| Deferred tax assets and liabilities, net opening balance | 125,222 | 98,290 |
| Increase (decrease) in deferred taxes in profit or loss | 7,063 | 28,512 |
| Tax Recovery of first category credit absorbed by tax losses | - | - |
| Increase (decrease) in deferred taxes in equity | 2,084 | (1,580) |
| Balances to date | 134,369 | 125,222 |

d.7 Disclosures on income tax expense (income)

The Company recognizes current tax and deferred taxes as income or expenses, and they are included in profit or loss, unless they arise from:

(a) a transaction or event recognized in the same period or in a different period, outside profit or loss either in other comprehensive income or directly in equity; or

(b) a business combination

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)**Note 28 - Income tax and deferred taxes (continued)****28.4 Income tax and deferred taxes, continued**

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

| | 9/30/2013 ThUS\$ Income (expenses) | 9/30/2012 ThUS\$ Income (expenses) |
|--|---|---|
| Current income tax expense | | |
| Current income tax expense | (113,342) | (165,920) |
| Adjustments to prior year current income tax | 3,337 | 26 |
| Current income tax expense, net, total | (110,005) | (165,894) |
| Deferred tax expense | | |
| Deferred tax expense (income) relating to the creation and reversal of temporary differences | (7,063) | (8,026) |
| Deferred tax expense (income) relating changes in tax rates or the application of new taxes | - | - |
| Deferred tax expense, net, total | (7,063) | (8,026) |
| Tax expense (income) | (117,068) | (173,920) |

Tax expenses (income) for foreign and domestic parties are detailed as follows:

| | 9/30/2013 ThUS\$ Income (expenses) | 9/30/2012 ThUS\$ Income (expenses) |
|---|---|---|
| Current income tax expense by foreign and domestic parties, net | | |
| Current income tax expense, foreign parties, net | (2,995) | (10,720) |
| Current income tax expense, domestic, net | (107,010) | (155,174) |

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| | | |
|---|------------|------------|
| Current income tax expense, net, total | (110,005) | (165,894) |
| Deferred tax expense by foreign and domestic parties, net | | |
| Deferred tax expense, foreign parties, net | 430 | 423 |
| Deferred tax expense, domestic, net | (7,493) | (8,449) |
| Deferred tax expense, net, total | (7,063) | (8,026) |
| Income tax expense | (117,068) | (173,920) |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 28 - Income tax and deferred taxes (continued)

28.4 Income tax and deferred taxes, continued

d.8 Equity interest in taxation attributable to equity-accounted investees

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

- (a) the parent, investor or interest holder is able to control the time for reversal of the temporary difference; and
- (b) It is more likely than not 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 interests in joint ventures because it is not possible to meet for the following requirements:

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

d.9 Disclosures on the tax effects of other comprehensive income components:

| | 9/30/2013 | | |
|--|--------------|---------------------------------------|--------------------|
| | ThUS\$ | | |
| | Amount | (Expense) | |
| Income tax related to components of other income and expense with a charge or credit to net equity | before taxes | income for (expense)income taxes gain | Amount after taxes |

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| | | | | |
|-----------------|--------|--------|---|-------|
| Cash flow hedge | 10,419 | (2,084 |) | 8,335 |
| Total | 10,419 | (2,084 |) | 8,335 |

9/30/2012

ThUS\$

| Income tax related to components of other income and expense with a charge or credit to net equity | Amount before taxes (expense) gain | (Expense) income for income taxes | Amount after taxes |
|--|--|---|-----------------------|
| Cash flow hedge | (7,297) | 1,425 | (5,872) |
| Total | (7,297) | 1,425 | (5,872) |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)**Note 28 - Income tax and deferred taxes (continued)****28.4 Income tax and deferred taxes, continued**

- d.10 Explanation of the relationship between expense (income) for tax purposes and accounting income.

