

CHEMICAL & MINING CO OF CHILE INC  
Form 6-K  
June 30, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

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

For the month of June 2015.

Commission File Number 33-65728

CHEMICAL AND MINING COMPANY OF CHILE INC.

(Translation of registrant's name into English)

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

(Address of principal executive office)

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

Form 20-F:  Form 40-F:

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

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Los Militares 4290,

Las Condes, Santiago, Chile

Tel: (56 2) 2425 2000

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**Santiago, Chile, June 30, 2015** – Sociedad Química y Minera de Chile S.A. (SQM), reports the translation of the financial statements that were filed with the Chilean Securities and Insurance Commission (*Superintendencia de Valores y Seguros de Chile*) for the period ended March 31, 2015.

CONSOLIDATED FINANCIAL STATEMENTS

For the period ended

March 31, 2015

**Sociedad Química 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
- Consolidated Statements of Changes in Equity
- Notes to the Consolidated Financial Statements

**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 March 31, 2015	As of December 31, 2014
		ThUS\$	ThUS\$
Current assets			
Cash and cash equivalents	7.1	473,817	354,566
Other current financial assets	10.1	667,226	670,602
Other current non-financial assets	25	45,288	43,736
Trade and other receivables, current	10.2	311,800	340,830
Trade receivables due from related parties, current	9.5	113,596	134,506
Current inventories	8	965,998	919,603
Current tax assets	28.1	56,511	47,975
Total current assets		2,634,236	2,511,818
Non-current assets			
Other non-current financial assets	10.1	641	427
Other non-current non-financial assets	25	34,999	32,171
Trade receivables, non-current	10.2	1,250	2,044
Investments in associates	11.1	51,374	49,723
Investments in joint ventures	12.3	27,433	26,055
Intangible assets other than goodwill	13.1	113,837	114,735
Goodwill	13.1	38,388	38,388
Property, plant and equipment	14.1	1,835,928	1,887,954
Deferred tax assets	28.4	465	340
Total non-current assets		2,104,315	2,151,837
Total assets		4,738,551	4,663,655

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 March 31, 2015 ThUS\$	As of December 31, 2014 ThUS\$
Liabilities			
Current liabilities			
Other current financial liabilities	10.4	220,599	213,172
Trade and other payables, current	10.5	137,832	145,160
Trade payables due to related parties, current	9.6	195	231
Other current provisions	18.1	30,076	27,747
Current tax liabilities	28.2	37,209	28,983
Provisions for employee benefits, current	15.1	7,101	18,384
Other current non-financial liabilities	18.3	128,406	90,010
Total current liabilities		561,418	523,687
Non-current liabilities			
Other non-current financial liabilities	10.4	1,570,588	1,574,225
Other non-current provisions	18.1	8,890	8,890
Deferred tax liabilities	28.4	228,026	223,349
Provisions for employee benefits, non-current	15.1	34,410	33,801
Total non-current liabilities		1,841,914	1,840,265
Total liabilities		2,403,332	2,363,952
Equity			
Share capital	17	477,386	477,386
Retained earnings		1,811,454	1,775,612
Other reserves		(13,539 )	(13,162 )
<b>Equity attributable to owners of the Parent</b>		<b>2,275,301</b>	<b>2,239,836</b>
Non-controlling interests		59,918	59,867
Total equity		2,335,219	2,299,703
Total liabilities and equity		4,738,551	4,663,655

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

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

	Note	January to March <b>2015</b>	<b>2014</b>
		<b>ThUS\$</b>	<b>ThUS\$</b>
Revenue	20	387,519	534,072
Cost of sales	27.2	(256,824)	(379,249)
Gross profit		130,695	154,823
Other income	27.3	4,877	1,759
Administrative expenses	27.4	(21,165 )	(21,335 )
Other expenses by function	27.5	(14,880 )	(15,244 )
Other gains (losses)	27.6	394	439
Profit (loss) from operating activities		99,921	120,442
Finance income		3,350	2,992
Finance costs	22	(16,936 )	(15,725 )
Share of profit of associates and joint ventures accounted for using the equity method		3,559	4,575
Foreign currency translation differences	23	9,710	(1,682 )
Profit (loss) before taxes		99,604	110,602
Income tax expense, continuing operations	28.4	(27,792 )	(28,865 )
Profit (loss) from continuing operations		71,812	81,737
Profit for the year		71,812	81,737
Profit attributable to			
Owners of the Parent		71,685	81,005
Non-controlling interests		127	732
Profit for the year		71,812	81,737

