

UNITED STATES OF AMERICA  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 6-K**

REPORT OF FOREIGN ISSUER  
PURSUANT TO RULE 13A-16 OR 15D-16  
OF THE SECURITIES AND EXCHANGE ACT OF 1934

Includes financial statements and their related notes for the nine-month period ended September 30, 2007, filed by Sociedad Química y Minera de Chile S.A. before the Superintendencia de Valores y Seguros de Chile on October 30, 2007.

SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.  
(Exact name of registrant as specified in its charter)

CHEMICAL AND MINING COMPANY OF CHILE INC.  
(Translation of registrant's name into English)

El Trovador 4285, Santiago, Chile (562) 425-2000  
(Address and phone number of principal executive offices)

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 whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82\_\_\_\_\_

On October 30, 2007, the Registrant filed with the Superintendencia de Valores y Seguros of Chile (the "SVS") a report that included information as to the Registrant's consolidated financial condition and results of operations for the nine-month period ended September 30, 2007. Attached is a summary of such consolidated financial information included in the summary and in the report filed with the Superintendencia de Valores y Seguros of Chile. This financial information was prepared on the basis of accounting principles generally accepted in Chile and does not include a reconciliation of such information to accounting principles generally accepted in the United States of America.

THIS REPORT IS AN ENGLISH TRANSLATION OF, AND A CHILEAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES PRESENTATION OF, THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2007 REPORT FILED WITH THE SUPERINTENDENCIA DE VALORES Y SEGUROS (SVS) IN CHILE, AND UNLESS OTHERWISE INDICATED, FIGURES ARE IN US DOLLARS.

*Consolidated Financial Statements*

***SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.***

*Santiago, Chile*

*September 30, 2007 and 2006*

## Consolidated Financial Statements

### **SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**

As of September 30, 2007 and 2006  
and for the nine months ended September 30, 2007 and 2006  
(A translation of the original in Spanish- see note 2 (a))

#### **Contents**

##### Consolidated Financial Statements

|  |   |
|--|---|
| Consolidated Balance Sheets .....                    | 3 |
| Consolidated Statements of Income.....               | 5 |
| Consolidated Statements of Cash Flows.....           | 6 |
| Notes to the Consolidated Financial Statements ..... | 7 |

|        |   |   |
|--------|---|---|
| Ch\$   | - | Chilean pesos   |
| ThCh\$ | - | Thousands of Chilean pesos  |
| US\$   | - | United States dollars   |
| ThUS\$ | - | Thousands of United States dollars  |
| ThEuro | - | Thousands of Euros  |
| UF     | - | The UF is an inflation-indexed, Chilean peso-denominated monetary unit. The UF rate is set daily in advance, based on the change in the Consumer Price Index of the previous month. |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Consolidated Balance Sheets**  
(A translation of the original in Spanish- see note 2 (a))

|  | Note | As of September 30, |                  |
|--|------|---------------------|------------------|
|  |      | <u>2007</u>         | <u>2006</u>      |
|  |      | ThUS\$              | ThUS\$           |
| <b>ASSETS</b>  |      |                     |                  |
| <b>Current Assets</b>                                |      |                     |                  |
| Cash   |      | 13,076              | 16,731           |
| Time deposits  |      | 25,985              | 6,156            |
| Marketable securities                                | 4    | 74,733              | 61,904           |
| Accounts receivable, net                             | 5    | 266,488             | 228,526          |
| Other accounts receivable, net                       | 5    | 9,712               | 7,226            |
| Accounts receivable from related companies           | 6    | 70,732              | 52,050           |
| Inventories, net                                     | 7    | 385,930             | 387,466          |
| Recoverable taxes                                    |      | 27,748              | 25,734           |
| Prepaid expenses                                     |      | 7,151               | 5,870            |
| Deferred income taxes                                | 15   | -                   | 8,869            |
| Other current assets                                 |      | 22,686              | 13,813           |
| Total Current Assets                                 |      | <u>904,241</u>      | <u>814,345</u>   |
| <b>Property, Plant and Equipment, Net</b>            | 8    | <u>967,705</u>      | <u>902,198</u>   |
| <b>Other Assets</b>                                  |      |                     |                  |
| Investments in related companies                     | 9    | 21,866              | 18,230           |
| Goodwill, net  | 10   | 34,733              | 41,044           |
| Negative goodwill, net                               | 10   | (1,650)             | -                |
| Intangible assets, net                               |      | 3,988               | 4,814            |
| Long-term accounts receivable, net                   | 5    | 139                 | 312              |
| Long-term accounts receivable from related companies | 6    | 2,118               | 2,000            |
| Other long-term assets                               | 11   | 38,745              | 50,838           |
| Total Other Assets                                   |      | <u>99,939</u>       | <u>117,238</u>   |
| Total Assets   |      | <u>1,971,885</u>    | <u>1,833,781</u> |