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

Reconciliation of numbers in income tax expenses (income) and the result of multiplying financial gain by the rate prevailing in Chile

| | 9/30/2013 | 9/30/2012 |
|--|------------|------------|
| | ThUS\$ | ThUS\$ |
| | Income | Income |
| | (expense) | (expense) |
| Consolidated income before taxes | 519,570 | 686,935 |
| Income tax rate in force in Chile | 20 % | 20 % |
| Tax expense using the legal rate | (103,914) | (137,387) |
| Effect of royalty tax expense | (10,154) | (24,096) |
| Tax effect of non-taxable revenue | 4,287 | 6,134 |
| Effect of taxable rate of non-deductible expenses for determination of taxable income (loss) | (1,639) | (2,059) |
| Tax effect of tax rates supported abroad | (5,504) | (5,157) |
| Effect on the tax rate arising from changes in the tax rate | - | - |
| Other tax effects from the reconciliation between the accounting income and tax expense (income) | (144) | (11,355) |
| Tax expense using the effective rate | (117,068) | (173,920) |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 28 - Income tax and deferred taxes (continued)

28.4 Income tax and deferred taxes, continued

d.11 Tax periods potentially subject to verification:

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

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

a) Chile:

According to article 200 of Decree Law No. 830, the tax authority shall review for any deficiencies in its settlement and taxes turn giving rise, by applying a requirement of 3 years term from the expiration of the legal deadline when payment should have been made. Besides, this requirement was extended to 6 years term for the revision of taxes subject to declaration, when such declaration was not been filed or has been presented maliciously false.

b) United States

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

c) Mexico:

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

d)

Spain:

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

e)

Belgium:

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

f)

South Africa:

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

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)**Note 29 - Disclosures on the effects of fluctuations in foreign currency exchange rates**

Assets held in foreign currency subject to fluctuations in exchange rates are detailed as follows:

| Class of asset | Currency | 9/30/2013 | 12/31/2012 |
|---|----------|-----------|------------|
| | | ThUS\$ | ThUS\$ |
| Current assets: | | | |
| Cash and cash equivalents | BRL | 59 | 20 |
| Cash and cash equivalents | CLP | 5,408 | 76,712 |
| Cash and cash equivalents | CNY | 128 | 181 |
| Cash and cash equivalents | EUR | 15,269 | 3,601 |
| Cash and cash equivalents | GBP | 52 | 70 |
| Cash and cash equivalents | IDR | 4 | 5 |
| Cash and cash equivalents | INR | 14 | 13 |
| Cash and cash equivalents | MXN | 480 | 720 |
| Cash and cash equivalents | PEN | 4 | 75 |
| Cash and cash equivalents | THB | 882 | - |
| Cash and cash equivalents | YEN | 1,460 | 1,369 |
| Cash and cash equivalents | ZAR | 12,256 | 7,421 |
| Subtotal cash and cash equivalents | | 36,016 | 90,187 |
| Other current financial assets | CLP | 89,063 | 182,427 |
| Subtotal other current financial assets | | 89,063 | 182,427 |
| Other current non-financial assets | ARS | 26 | 29 |
| Other current non-financial assets | AUD | - | - |
| Other current non-financial assets | BRL | 1 | 5 |
| Other current non-financial assets | CLF | 48 | 23 |
| Other current non-financial assets | CLP | 17,065 | 42,378 |
| Other current non-financial assets | CNY | 18 | 29 |
| Other current non-financial assets | EUR | 8,595 | 8,534 |
| Other current non-financial assets | MXN | 765 | 736 |
| Other current non-financial assets | PEN | 5 | 55 |
| Other current non-financial assets | THB | 4 | - |
| Other current non-financial assets | YEN | 1 | 15 |
| Other current non-financial assets | ZAR | 459 | 702 |
| Subtotal other current non-financial assets | | 26,987 | 52,506 |
| Trade and other receivables | AUD | - | 14 |
| Trade and other receivables | BRL | 34 | 58 |
| Trade and other receivables | CLF | 580 | 826 |
| Trade and other receivables | CLP | 91,783 | 78,112 |
| Trade and other receivables | CNY | 18 | 2,014 |