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**Consolidated Statements of Income by Function, (continued)**

	Note	January to March	
		2015	2014
		US\$	US\$
Earnings per share			
Common shares			
Basic earnings per share (US\$ per share)	21	0.2724	0.3078
Basic earnings per share (US\$ per share) from continuing operations		0.2724	0.3078
Diluted common shares			
Diluted earnings per share (US\$ per share)	21	0.2724	0.3078
Diluted earnings per share (US\$ per share) from continuing operations		0.2724	0.3078

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

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

	January to March	
	2015	2014
Consolidated Statements of comprehensive income	ThUS\$	ThUS\$
Profit for the year	71,812	81,737
Components of other comprehensive income before taxes and foreign currency translation differences		
Gain (loss) from foreign currency translation differences, before taxes	(3,162 )	(246 )
Other comprehensive income before taxes and foreign currency translation differences	(3,162 )	(246 )
Cash flow hedges		
(Gain) loss from cash flow hedges before taxes	3,596	8,756
Other comprehensive income before taxes and cash flow hedges	3,596	8,756
Other comprehensive income before taxes and actuarial gains (losses) from defined benefit plans	(18 )	-
Other components of other comprehensive income before taxes	416	8,510
Income taxes associated with components of other comprehensive income		
Income taxes associated with cash flow hedges in other comprehensive income	(815 )	(1,708 )
Income taxes associated with components of other comprehensive income	(815 )	(1,708 )
Other comprehensive income	(399 )	6,802
Total comprehensive income	71,413	88,539
Comprehensive income attributable to		
Owners of the Parent	71,309	87,864
Non-controlling interests	104	675
Total comprehensive income	71,413	88,539

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

	Note	3/31/2015	3/31/2014
		ThUS\$	ThUS\$
Consolidated Statements of cash flows			
Cash flows from (used in) operating activities			
Types of receipts from operating activities			
Cash receipts from sales of goods and rendering of services		434,103	436,943
Types of payments			
Cash payments to suppliers for the provision of goods and services		(276,291 )	(282,202 )
Cash payments to and on behalf of employees		(11,525 )	(9,768 )
Other payments related to operating activities		(8,771 )	(283 )
Dividends received		2,592	3,929
Interest paid		(9,925 )	(13,162 )
Interest received		3,350	2,992
Reimbursed (paid) income taxes		(23,471 )	(23,219 )
Other incomes (outflows) of cash		4,273	9,374
Net cash generated from (used in) operating activities		114,335	124,604
Cash flows from (used in) investing activities			
Other cash payments made to acquire interest in joint ventures		(59 )	-
Proceeds from the sale of property, plant and equipment		221	159
Proceeds from sales of intangible assets		2,972	-
Acquisition of property, plant and equipment		(21,432 )	(33,350 )
Cash advances and loans granted to third parties		425	(588 )
Other incomes (outflows) of cash (*)		15,970	56,020
Net cash generated from (used in) investing activities		(1,903 )	22,241

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

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

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

	Note	3/31/2014	3/31/2014
		ThUS\$	ThUS\$
Cash flows from (used in) financing activities			
Proceeds from short-term borrowings		20,000	-
Total proceeds from borrowings		20,000	-
Repayment of borrowings		(20,000 )	(218,498 )
Net cash generated from (used in) financing activities		-	(218,498 )
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate		112,432	71,653
Effects of exchange rate fluctuations on cash held		6,819	14,517
Net (decrease) increase in cash and cash equivalents		119,251	(57,136 )
Cash and cash equivalents at beginning of period		354,566	476,622
Cash and cash equivalents at end of period		473,817	419,486