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

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Consolidated Balance Sheets**  
(A translation of the original in Spanish- see note 2 (a))

|   | Note | As of September 30, |                  |
|---|------|---------------------|------------------|
|   |      | <u>2007</u>         | <u>2006</u>      |
|   |      | ThUS\$              | ThUS\$           |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       |      |                     |                  |
| <b>Current Liabilities</b>                        |      |                     |                  |
| Short-term bank debt                              | 12   | 1,253               | 92,052           |
| Current portion of long-term debt                 | 12   | 2,014               | 384              |
| Current portion of bonds payable                  | 13   | 12,687              | 9,593            |
| Dividends payable                                 |      | 432                 | 325              |
| Accounts payable                                  |      | 115,169             | 90,171           |
| Other accounts payable                            |      | 335                 | 251              |
| Notes and accounts payable to related companies   | 6    | 1,733               | 1,097            |
| Accrued liabilities                               | 14   | 36,923              | 25,000           |
| Withholdings                                      |      | 7,378               | 7,599            |
| Income taxes                                      |      | 11,802              | 12,187           |
| Deferred income                                   |      | 42,050              | 29,239           |
| Deferred income taxes                             | 15   | 4,113               | -                |
| Other current liabilities                         |      | 865                 | 2,080            |
| <b>Total Current Liabilities</b>                  |      | <u>236,754</u>      | <u>269,978</u>   |
| <b>Long-Term Liabilities</b>                      |      |                     |                  |
| Long-term bank debt                               | 12   | 180,000             | 100,000          |
| Long-term obligations with the public (Bonds)     | 13   | 304,101             | 300,219          |
| Other accounts payable                            |      | 753                 | 896              |
| Deferred income taxes                             | 15   | 51,964              | 49,138           |
| Staff severance indemnities                       | 16   | 20,812              | 19,372           |
| <b>Total Long-Term Liabilities</b>                |      | <u>557,630</u>      | <u>469,625</u>   |
| Minority interest                                 | 17   | <u>42,486</u>       | <u>36,899</u>    |
| <b>Shareholders' Equity</b>                       |      |                     |                  |
| Paid-in capital                                   | 18   | 477,386             | 477,386          |
| Other reserves                                    | 18   | 160,608             | 156,175          |
| Retained earnings                                 | 18   | 497,021             | 423,718          |
| <b>Total Shareholders' Equity</b>                 |      | <u>1,135,015</u>    | <u>1,057,279</u> |
| <b>Total Liabilities and Shareholders' Equity</b> |      | <u>1,971,885</u>    | <u>1,833,781</u> |

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

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Consolidated Statements of Income**  
(A translation of the original in Spanish- see note 2 (a))

|                                     |      | <b>For the nine months ended</b> |                    |
|-------------------------------------|------|----------------------------------|--------------------|
|                                     |      | <b>September 30,</b>             |                    |
|                                     | Note | <b><u>2007</u></b>               | <b><u>2006</u></b> |
|                                     |      | <b>ThUS\$</b>                    | <b>ThUS\$</b>      |
| <b>Operating Results</b>            |      |                                  |                    |
| Sales                               |      | 881,286                          | 775,845            |
| Cost of sales                       |      | (631,970)                        | (554,572)          |
| Gross margin                        |      | <u>249,316</u>                   | <u>221,273</u>     |
| Selling and administrative expenses |      | (49,907)                         | (50,769)           |
| Operating Income                    |      | <u>199,409</u>                   | <u>170,504</u>     |
| <b>Non-operating Results</b>        |      |                                  |                    |
| Non-operating income                | 20   | 17,773                           | 14,458             |
| Non-operating expenses              | 20   | <u>(41,162)</u>                  | <u>(39,832)</u>    |
| Non-operating Loss                  |      | <u>(23,389)</u>                  | <u>(25,374)</u>    |
| Income before income taxes          |      | 176,020                          | 145,130            |
| Income tax expense                  | 15   | <u>(38,256)</u>                  | <u>(31,057)</u>    |
| Income Before Minority Interest     |      | 137,764                          | 114,073            |
| Minority interest                   | 17   | <u>(2,330)</u>                   | <u>(2,519)</u>     |
| Income Before Negative Goodwill     |      | 135,434                          | 111,554            |
| Amortization of negative goodwill   | 10   | -                                | 68                 |
| Net income                          |      | <u>135,434</u>                   | <u>111,622</u>     |

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

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Consolidated Statements of Cash Flows**  
**(A translation of the original in Spanish- see note 2 (a))**