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| | | | |
|---|-----|---------|---------|
| Trade and other receivables | EUR | 45,973 | 47,962 |
| Trade and other receivables | GBP | 1,440 | 399 |
| Trade and other receivables | MXN | 218 | 200 |
| Trade and other receivables | PEN | 89 | 114 |
| Trade and other receivables | THB | 1,125 | - |
| Trade and other receivables | YEN | 1 | - |
| Trade and other receivables | ZAR | 14,804 | 16,004 |
| Subtotal trade and other receivables | | 156,065 | 145,703 |
| Receivables from related parties | AED | 379 | - |
| Receivables from related parties | CLP | 749 | 1,154 |
| Receivables from related parties | EUR | 1,934 | 34 |
| Receivables from related parties | YEN | 190 | 28 |
| Receivables from related parties | ZAR | 5,649 | 3,312 |
| Subtotal receivables from related parties | | 8,901 | 4,528 |
| Current tax assets | AUD | - | 452 |
| Current tax assets | CLP | 1,613 | 457 |
| Current tax assets | EUR | 73 | 72 |
| Current tax assets | INR | - | 5 |
| Current tax assets | MXN | 1,358 | 698 |
| Current tax assets | PEN | 267 | 363 |
| Current tax assets | YEN | - | 135 |
| Subtotal current tax assets | | 3,311 | 2,182 |
| Total current assets | | 320,343 | 477,533 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 29 - Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

| Class of asset | Currency | 9/30/2013 | 12/31/2012 |
|---|----------|-----------|------------|
| | | ThUS\$ | ThUS\$ |
| Non-current assets: | | | |
| Other non-current financial assets | BRL | 28 | 30 |
| Other non-current financial assets | CLP | 20 | 20 |
| Other non-current financial assets | YEN | 48 | 54 |
| Subtotal other non-current financial assets | | 96 | 104 |
| Other non-current non-financial assets | BRL | 200 | 219 |
| Other non-current non-financial assets | CLP | 775 | 624 |
| Subtotal other non-current non-financial assets | | 975 | 843 |
| Non-current rights receivable | CLF | 505 | 602 |
| Non-current rights receivable | CLP | 612 | 709 |
| Subtotal non-current rights receivable | | 1,117 | 1,311 |
| Equity-accounted investees | AED | 22,877 | 17,044 |
| Equity-accounted investees | CLP | 1,312 | 1,656 |
| Equity-accounted investees | EGP | - | - |
| Equity-accounted investees | EUR | 7,032 | 8,495 |
| Equity-accounted investees | INR | 761 | 683 |
| Equity-accounted investees | THB | 1,927 | 1,608 |
| Equity-accounted investees | TRY | 15,762 | 15,431 |
| Subtotal equity-accounted investees | | 49,671 | 44,917 |
| Intangible assets other than goodwill | CLP | 542 | 170 |
| Intangible assets other than goodwill | CNY | 4 | 6 |
| Subtotal intangible assets other than goodwill | | 546 | 176 |
| Property, plant and equipment | CLP | 3,727 | 3,639 |
| Subtotal property, plant and equipment | | 3,727 | 3,639 |
| Total non-current assets | | 56,132 | 50,990 |
| Total assets | | 376,475 | 528,523 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 29 - Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

Liabilities held in foreign currencies are detailed as follows:

| Class of liability | Currency | 9/30/2013 | | | 12/31/2012 | | |
|--|----------|---------------|--------------|---------|---------------|--------------|---------|
| | | Up to 90 days | Over 90 days | Total | Up to 90 days | Over 90 days | Total |
| | | | up to 1 year | | | up to 1 year | |
| | | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Current liabilities | | | | | | | |
| Other current financial liabilities | CLF | 7,868 | 70,937 | 78,805 | 5,967 | 7,465 | 13,432 |
| Other current financial liabilities | CLP | 678 | 144,447 | 145,125 | 1,265 | 1,470 | 2,735 |
| Subtotal other current financial liabilities | | 8,546 | 215,384 | 223,930 | 7,232 | 8,935 | 16,167 |
| Trade and other payables | ARS | 1 | - | 1 | 1 | - | 1 |
| Trade and other payables | BRL | 66 | - | 66 | 71 | - | 71 |
| Trade and other payables | CHF | 1 | - | 1 | 155 | - | 155 |
| Trade and other payables | CLP | 54,617 | 31,136 | 85,753 | 132,037 | 35 | 132,072 |
| Trade and other payables | CNY | 138 | - | 138 | 1,642 | - | 1,642 |
| Trade and other payables | EUR | 21,536 | 1,269 | 22,805 | 18,983 | 279 | 19,262 |
| Trade and other payables | GBP | 100 | - | 100 | 142 | - | 142 |
| Trade and other payables | INR | 1 | - | 1 | 4 | - | 4 |
| Trade and other payables | MXN | 2,103 | - | 2,103 | 808 | 2 | 810 |
| Trade and other payables | PEN | 7 | - | 7 | 36 | - | 36 |
| Trade and other payables | YEN | - | - | - | 66 | 49 | 115 |
| Trade and other payables | ZAR | 1,881 | 1,253 | 3,134 | 1,810 | - | 1,810 |
| Subtotal trade and other payables | | 80,451 | 33,658 | 114,109 | 155,755 | 365 | 156,120 |
| Other current provisions | ARS | 55 | - | 55 | - | - | - |
| Other current provisions | BRL | 862 | 625 | 1,487 | 17 | 1,606 | 1,623 |
| Other current provisions | CLP | 6 | - | 6 | 28 | - | 28 |
| Other current provisions | EUR | 7 | - | 7 | 248 | - | 248 |
| Other current provisions | INR | - | 1 | 1 | - | - | - |
| Subtotal other current provisions | | 930 | 626 | 1,556 | 293 | 1,606 | 1,899 |
| Current tax liabilities | INR | - | - | - | 5 | - | 5 |
| Current tax liabilities | BRL | - | - | - | - | 3 | 3 |
| Current tax liabilities | CLP | - | 8 | 8 | - | 2,660 | 2,660 |
| Current tax liabilities | CNY | - | - | - | - | 22 | 22 |
| Current tax liabilities | EUR | - | 5,094 | 5,094 | - | 2,742 | 2,742 |
| Current tax liabilities | MXN | - | - | - | 36 | - | 36 |
| Current tax liabilities | ZAR | - | - | - | - | 55 | 55 |

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| | | | | | | | |
|---|-----|-------|-------|-------|-------|--------|--------|
| Subtotal current tax liabilities | | - | 5,102 | 5,102 | 41 | 5,482 | 5,523 |
| Current provisions for employee benefits | CLP | 6,942 | - | 6,942 | 7,557 | 14,760 | 22,317 |
| Current provisions for employee benefits | MXN | 114 | 1 | 115 | - | 212 | 212 |
| Subtotal current provisions for employee benefits | | 7,056 | 1 | 7,057 | 7,557 | 14,972 | 22,529 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 29 - Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

| Class of liabilities | Currency | 9/30/2013 | | | 12/31/2012 | | |
|--|----------|---------------|--------------|---------|---------------|--------------|---------|
| | | Up to 90 days | Over 90 days | Total | Up to 90 days | Over 90 days | Total |
| | | | up to 1 year | | | up to 1 year | |
| | | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Other current non-financial liabilities | BRL | 40 | 19 | 59 | 12 | 44 | 56 |
| Other current non-financial liabilities | CLP | 8,977 | 22,423 | 31,400 | 9,561 | 26,714 | 36,275 |
| Other current non-financial liabilities | CNY | 28 | - | 28 | 26 | - | 26 |
| Other current non-financial liabilities | EUR | 37 | 606 | 643 | 637 | - | 637 |
| Other current non-financial liabilities | MXN | 460 | 189 | 649 | 250 | 103 | 353 |
| Other current non-financial liabilities | AUD | - | 12 | 12 | - | - | - |
| Other current non-financial liabilities | PEN | 70 | - | 70 | 70 | - | 70 |
| Other current non-financial liabilities | THD | 171 | - | 171 | - | - | - |
| Other current non-financial liabilities | ZAR | 7 | - | 7 | 9 | - | 9 |
| Subtotal other current non-financial liabilities | | 9,790 | 23,249 | 33,039 | 10,565 | 26,861 | 37,426 |
| Total current liabilities | | 106,773 | 278,020 | 384,793 | 181,443 | 58,221 | 239,664 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 29 - Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