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

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

## Consolidated Statements of Changes in Equity

2015	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	(7,701 )	(1,881)	(1,903)	(1,677)	(13,162)	1,775,612	2,239,836	59,867	2,299,703
Profit for the year)	-	-	-	-	-	-	71,685	71,685	127	71,812
Other comprehensive income	-	(3,146 )	2,780	(11 )	-	(377 )	-	(377 )	(22 )	(399 )
Comprehensive income	-	(3,146 )	2,780	(11 )	-	(377 )	71,685	71,308	105	71,413
Dividends	-	-	-	-	-	-	(35,843 )	(35,843 )	-	(35,843 )
Increase (decrease) due to changes in interests in subsidiaries	-	-	-	-	-	-	-	-	(54 )	(54 )
Increase (decrease) in equity	-	(3,146 )	2,780	(11 )	-	(377 )	35,842	35,465	51	35,516
Equity as of March 31, 2015	477,386	(10,847)	899	(1,914)	(1,677)	(13,539)	1,811,454	2,275,301	59,918	2,335,219

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

## Consolidated Statements of Changes in Equity

2014	Share capital	Foreign currency translation differences reserves	Cash flow hedge reserves	Actuarial gains (losses) from defined benefit plans	Other miscellaneous reserves	Other reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Controlling Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity at beginning of the year	477,386	(3,817)	(3,766)	(1,231)	(1,677)	(10,491)	1,909,725	2,376,620	55,621	2,432,241
Profit for the year	-	-	-	-	-	-	81,005	81,005	732	81,737
Other comprehensive income	-	(189 )	7,048	-	-	6,859	-	6,859	(57 )	6,802
Comprehensive income	-	(189 )	7,048	-	-	6,859	81,005	87,864	675	88,539
Dividends	-	-	-	-	-	-	(40,502 )	(40,502 )	-	(40,502 )
Increase (decrease) in transfers and other changes (*)	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in equity	-	(189 )	7,048	-	-	6,859	40,503	47,362	675	48,037
Equity as of March 31, 2014	477,386	(4,006)	3,282	(1,231)	(1,677)	(3,632 )	1,950,228	2,423,982	56,296	2,480,278

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Notes to the Consolidated Financial Statements as of March 31, 2015 ( Unaudited )

## Note 1 Identification and activities of the Company and Subsidiaries

### 1.1 Historical background

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

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

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

### 1.2 Main domicile where the Company performs its production activities

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

### 1.3 Codes of main activities

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

-1700 (Mining)

-2200 (Chemical products)

-1300 (Investment)

#### 1.4 Description of the nature of operations and main activities

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

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Notes to the Consolidated Financial Statements as of March 31, 2015 ( 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 March 31, 2015 ( Unaudited )

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

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

**Industrial Chemicals:** Industrial chemicals are products used as supplies for a number of production processes. SQM participates in this line of business during more than 30 years producing sodium nitrate, potassium nitrate, boric acid and potassium chloride. Industrial nitrates have increased their importance over the last few years due to their use as storage means for thermal energy at solar energy plants, which are widely used in countries as Spain and the United States in their search for decreasing CO<sub>2</sub> 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 March 31, 2015 and December 31, 2014, staff was detailed as follows:

	31/03/2015			31/12/2014		
	Holding	Other subsidiaries	Total	Holding	Other subsidiaries	Total
Employees						
Executives	28	75	103	29	76	105
Professionals	112	894	1,006	108	884	992
Technicians and operators	273	3,326	3,599	266	3,247	3,513
Foreign employees	-	196	196	-	190	190

Overall total	413	4,491	4,904	403	4,397	4,800
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Notes to the Consolidated Financial Statements as of March 31, 2015 ( Unaudited )

**Note 1 Identification and Activities of the Company and subsidiaries (continued)****1.5 Other background, continued****Main shareholders**