|   | For the nine months ended<br>September 30 |               |
|---|---|---------------|
|   | <u>2007</u>                               | <u>2006</u>   |
|   | ThUS\$                                    | ThUS\$        |
| <b>Cash flows from operating activities</b>                                 |   |               |
| Net income  | 135,434                                   | 111,622       |
| <b>Charges (credits) to income not representing cash flows</b>              |   |               |
| Depreciation expense  | 8 71,800                                  | 66,136        |
| Amortization of intangible assets   | 531                                       | 739           |
| Write-offs and accruals   | 20,625                                    | 11,475        |
| Gain on equity investments in related companies                             | (3,558)                                   | (1,450)       |
| Loss on equity investments in related companies                             | 58  | 189           |
| Amortization of goodwill  | 10 1,698                                  | 1,858         |
| Amortization of negative goodwill   | 10 -                                      | (68)          |
| (Gain) loss on sales of assets  | (24)                                      | (634)         |
| Loss on sale of investments   | -   | 197           |
| Other credits to income not representing cash flows                         | (590)                                     | (8,586)       |
| Other charges to income not representing cash flows                         | 92,835                                    | 63,502        |
| Foreign currency translation, net   | 2,312                                     | 5,403         |
| <b>Net changes in operating assets and liabilities (Increase) decrease:</b> |   |               |
| Trade accounts receivable   | (53,752)                                  | (11,595)      |
| Inventories   | (25,273)                                  | (58,848)      |
| Other assets  | (14,120)                                  | 3,287         |
| Accounts payable  | 9,806                                     | (12,342)      |
| Interest payable  | 5,343                                     | 2,295         |
| Net income taxes payable  | (18,320)                                  | (43,559)      |
| Other accounts payable  | (5,589)                                   | (7,533)       |
| VAT and taxes payable   | (6,221)                                   | 7,576         |
| Minority interest   | 17 2,330                                  | 2,519         |
| Net cash provided by operating activities                                   | 215,325                                   | 132,183       |
| <b>Cash flows from financing activities</b>                                 |   |               |
| Proceeds from short term bank financing                                     | -   | 176,281       |
| Bonds payable   | -   | 299,833       |
| Payment of dividends  | (94,999)                                  | (74,477)      |
| Repayment of bank financing   | (57,090)                                  | (371,281)     |
| Payment of obligations with the public (Bonds payable)                      | (2,566)                                   | -             |
| Payment of expenses for the issuance and placement of bonds payable         | -   | (6,629)       |
| Net cash (used in) provided by financing activities                         | (154,655)                                 | 23,727        |
| <b>Cash flows from investing activities</b>                                 |   |               |
| Sales of property, plant and equipment                                      | 2,611                                     | 8,706         |
| Sales of investments in related companies                                   | -   | 902           |
| Other investing income  | 24 361                                    | 24,481        |
| Additions to property, plant and equipment                                  | (123,015)                                 | (136,813)     |
| Capitalized interest  | (9,400)                                   | -             |
| Purchase of investments in related companies                                | -   | (115,124)     |
| Other disbursements   | (785)                                     | -             |
| Net cash used in investing activities                                       | (130,228)                                 | (217,848)     |
| Effect of inflation on cash and cash equivalents                            | 1,125                                     | 2,034         |
| Net change in cash and cash equivalents                                     | (68,433)                                  | 59,904        |
| Beginning balance of cash and cash equivalents                              | 183,943                                   | 147,956       |
| <b>Ending balance of cash and cash equivalents</b>                          | <b>115,510</b>                            | <b>88,052</b> |

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

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 1 – Company Background**

Sociedad Química y Minera de Chile S.A. (the “Company”) was registered with the Chilean Superintendency of Securities and Insurance (“SVS”) on March 18, 1983.

**Note 2 – Summary of Significant Accounting Policies**

**a) Basis of the preparation of the consolidated financial statements**

The accompanying consolidated financial statements have been prepared in U.S. dollars in accordance with accounting principles generally accepted in Chile (“Chilean GAAP”) and the regulations of the SVS. Certain accounting practices applied by the Company that conform to Chilean GAAP may not conform to generally accepted accounting principles in the United States (“US GAAP”) or International Financial Reporting Standards (“IFRS”). For the convenience of the reader, the consolidated financial statements and their accompanying notes have been translated from Spanish into English.

The consolidated financial statements include the accounts of Sociedad Química y Minera de Chile S.A. (the “Parent Company”) and subsidiaries (companies in which the Parent Company holds a controlling participation, generally equal to direct or indirect ownership of more than 50%). The Parent Company and its subsidiaries are referred to as the “Company”.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

In accordance with SVS Circular No. 1,697 and Technical Bulletins Nos. 64 and 72 of the Chilean Association of Accountants, the consolidated financial statements include the following subsidiaries:

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 2 – Summary of Significant Accounting Policies (continued)**