| Class of liabilities | Currency | 9/30/2013 | | | Total | 12/31/2012 | | | Total |
|---|----------|----------------------------|----------------------------|--------------|---------|---------------------------|----------------------------|--------------|---------|
| | | Over 3 years up to 3 years | Over 3 years up to 5 years | Over 5 years | | Over 1 year up to 3 years | Over 3 years up to 5 years | Over 5 years | |
| | | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | |
| Non-current liabilities | | | | | | | | | |
| Other non-current financial liabilities | CLF | - | 45,467 | 333,065 | 378,532 | 85,681 | 61,119 | 321,857 | 468,657 |
| Other non-current financial liabilities | CLP | - | - | - | - | 151,500 | - | - | 151,500 |
| Subtotal other non-current financial liabilities | | - | 45,467 | 333,065 | 378,532 | 237,181 | 61,119 | 321,857 | 620,157 |
| Deferred tax liabilities | CLP | - | - | - | - | - | - | 43 | 43 |
| Deferred tax liabilities | MXN | - | - | - | - | 159 | - | - | 159 |
| Subtotal deferred tax liabilities | | - | - | - | - | 159 | - | 43 | 202 |
| Non-current provisions for employee benefits | CLP | - | 1,411 | 31,940 | 33,351 | - | - | 33,766 | 33,766 |
| Non-current provisions for employee benefits | MXN | - | 135 | - | 135 | - | - | 132 | 132 |
| Non-current provisions for employee benefits | YEN | - | - | 471 | 471 | - | - | 532 | 532 |
| Subtotal non-current provisions for employee benefits | | - | 1,546 | 32,411 | 33,957 | - | - | 34,430 | 34,430 |
| Total non-current liabilities | | - | 47,013 | 365,476 | 412,489 | 237,340 | 61,119 | 356,330 | 654,789 |

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

Note 30 – Subsequent events

30.1 Authorization of the financial statements

The consolidated financial statements of Sociedad Química y Minera de Chile S.A. and subsidiaries prepared in accordance with International Financial Reporting Standards for the period ended September 30, 2013 were approved and authorized for issuance by the Board of Directors at their meeting held on November 19, 2013.

30.2 Disclosures on events occurring after the reporting date

Management is not aware of any significant events that occurred between September 30, 2013 and the date of issuance of these consolidated financial statements that may significantly affect them.

30.3 Detail of dividends declared after the reporting date

The Directors of Sociedad Química y Minera de Chile S.A. (SQM), who met in an Ordinary Board of Director Meeting today, unanimously agreed to pay and distribute a provisional dividend referred to in the current "SQM's 2013 Dividend Policy " which was reported to the SQM Annual General Shareholders Meeting held on April 25th of this year. Therefore, SQM shall pay and distribute, as of December 12, 2013, a provisional dividend of US\$ 0.75609 per share, which is approximately equivalent to the total amount of US\$ 199 million and, the latter, to 49.9% of the distributable net income of the fiscal year 2013, accumulated to date at September 30 of this year. This shall be charged against the net income of said fiscal year, in favor of the Shareholders who appear in SQM's Registry of Shareholders on the fifth business day prior to December 12, 2013, and in its equivalent in national currency (Chilean pesos) according to the value of the "Observed Dollar" or "United States of America Dollar" as published in the Official Gazette on December 6, 2013.

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Notes to the Consolidated Financial Statements as of June 30, 2013 (Unaudited)

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.

CHEMICAL AND MINING COMPANY OF
CHILE INC.
(Registrant)

Date: December 06, 2013

By: /s/ Ricardo Ramos

Chief Financial Officer & Business Development SVP

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