The table below establishes certain information about the beneficial property of Series A and Series B shares of SQM as of March 31, 2015 and December 31, 2014. 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 March 31, 2015	No. of Series A with ownership	% of Series A shares		No. of Series B with ownership	% of Series B shares	% of total shares	
The Bank of New York Mellon, ADRs	-	-		61,189,825	50.83	%	23.25 %
Sociedad de Inversiones Pampa Calichera S.A.(*)	44,808,030	31.37	%	7,007,688	5.82	%	19.69 %
Inversiones El Bolso Limitada	29,330,326	20.54	%	17,963,546	14.92	%	17.97 %
Inversiones RAC Chile Limitada	19,200,242	13.44	%	2,202,773	1.83	%	8.13 %
Potasios de Chile S.A.(*)	18,179,147	12.73	%	-	-		6.91 %
Inversiones PCS Chile Limitada	15,526,000	10.87	%	-	-		5.90 %
Inversiones Global Mining (Chile) Limitada (*)	8,798,539	6.16	%	-	-		3.34 %
Banco de Chile por Cuenta de Terceros no Residentes	-	-		7,049,881	5.86	%	2.68 %
Banco Itau por Cuenta de Inversionistas	20,950	0.01	%	5,748,602	4.78	%	2.19 %
Inversiones La Esperanza Limitada	3,711,598	2.60	%	-	-		1.41 %

(\*) **Total Pampa Group 29.94%**

Shareholder as of December 31, 2014	No. of Series A with ownership	% of Series A shares		No. of Series B with ownership	% of Series B shares	% of total shares	
The Bank of New York Mellon, ADRs	-	-		61,894,725	51.42	%	23.52 %
Sociedad de Inversiones Pampa Calichera S.A.(*)	44,803,531	31.37	%	7,007,688	5.82	%	19.69 %



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Inversiones El Boldo Limitada	29,330,326	20.54	%	17,963,546	14.92	%	17.97	%
Inversiones RAC Chile Limitada	19,200,242	13.44	%	2,202,773	1.83	%	8.13	%
Potasios de Chile S.A.(*)	18,179,147	12.73	%	-	-		6.91	%
Inversiones PCS Chile Limitada	15,526,000	10.87	%	-	-		5.90	%
Inversiones Global Mining (Chile) Limitada (*)	8,798,539	6.16	%	-	-		3.34	%
Banco de Chile por Cuenta de Terceros no Residentes	-	-		5,795,818	4.81	%	2.20	%
Banco Itau por Cuenta de Inversionistas	20,950	0.01	%	5,412,076	4.50	%	2.06	%
Inversiones La Esperanza Limitada	3,711,598	2.60	%	-	-		1.41	%

**(\*) Total Pampa Group 29.90%**

On March 31, 2015 the total number of shareholders had risen to 1,262.

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Notes to the Consolidated Financial Statements as of March 31, 2015 ( Unaudited )

Note 2 Basis of presentation for the consolidated financial statements

2.1 Accounting period

These consolidated financial statements cover the following periods:

- Consolidated Statements of Financial Position for the periods ended March 31, 2015 and December 31, 2014.
- Consolidated Statements of Changes in Equity for the periods ended March 31, 2015 and 2014.
- Consolidated Statements of Comprehensive Income for the periods between January and March 31, 2015 and 2014.
- Statements of Direct-Method Cash Flows for the periods ended March 31, 2015 and 2014.

2.2 Financial statements

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

On September 26, 2014, Law No.20,780 was enacted and published on September 29, 2014, which introduces amendments to the tax system in Chile referred to income taxes, among other matters. On October 17, 2014, the Chilean Superintendence of Securities and Insurance issued Circular No. 856 which required that the adjustment of deferred tax assets and liabilities generated as a direct effect of an increase in the corporate income tax rate provided by Law 20,780 (the Tax Reform) will be made against equity and not as required by IAS 12. Notes 3.38 and 28.4 provide a detail of criteria used and impacts related to the recording of the effects resulting from such tax reform and the application of the aforementioned Circular.