**a) Basis of the preparation of the consolidated financial statements (continued)**

|   | <b>Direct or indirect ownership</b> |                    |
|---|-------------------------------------|--------------------|
|   | <b><u>2007</u></b>                  | <b><u>2006</u></b> |
| <b>Foreign subsidiaries:</b>                              | <b>%</b>                            | <b>%</b>           |
| Nitratos Naturais do Chile Ltda. (Brazil)                 | 100.00                              | 100.00             |
| Nitrate Corp. of Chile Limited (United Kingdom)           | 100.00                              | 100.00             |
| SQM North America Corp. (USA)                             | 100.00                              | 100.00             |
| SQM Europe N.V. (Belgium)                                 | 100.00                              | 100.00             |
| Soquimich S.R.L. Argentina                                | 100.00                              | 100.00             |
| Soquimich European Holding B.V. (Holland)                 | 100.00                              | 100.00             |
| SQM Corporation N.V. (Dutch Antilles)                     | 100.00                              | 100.00             |
| S.Q.I. Corporation N.V. (Dutch Antilles)                  | 100.00                              | 100.00             |
| SQM Comercial de México S.A. de C.V.                      | 100.00                              | 100.00             |
| North American Trading Company (USA)                      | 100.00                              | 100.00             |
| Administración y Servicios Santiago S.A. de C.V. (Mexico) | 100.00                              | 100.00             |
| SQM Peru S.A.   | 100.00                              | 100.00             |
| SQM Ecuador S.A.  | 100.00                              | 100.00             |
| Cape Fear Bulk L.L.C. (USA)                               | 51.00                               | 51.00              |
| PTM – SQM Ibérica S.A. (Spain)                            | 0.00                                | 100.00             |
| SQM Nitratos México S.A. de C.V. (México)                 | 51.00                               | 51.00              |
| SQMC Holding Corporation L.L.P. (USA)                     | 100.00                              | 100.00             |
| SQM Investment Corporation N.V. (Dutch Antilles)          | 100.00                              | 100.00             |
| SQM Brasil Ltda.  | 100.00                              | 100.00             |
| SQM France S.A.   | 100.00                              | 100.00             |
| SQM Japon Co. Ltd.  | 100.00                              | 100.00             |
| Royal Seed Trading Corporation A.V.V. (Aruba)             | 100.00                              | 100.00             |
| SQM Oceanía PTY Limited (Australia)                       | 100.00                              | 100.00             |
| RS Agro-Chemical Trading A.V.V. (Aruba)                   | 100.00                              | 100.00             |
| SQM Indonesia   | 80.00                               | 80.00              |
| SQM Virginia L.L.C. (USA)                                 | 100.00                              | 100.00             |
| Agricolima S.A. de C.V. (Mexico)                          | 100.00                              | 100.00             |
| SQM Venezuela S.A.  | 100.00                              | 100.00             |
| SQM Italia S.R.L. (Italy)                                 | 100.00                              | 95.00              |
| Comercial Caiman Internacional S.A. (Cayman Islands)      | 100.00                              | 100.00             |
| Mineag SQM Africa Limited (South Africa)                  | 100.00                              | 100.00             |
| Fertilizantes Olmeca y SQM S.A. de C.V. (Mexico)          | 0.00                                | 100.00             |
| SQM Lithium Specialties L.L.C. (USA)                      | 100.00                              | 100.00             |
| SQM Dubai – FZCO.   | 100.00                              | 100.00             |
| Fertilizantes Naturales S.A.                              | 66.67                               | 66.67              |
| Iodine Minera B.V.  | 100.00                              | 100.00             |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 2 – Summary of Significant Accounting Policies (continued)**

**a) Basis of the preparation of the consolidated financial statements (continued)**

|   | <b>Direct or indirect ownership</b> |                    |
|---|-------------------------------------|--------------------|
|   | <b><u>2007</u></b>                  | <b><u>2006</u></b> |
|   | %                                   | %                  |
| <b>Domestic subsidiaries:</b>                                 |                                     |                    |
| Comercial Hydro S.A.  | 60.64                               | 60,64              |
| SQM Potasio S.A.  | 100.00                              | 100.00             |
| SQM Nitratos S.A.   | 99.99                               | 99.99              |
| Ajay SQM Chile S.A.   | 51.00                               | 51.00              |
| SQMC International Limitada.                                  | 60.64                               | 60.64              |
| SQM Industrial S.A.   | 100.00                              | 100.00             |
| Isapre Norte Grande Ltda.                                     | 100.00                              | 100.00             |
| Almacenes y Depósitos Ltda.                                   | 100.00                              | 100.00             |
| Servicios Integrales de Tránsitos y Transferencias S.A.       | 100.00                              | 100.00             |
| Soquimich Comercial S.A.                                      | 60.64                               | 60.64              |
| SQM Salar S.A.  | 100.00                              | 100.00             |
| Minera Nueva Victoria S.A.                                    | 100.00                              | 100.00             |
| Proinsa Ltda.   | 60.58                               | 60.58              |
| Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A. | 100.00                              | 100.00             |
| Exploraciones Mineras S.A.                                    | 100.00                              | 100.00             |

All significant inter-company balances, transactions and unrealized gains and losses arising from transactions between these companies have been eliminated in consolidation.

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**b) Accounting period**

These consolidated financial statements have been prepared as of September 30, 2007 and 2006 and for the nine-month periods then ended.

**c) Reporting currency and monetary correction**

The financial statements of the Company are prepared in U.S. dollars. As a significant portion of the Company's operations are transacted in U.S. dollars, the U.S. dollar is considered the currency of the primary economic environment in which the Company operates.

The Parent Company and those subsidiaries which maintain their accounting records in U.S. dollars are not required, or permitted, to restate the historical dollar amounts for the effects of inflation.

The financial statements of domestic subsidiaries that maintain their accounting records in Chilean pesos have been restated to reflect the effects of variations in the purchasing power of the Chilean peso during the period. For this purpose, and in accordance with Chilean regulations, non-monetary assets and liabilities, equity and income statement accounts have been restated in terms of year-end constant pesos based on the change in the consumer price index during the year (5.1% and 2.5% in 2007 and 2006, respectively). The resulting net charge or credit to income arises as a result of the gain or loss in purchasing power from the holding of non-U.S. dollar denominated monetary assets and liabilities exposed to the effects of inflation.

Prior period financial statements presented for comparative purposes have not been restated to reflect the change in the purchasing power of the Chilean pesos during the most recent year-end. In accordance with Chilean GAAP, amounts expressed in U.S. dollars, including amounts included in the consolidated financial statements as determined in prior years from the translation of financial statements of those Chilean subsidiaries which maintain their accounting records in Chilean pesos, are not adjusted for price-level changes.