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

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

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

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Notes to the Consolidated Financial Statements as of March 31, 2015 ( Unaudited )

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

2.3 Basis of measurement

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

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

2.4 Accounting pronouncements

**New accounting pronouncements**

a) The following standards, interpretations and amendments are mandatory for the first time for annual periods beginning on January 1, 2015:

<i>Amendments and improvements</i>	<i>Effective for annual periods beginning on</i>
Amendment of IAS 19 “ <i>Employee Benefits</i> ” on defined benefit plans. – Issued in November 2013. This amendment applies to employee or third party contributions in defined benefit plans. Amendments are intended to simplify the accounting for contributions that are independent of the number of years of service of employees; e.g., contributions by employees that are calculated in accordance with a fixed percentage of the employee’s salary.	01/01/2015
<i>Improvements to International Financial Reporting Standards (2012) issued in December 2013</i>	<i>Effective for annual periods beginning on</i>
IFRS 2 “Share-based Payment” – It clarifies the definition of “vesting conditions and “market conditions” and defines separately “performance conditions” and “service conditions.” Such an amendment should be applied prospectively on share-based payment transactions whose grant date is July 1, 2014 or after. Early adoption is permitted.	01/01/2015

IFRS 3, "Business Combinations" – The standard is modified to clarify that the obligation to pay a contingent consideration that meets the definition of a financial instrument is classified as a financial liability or equity, on the basis of the definitions in IAS 32, "Financial Instruments: Presentation." The standard was additionally amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at its fair value at each reporting date recognizing changes in fair value in profit or loss. Consequently, there are also changes to IFRS 9, IAS 37 and IAS 39. The amendment is applicable prospectively for business combinations the acquisition date of which is July 1, 2014 or after. Early adoption is permitted provided that amendments of IFRS 9 and IAS 37 also issued as part of the 2012 improvement plan are applied.

01/01/2015

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Notes to the Consolidated Financial Statements as of March 31, 2015 ( Unaudited )

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

**2.4 Accounting Pronouncements, continued**

*Improvements to International Financial Reporting Standards (2012) issued in December 2013* *Effective for annual periods beginning on*

IFRS 8 “Operating Segments” – The standard is amended to include the requirement to disclose the judgments made by management in the aggregation of operating segments. The standard was additionally modified to require a reconciliation of assets of the segments to assets of an entity, when assets are reported by segment. Early adoption is permitted. 01/01/2015

IFRS 13 "Fair Value Measurement" – IASB has modified the basis for conclusions of IFRS 13 to clarify that it did not intend to eliminate the ability to measure short-term receivables and payables at nominal amounts if the effect of not adjusting is not significant. 01/01/2015

IAS 16, "Property, Plant and Equipment" and IAS 38, "Intangible Assets" – Both standards are amended to clarify the treatment of the gross carrying amount and accumulated depreciation when an entity uses the revaluation model. Early adoption is permitted. 01/01/2015

IAS 24, "Related party Disclosures" – The standard is modified to include, as related party, an entity that provides key management personnel services to the reporting entity of the Parent of the reporting entity (“the managing entity”). Early adoption is permitted. 01/01/2015

*Improvements to International Financial Reporting Standards (2013) issued in December 2013* *Effective for annual periods beginning on*

IFRS 1 “First-time Adoption of International Financial Reporting Standards” – It clarifies that when a new version of a standard is not yet mandatory but is available for early adoption, a first-time adopter of IFRS may opt to apply the older version of the standard, provided that the same standard is applied to all periods presented. 01/01/2015

*Amendments and improvements* *Effective for annual periods beginning on*

IFRS 3 “Business Combinations” – The standard is modified to clarify that IFRS 3 is not applicable to the accounting recognition of the formation of a new joint arrangement under IFRS 11. This amendment also clarifies that only the scope exemption is applied to the financial statements of the joint arrangement. 01/01/2015

IFRS 13 “Fair Value Measurement” – It clarifies that the portfolio exception in IFRS 13, that allows an entity to measure the fair value of a group of financial assets and financial 01/01/2015

liabilities as at their net amount, applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. An entity must apply the amendments prospectively from the start of the first annual period in which IFRS 13 is applied.