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**d) Foreign currency**

**i) Foreign currency transactions**

Monetary assets and liabilities denominated in Chilean pesos and other currencies have been translated to U.S. dollars at the observed exchange rates determined by the Central Bank of Chile in effect at each year-end of Ch\$ 511.23 per US\$1 at September 30, 2007 and Ch\$ 537.03 per US\$1 at September 30, 2006.

**ii) Translation of non-U.S. dollar financial statements**

In accordance with Chilean GAAP, the financial statements of foreign and domestic subsidiaries that do not maintain their accounting records in U.S. dollars are translated from the respective local currencies to U.S. dollars in accordance with Technical Bulletin No. 64 and No. 72 of the Chilean Association of Accountants ("BT 64-BT 72") as follows:

- a)** For those subsidiaries and affiliates located in Chile which keep their accounting records in price-level adjusted Chilean pesos:
- Balance sheet accounts are translated to U.S. dollars at the year-end exchange rate without eliminating the effects of price-level restatement.
  - Income statement accounts are translated to U.S. dollars at the average exchange rate each month. The monetary correction line on the income statement, which is generated by the inclusion of price-level restatement of non-monetary assets and liabilities and shareholders' equity, is translated to U.S. dollars at the average exchange rate for each month.
  - Translation gains and losses, as well as the price-level restatement of the balance sheet mentioned above, are included as an adjustment in shareholders' equity, in conformity with Circular No. 1,697 of the SVS.
- b)** The financial statements of those foreign subsidiaries that keep their accounting records in currencies other than the U.S. dollar have been translated at historical exchange rates as follows:
- Monetary assets and liabilities are translated at year-end exchange rates between the US dollar and the local currency.
  - All non-monetary assets and liabilities and shareholders' equity are translated at historical exchange rates between the US dollar and the local currency.
  - Income and expense accounts are translated at average exchange rates between the US dollar and the local currency.
  - Any exchange differences are included in the results of operations for the period.

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**d) Foreign currency**

**iii) Foreign currency translation**

Foreign currency translation for the period ended September 30, 2007 and 2006 generated net earnings (loss) of ThUS\$ (2,311) and ThUS\$ (5,403) respectively, which have been charged to the consolidated statements of income in each respective period. The monetary assets and liabilities of foreign subsidiaries were translated into US dollars at the exchange rates per US dollar prevailing as of September 30, as follows:

|                    | <u>2007</u> | <u>2006</u> |
|--------------------|-------------|-------------|
|                    | US\$        | US\$        |
| Brazilian Real     | 1.96        | 2.18        |
| New Peruvian Sol   | 3.10        | 3.25        |
| Argentine Peso     | 3.15        | 3.10        |
| Japanese Yen       | 115.43      | 117.90      |
| Euro               | 0.71        | 0.79        |
| Mexican Peso       | 10.92       | 11.05       |
| Indonesian Rupee   | 9,830.04    | 9,290.00    |
| Australian Dollar  | 1.13        | 1.34        |
| Pound Sterling     | 0.51        | 0.54        |
| Ecuadorian Sucre   | 1.00        | 1.00        |
| South African Rand | 7.01        | 7.68        |

The Company uses the “observed exchange rate”, which is the rate determined daily by the Chilean Central Bank based on the average exchange rates at which bankers conduct authorized transactions.

**e) Cash and cash equivalents**

The Company considers all highly liquid investments with a remaining maturity of less than 90 days as of the closing date of the financial statements to be cash equivalents.

**f) Time deposits**

Time deposits are recorded at cost plus accrued interest.

**g) Marketable securities**

Marketable securities are recorded at the lower of cost plus accrued interest or market value.

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**h) Allowance for doubtful accounts**

The Company records an allowance for doubtful accounts based on estimated probable losses.

**i) Inventories and materials**

Inventories of finished products and products in process are stated at average production cost, which is presented net of provisions. Provisions have been made on the basis of a technical study which covers the different variables that affect our products (density, humidity, and others).

Materials and supplies received are stated at average acquisition cost and inventories in transit are stated at cost incurred as of the end of the period.

The cost of inventories does not exceed their net realizable value.

**j) Income taxes and deferred taxes**

In conformity with current Chilean tax regulations, the Company recognizes the provision for corporate income tax expense and the income tax for the mining activity on an accrual basis.

Prior to 2000, income taxes were charged to results in the same period in which the income and expenses were recorded and were calculated in accordance with the enacted tax laws in Chile and the other jurisdictions in which the Company operated.

Under Chilean law, the Parent Company and its subsidiaries are required to file separate tax declarations.

Beginning January 1, 2000, the Company records deferred taxes in accordance with Technical Bulletin Nos. 60, 69, 71 and 73 of the Chilean Association of Accountants, and with SVS Circular No. 1466 issued on January 27, 2000, recognizing the deferred tax effects of temporary differences between the financial and tax values of assets and liabilities, using the liability method. The effect of the temporary differences at March 31, 1999 was recorded in complementary asset and liability accounts, which are recognized in the statement of operations over the estimated period in which they reverse.

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**k) Property, plant and equipment**

Property, plant, equipment and property rights are recorded at acquisition cost, considering in general an average residual value of 5%, except for certain assets that were restated in accordance with a technical appraisal in 1989. Depreciation for the period is calculated according to the straight-line method based on the remaining technical useful lives of assets, estimated by management.