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Notes to the Consolidated Financial Statements as of March 31, 2015 ( Unaudited )

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

**2.4 Accounting Pronouncements, continued**

<i>Amendments and improvements</i>	Effective for annual periods beginning on
IAS 40 “Investment Property” – The standard is modified to clarify that IAS 40 and IFRS 3 are not mutually excluding. In preparing the financial information, the application guide to IFRS 3 has to be considered to determine whether the acquisition of investment property is or is not a business combination. This amendment can be applied to individual acquisitions of investment property prior to such date if and only if the information required to apply the amendment is available.	01/01/2015

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

b) Standards, interpretations and amendments issued, not effective for 2014, which the Company has not adopted early are as follows:

<i>Amendments and interpretations</i>	Effective for annual periods beginning on
<i>IFRS 9 “Financial Instruments”</i> - Issued in July 2014. The IASB has issued the full version of IFRS 9, which supersedes the application guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and financial liabilities and an expected credit losses model that replaces the incurred loss impairment model used today. The final hedging accounting part of IFRS 9 was issued in November 2013. Early adoption is permitted.	01/01/2018

<i>Amendments and interpretations</i>	Effective for annual periods beginning on
<i>IFRS 15 “Revenue from Contracts with Customers”</i> – Issued in May 2014. This standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. For such purposes, the basic principle is that an entity will recognize Revenue representing the transfer of goods or services to customers in an amount that reflects the consideration that the entity expects to receive in exchange for such goods or services. The application of this standard will replace IAS 11	01/01/2017



Construction Contracts and IAS 18 Revenue, as well as IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue-Barter Transactions Involving Advertising Services. Early application is permitted.

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Notes to the Consolidated Financial Statements as of March 31, 2015 ( Unaudited )

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

### 2.4 Accounting Pronouncements, continued

<i>Amendments and interpretations</i>	Effective for annual periods beginning on
<p><i>IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets”</i> on depreciation and amortization – Issued in May 2014. The amendments clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate because revenue generated by such an activity in general reflects other factors other than the use of the economic benefits embedded in the asset. Likewise, the amendments clarify that a revenue-based amortization method is inappropriate to measure the use of the economic benefits embedded in the intangible asset.</p>	01/01/2016
<p><i>IAS 16 “Property, Plant and Equipment” and IAS 41 “Agriculture”</i> on bearer plants. – Issued in June 2014. These amendments modify the financial information for “bearer plants”, such as vineyards, rubber wood tree and oil palm. The amendments define the concept of “bearer plant” and establish that they should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. Early adoption is permitted.</p>	01/01/2016
<p>Amendment of <i>IAS 27 “Separate Financial Statements”</i> on the equity method- Issued in August 2014. This amendment allows entities to use the equity method of accounting for the recognition of investments in subsidiaries, joint ventures and associates in their separate financial statements. Early adoption is permitted.</p>	01/01/2016
<i>Amendments and improvements</i>	Effective for annual periods beginning on
<p>Amendment of <i>IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”</i>. Issued in September 2014. This amendment addresses an inconsistency between the requirements of IFRS 10 and IAS 28 for the treatment of a sale or contribution of assets between an investor and its associate or joint venture. The main consequence of this amendment is the recognition of a full gain or loss when the transaction involves a business (whether or not in a subsidiary) and a partial gain or loss when the transaction involves assets that are not a business, even if such assets are in a subsidiary.</p>	01/01/2016

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Notes to the Consolidated Financial Statements as of March 31, 2015 ( Unaudited )