Property, plant and equipment acquired through capital lease agreements are accounted for at the present value of the minimum lease payments plus the purchase option based on the interest rate included in each contract. The Company does not legally own these assets and therefore cannot freely dispose of them.

In conformity with Technical Bulletin No. 31 and 33 of the Chilean Association of Accountants, the Company capitalizes interest cost associated with the financing of new assets during the construction period of such assets.

Maintenance costs of plant and equipment are charged to expenses as incurred.

The Company obtains property rights and mining concessions from the Chilean state. Other than minor filing fees, the property rights are usually obtained without initial cost, and once obtained, are retained by the Company as long as the annual fees are paid. Such fees, which are paid annually in March, are recorded as prepaid assets to be amortized over the following twelve months. Values attributable to these original mining concessions are recorded in property, plant and equipment.

**l) Investments in related companies**

Investments in related companies over which the Company has significant influence are included in other assets and are recorded using the equity method of accounting, in accordance with SVS Circulars Nos. 368 and 1,697 and Technical Bulletins Nos. 64 and 72 issued by the Chilean Association of Accountants. Accordingly, the Company's proportional share in the net income or loss of each investee is recognized in the non-operating income and expense classification in the consolidated statements of income on an accrual basis, after eliminating any unrealized profits from transactions with the related companies.

The translation adjustment to U.S. dollars of investments in domestic subsidiaries that maintain their accounting records and are controlled in Chilean pesos is recognized in other reserves within shareholders' equity. Direct and indirect investments in foreign subsidiaries or affiliates are controlled in U.S. dollars.

Investments in which the Company has less than 20% participation and the capacity to exert significant influence or control over the investment, because SQM forms part of its Board of Directors, have been valued using the equity method.

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**m) Goodwill and negative goodwill**

Goodwill is calculated as the excess of the purchase price of companies acquired over their net book value, whereas negative goodwill occurs when the net book value exceeds the purchase price of companies acquired. Goodwill and negative goodwill resulting from equity method investments are maintained in the same currency in which the investment was made and are amortized based on the estimated period of investment return, generally 20 years for goodwill and 10 years for negative goodwill.

Beginning on January 1, 2004, goodwill and negative goodwill represents the difference between the acquisition cost of the investment in a related company and the fair value of this investment at the acquisition date, which is amortized with a charge or credit to income in the expected period of return of the investment, which does not exceed 20 years.

**n) Intangible assets**

Intangible assets are stated at cost plus acquisition expenses and are amortized over a period not longer than 40 years, in accordance with Technical Bulletin No. 55 of the Chilean Association of Accountants.

**o) Mining development cost**

Mining development costs are recorded in other long-term assets and are amortized utilizing the unit of production basis.

**p) Staff severance indemnities**

The Company calculates the liability for staff severance indemnities based on the present value of the accrued benefits for the actual years of service worked assuming average employee tenure of 24 years and a real annual discount rate of 8%.

**q) Vacations**

The cost of employee vacations is recognized in the financial statements on an accrual basis.

**r) Operations with resale agreements**

Operations with resale agreements are recorded in Other Current Assets at the amount of the purchase. Starting at the purchase date, the respective interest is recorded on an accrual basis, in accordance with SVS Circular 768.

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**s) Dividends**

Dividends are generally declared in U.S. dollars but are paid in Chilean pesos.

**t) Derivative contracts**

The Company maintains derivative contracts to hedge against movements in foreign currencies, which are recorded in conformity with Technical Bulletin No. 57 of the Chilean Association of Accountants. Such contracts are recorded at fair value with net losses recognized on the accrual basis and gains recognized when realized.

**u) Reclassifications**

For comparison purposes, certain reclassifications have been made to the 2006 financial statements.

**v) Revenue recognition**

Revenue is recognized on the date goods are physically delivered or when they are considered delivered according to the terms of the contract.

**w) Computer software**

Computer systems developed internally using the Company's personnel and materials are charged to income during the period in which the expenses are incurred. In accordance with Circular No. 1.819 dated November 14, 2006 of the SVS, computer systems acquired by the Company are recorded at acquisition cost plus additional associated costs.

**x) Research and development expenses**

Research and development cost are charged to the income statement in the period in which they are incurred. Property, plant and equipment that are acquired for use in research and development activities and determined to provide additional benefits to the Company are recorded in property, plant and equipment.

**y) Obligations with the public (Bonds payable)**

Bonds are stated at the principal amount plus interest accrued. The difference between the carrying value and the placement value is capitalized and amortized over the life of the bonds.

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**z) Provisions for mine closure costs**

The Company has made a provision to cover those costs associated with the closure of mines and mining facilities, as well as the mitigation of environmental damage. This provision has been recorded at its present value. The amount determined is presented under accrued liabilities in long-term liabilities.

**aa) Deferred income**

Deferred income relates to the recognition of documented sales whose delivery occurs subsequent to the closing date of the financial statements.

**Note 3 - Changes in Accounting Principles**

During the nine-month period ended September 30, 2007, there were no changes in the application of generally accepted accounting principles in Chile compared to the prior year that could significantly affect the interpretation of these financial statements.