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

**2.4 Accounting Pronouncements, continued**

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

<p><i>Amendments and improvements</i></p> <p><i>IFRS 7 “Financial Instruments: Disclosures.”</i> This includes two amendments of IFRS 7. (1) Service contracts: If an entity transfers a financial asset to a third party in conditions that allow the transferor to derecognize the asset, IFRS 7 requires the disclosure of any type of continuing involvement that the entity may still have in the transferred assets. IFRS 7 provides guidance on what is understood as continuing involvement within this context. The amendment is prospective and can be applied retrospectively. This also affects IFRS 1 to provide the same option to the first-time adopters of IFRS. (2) Interim financial statements: The amendment clarifies that the additional disclosure required by amendments of IFRS 7 “Offsetting of financial assets and financial liabilities” is not specifically required for all interim periods unless required by IAS 34. Such amendment is retrospective.</p>	<p>Effective for annual periods beginning on</p> <p>01/01/2016</p>
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Notes to the Consolidated Financial Statements as of March 31, 2015 ( Unaudited )

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

**2.4 Accounting Pronouncements, continued**

<i>Amendments and improvements</i>	Effective for annual periods beginning on
<p><i>IAS 19, "Employee Benefits"</i> – This amendment clarifies that in order to determine the discount rate for post-employment benefit obligations, the important aspect is the currency in which liabilities are denominated, not the country where they generate. The evaluation of whether a deep market exists for high-quality corporate bonds is based on corporate bonds in such currency, not in corporate bonds of a particular country. Likewise, where there is no deep market for high-quality corporate bonuses in such currency, government bonds in the related currency have to be used. Such amendment is retrospective but limited at the beginning of the first period presented.</p>	01/01/2016
<p><i>IAS 34, "Interim Financial Reporting"</i> – This amendment clarifies the meaning of disclosure of information ‘elsewhere in the interim financial report’ and to require the inclusion of a cross-reference from the interim financial statements to the location of the information. This amendment is retrospective.</p>	01/01/2016

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

2.5 Basis of consolidation

**(a) Subsidiaries**

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

To account for the acquisition, the Company uses the acquisition method. Under this method the acquisition cost is the fair value of assets delivered, equity securities issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingencies assumed in a business combination are measured initially at fair value at the acquisition date. For each business combination, the

Company will measure non-controlling interest of the acquire either at fair value or as proportional share of net identifiable assets of the acquiree.

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Notes to the Consolidated Financial Statements as of March 31, 2015 ( Unaudited )

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

TAX ID No.	Foreign subsidiaries	Country of origin	Functional currency	Ownership interest		03/31/2015 Total	12/31/2014 Total
				Direct	Indirect		
Foreign	Nitratos Naturais Do Chile Ltda.	Brazil	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Nitrate Corporation Of Chile Ltd.	United Kingdom	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM North America Corp.	USA	US\$	40.0000	60.0000	100.0000	100.0000
Foreign	SQM Europe N.V.	Belgium	US\$	0.5800	99.4200	100.0000	100.0000
Foreign	Soquimich S.R.L. Argentina	Argentina	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Soquimich European Holding B.V.	Netherlands	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Corporation N.V.	Dutch Antilles	US\$	0.0002	99.9998	100.0000	100.0000
Foreign	SQI Corporation N.V.	Dutch Antilles	US\$	0.0159	99.9841	100.0000	100.0000
Foreign	SQM Comercial De México S.A. de C.V.	Mexico	US\$	0.0013	99.9987	100.0000	100.0000
Foreign	North American Trading Company Administración Y Servicios Santiago S.A. de C.V.	USA	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Peru S.A.	Peru	US\$	0.9800	99.0200	100.0000	100.0000
Foreign	SQM Ecuador S.A.	Ecuador	US\$	0.0040	99.9960	100.0000	100.0000
Foreign	SQM Nitratos Mexico S.A. de C.V.	Mexico	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQMC Holding Corporation L.L.P.	USA.	US\$	0.1000	99.9000	100.0000	100.0000
Foreign	SQM Investment Corporation N.V.	Dutch Antilles	US\$	1.0000	99.0000	100.0000	100.0000
Foreign	SQM Brasil Limitada	Brazil	US\$	1.0900	98.9100	100.0000	100.0000



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

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Notes to the Consolidated Financial Statements as of March 31, 2015 ( Unaudited )