**Note 4 - Marketable Securities**

As of September 30, marketable securities are detailed as follows:

|              | <u>2007</u><br>ThUS\$ | <u>2006</u><br>ThUS\$ |
|--------------|-----------------------|-----------------------|
| Mutual funds | 74,733                | 61,904                |
| Total        | <u>74,733</u>         | <u>61,904</u>         |

Mutual funds consist of investments with Citibank in highly liquid funds invested in fixed-rate debt in the United States.

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 5 - Short- and Long-Term Accounts Receivable**

- a) Short- and long-term accounts receivable and other accounts receivable as of September 30, 2007 and 2006 are detailed as follows:

|                                       | Up to 90 days         |                       | Between 90 days<br>and 1 year |                       | Total                 |                       |
|---------------------------------------|-----------------------|-----------------------|-------------------------------|-----------------------|-----------------------|-----------------------|
|                                       | <u>2007</u><br>ThUS\$ | <u>2006</u><br>ThUS\$ | <u>2007</u><br>ThUS\$         | <u>2006</u><br>ThUS\$ | <u>2007</u><br>ThUS\$ | <u>2006</u><br>ThUS\$ |
| <b>Short-term</b>                     |                       |                       |                               |                       |                       |                       |
| Trade accounts receivable             | 129,207               | 176,844               | 97,021                        | 16,135                | 226,228               | 192,980               |
| Allowance for doubtful accounts       |                       |                       |                               |                       | (8,045)               | (7,600)               |
| Notes receivable                      | 12,280                | 46,388                | 39,505                        | 1,293                 | 51,785                | 47,680                |
| Allowance for doubtful accounts       |                       |                       |                               |                       | (3,480)               | (4,534)               |
| <b>Accounts receivable, net</b>       |                       |                       |                               |                       | <u>266,488</u>        | <u>228,526</u>        |
| Other accounts receivable             | 10,257                | 3,253                 | 651                           | 4,654                 | 10,908                | 7,907                 |
| Allowance for doubtful accounts       |                       |                       |                               |                       | (1,196)               | (681)                 |
| <b>Other accounts receivable, net</b> |                       |                       |                               |                       | <u>9,712</u>          | <u>7,226</u>          |
| <b>Long-term receivables</b>          |                       |                       |                               |                       | <u>139</u>            | <u>312</u>            |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 5 - Short-term and Long-term Accounts Receivable (continued)**

**Consolidated Short-term and Long-term Receivables – by Geographic Location**

|   | Chile       |             | Europe      |             | Asia, Africa,<br>Oceania<br>And the Middle East |             | USA, México<br>and Canada |             | Latin America<br>and the Caribbean |             | Total       |             |
|---|-------------|-------------|-------------|-------------|---|-------------|---------------------------|-------------|------------------------------------|-------------|-------------|-------------|
|   | <u>2007</u> | <u>2006</u> | <u>2007</u> | <u>2006</u> | <u>2007</u>                                     | <u>2006</u> | <u>2007</u>               | <u>2006</u> | <u>2007</u>                        | <u>2006</u> | <u>2007</u> | <u>2006</u> |
|   | ThUS\$      | ThUS\$      | ThUS\$      | ThUS\$      | ThUS\$  | ThUS\$      | ThUS\$                    | ThUS\$      | ThUS\$                             | ThUS\$      | ThUS\$      | ThUS\$      |
| Net short-term trade accounts receivable            |             |             |             |             |   |             |                           |             |                                    |             |             |             |
| Balance   | 143,518     | 74,336      | 50,274      | 37,890      | 3,358   | 20,128      | 19,292                    | 33,746      | 1,741                              | 19,280      | 218,183     | 185,380     |
| % of total  | 65.78%      | 40.10%      | 23.04%      | 20.44%      | 1.54%   | 10.86%      | 8.84%                     | 18.20%      | 0.80%                              | 10.40%      | 100.00%     | 100.00%     |
| Net short-term notes receivable                     |             |             |             |             |   |             |                           |             |                                    |             |             |             |
| Balance   | 45,834      | 28,787      | -           | 7,717       | -   | 629         | -                         | 2,092       | 2,471                              | 3,921       | 48,305      | 43,146      |
| % of total  | 94.88%      | 66.72%      | -           | 17.88%      | -   | 1.46%       | -                         | 4.85%       | 5.12%                              | 9.09%       | 100.00%     | 100.00%     |
| Net short-term other accounts receivable            |             |             |             |             |   |             |                           |             |                                    |             |             |             |
| Balance   | 8,655       | 4,319       | 384         | 809         | 155   | 152         | 434                       | 1,570       | 84                                 | 376         | 9,712       | 7,226       |
| % of total  | 89.12%      | 59.77%      | 3.95%       | 11.20%      | 1.60%   | 2.10%       | 4.47%                     | 21.73%      | 0.86%                              | 5.20%       | 100.00%     | 100.00%     |
| Subtotal short-term accounts receivable, net        |             |             |             |             |   |             |                           |             |                                    |             |             |             |
| Balance   | 198,007     | 107,442     | 50,658      | 46,416      | 3,513   | 20,909      | 19,726                    | 37,408      | 4,296                              | 23,577      | 276,200     | 235,752     |
| % of total  | 71.69%      | 45.57%      | 18.34%      | 19.69%      | 1.27%   | 8.87%       | 7.14%                     | 15.87%      | 1.56%                              | 10.00%      | 100.00%     | 100.00%     |
| Long-term accounts receivable, net                  |             |             |             |             |   |             |                           |             |                                    |             |             |             |
| Balance   | 139         | 298         | -           | -           | -   | -           | -                         | -           | -                                  | 14          | 139         | 312         |
| % of total  | 100.00%     | 95.51%      | -           | -           | -   | -           | -                         | -           | -                                  | 4.49%       | 100.00%     | 100.00%     |
| Total short- and long-term accounts receivable, net |             |             |             |             |   |             |                           |             |                                    |             |             |             |
| Balance   | 198,146     | 107,740     | 50,658      | 46,416      | 3,513   | 20,909      | 19,726                    | 37,408      | 4,296                              | 23,591      | 276,339     | 236,064     |
| % of total  | 71.70%      | 45.64%      | 18.33%      | 19.66%      | 1.27%   | 8.86%       | 7.15%                     | 15.85%      | 1.55%                              | 9.99%       | 100.00%     | 100.00%     |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 6 - Balances and Transactions with Related Parties**