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

TAX ID No.	Domestic subsidiaries	Country of origin	Functional currency	Ownership interest		03/31/2015 Total	12/31/2014 Total
				Direct	Indirect		
96.801.610-5	Comercial Hydro S.A.	Chile	US\$	0.0000	60.6383	60.6383	60.6383
96.651.060-9	SQM Potasio S.A.	Chile	US\$	99.9999	0.0000	99.9999	99.9999
96.592.190-7	SQM Nitratos S.A.	Chile	US\$	99.9999	0.0001	100.0000	100.0000
96.592.180-K	Ajay SQM Chile S.A.	Chile	US\$	51.0000	0.0000	51.0000	51.0000
86.630.200-6	SQMC Internacional Ltda.	Chile	Ch\$	0.0000	60.6381	60.6381	60.6381
79.947.100-0	SQM Industrial S.A.	Chile	US\$	99.0470	0.9530	100.0000	100.0000
79.906.120-1	Isapre Norte Grande Ltda.	Chile	Ch\$	1.0000	99.0000	100.0000	100.0000
79.876.080-7	Almacenes y Depósitos Ltda.	Chile	Ch\$	1.0000	99.0000	100.0000	100.0000
79.770.780-5	Servicios Integrales de Tránsitos y Transferencias S.A.	Chile	US\$	0.0003	99.9997	100.0000	100.0000
79.768.170-9	Soquimich Comercial S.A.	Chile	US\$	0.0000	60.6383	60.6383	60.6383
79.626.800-K	SQM Salar S.A.	Chile	US\$	18.1800	81.8200	100.0000	100.0000
78.053.910-0	Proinsa Ltda.	Chile	Ch\$	0.0000	60.5800	60.5800	60.5800
76.534.490-5	Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	Chile	Ch\$	0.0000	100.0000	100.0000	100.0000
76.425.380-9	Exploraciones Mineras S.A.	Chile	US\$	0.2691	99.7309	100.0000	100.0000
76.064.419-6	Comercial Agrorama Ltda.	Chile	Ch\$	0.0000	42.4468	42.4468	42.4468
76.145.229-0	Agrorama S.A.	Chile	Ch\$	0.0000	60.6377	60.6377	60.6377
76.359.919-1	Orcoma Estudios SPA	Chile	US\$	51.0000	-	51.0000	100.0000
76.360.575-2	Orcoma SPA	Chile	US\$	100.0000	-	100.0000	100.0000

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

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

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

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Notes to the Consolidated Financial Statements as of March 31, 2015 ( Unaudited )

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

2.6 Significant accounting judgments, estimates and assumptions

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

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

- The useful lives of property, plant and equipment, and intangible assets and their residual value;
- Impairment losses of certain assets, including trade receivables;

Assumptions used in calculating the actuarial amount of pension-related and severance indemnity payment benefit commitments;

- Provisions for commitments assumed with third parties and contingent liabilities;

Provisions on the basis of technical studies that cover the different variables affecting products in stock (density and moist, among others), and allowance for slow-moving spare-parts in stock;

- Future cost for closure of mining sites;
- The determination of the fair value of certain financial assets and derivative instruments;
- The determination and assignment of fair values in business combinations.

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

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Notes to the Consolidated Financial Statements as of March 31, 2015 ( Unaudited )

**Note 3 Significant accounting policies**

3.1 Classification of balances as current and non-current

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

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

3.2 Functional and presentation currency

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

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

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

3.3 Foreign currency translation

**(a) Domestic entities:**

Assets and liabilities denominated in Chilean pesos and other currencies other than the functional currency (U.S. dollar) as of March 31, 2015 and December 31, 2014 have been translated to U.S. dollars at the exchange rates prevailing at those dates. The corresponding Chilean pesos were converted at Ch\$626.58 per US\$1.00 as of March 31, 2015, and Ch\$606.75 per US\$1.00 as of December 31, 2014.

The values of the UF (a Chilean peso-denominated, inflation-indexed monetary unit) used to convert the UF-denominated assets and liabilities as of March 31, 2015 amounted to Ch\$24,622.78 (US\$39.30), and as of December 31, 2014 amounted to Ch\$24,627.10 (US\$40.59).

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