Balances with related companies are generated by commercial transactions which accrue no interest. These transactions are carried out at market prices, and the terms are standard for these operations. Expiration conditions for each case vary depending on the transaction involved. All significant transactions with related parties for an amount exceeding 1% of net income for the year are disclosed.

a) Accounts receivable from related parties as of September 30, 2007 and 2006 are as follows:

| Accounts receivable                           | Short-term            |                       | Long-term             |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | <u>2007</u><br>ThUS\$ | <u>2006</u><br>ThUS\$ | <u>2007</u><br>ThUS\$ | <u>2006</u><br>ThUS\$ |
| Doktor Tarsa –SQM Turkey                      | 6,810                 | 9,762                 | -                     | -                     |
| Nutrisi Holding N.V.                          | 1,721                 | 1,547                 | -                     | -                     |
| Generale de Nutrition Vegetale S.A.           | -                     | 132                   | -                     | -                     |
| Ajay Europe S.A.R.L.                          | 7,439                 | 5,183                 | -                     | -                     |
| Ajay North America LLC                        | 3,743                 | 3,146                 | -                     | -                     |
| Abu Dhabi Fertilizer Ind. WLL                 | 3,265                 | 2,990                 | 2,000                 | 2,000                 |
| NU3 B.V.                                      | 710                   | 846                   | -                     | -                     |
| Sales de Magnesio Ltda.                       | 85                    | -                     | -                     | -                     |
| SQM Agro India                                | 322                   | 46                    | -                     | -                     |
| Misr Specialty Fertilizers                    | 501                   | 9                     | 118                   | -                     |
| Soc.Inv.Pampa Calichera S.A.                  | 8                     | 8                     | -                     | -                     |
| Kowa (Japan)                                  | 11,135                | -                     | -                     | -                     |
| SQM East Med Turkey                           | 115                   | -                     | -                     | -                     |
| PCS Sales Inc                                 | 40                    | 40                    | -                     | -                     |
| Yara AB                                       | 44                    | 12                    | -                     | -                     |
| Yara Benelux B.V                              | 453                   | 309                   | -                     | -                     |
| Yara Hellas S.A.                              | 337                   | 254                   | -                     | -                     |
| Yara International Australia PTY.             | 744                   | 1.108                 | -                     | -                     |
| Yara Poland SP                                | 164                   | 478                   | -                     | -                     |
| Yara UK Ltd.                                  | 300                   | 330                   | -                     | -                     |
| Yara GMBH & CO KG                             | 433                   | 206                   | -                     | -                     |
| Yara Iberian S.A.                             | 2,554                 | 1,884                 | -                     | -                     |
| Yara Argentina S.A.                           | 383                   | 17                    | -                     | -                     |
| Yara Colombia Ltda..                          | 2,898                 | 962                   | -                     | -                     |
| Adubo Trevo S.A. (Yara)                       | 252                   | 252                   | -                     | -                     |
| Yara North America LLC                        | 6,163                 | 6,039                 | -                     | -                     |
| Yara Italia SPA.                              | 2,022                 | 1,810                 | -                     | -                     |
| Yara France BU Africa                         | 2,593                 | 989                   | -                     | -                     |
| Yara Internacional ASA                        | -                     | 7,405                 | -                     | -                     |
| Yara International Asia Trade Pte Ltd         | 378                   | 3,055                 | -                     | -                     |
| Yara East Africa Limited                      | 1                     | 1,028                 | -                     | -                     |
| Yara Fertilizers (Philippines)                | -                     | 10                    | -                     | -                     |
| Yara Fertilizers (New Zealand)                | 200                   | 296                   | -                     | -                     |
| Yara International Asia Trade Pte (Singapore) | 2,295                 | -                     | -                     | -                     |
| Yara Int. Asia Trade Pte Vietnam              | -                     | 137                   | -                     | -                     |
| Yara France BU Latin America                  | 1,702                 | 1,454                 | -                     | -                     |
| Yara Danmark A/S                              | 47                    | -                     | -                     | -                     |
| Inversiones PCS Chile Ltda.                   | 17                    | 17                    | -                     | -                     |
| Yara Fertilizantes Ltda (Brasil)              | -                     | 217                   | -                     | -                     |
| Yara S.A. PTY LTD Sudafrica                   | 8,721                 | -                     | -                     | -                     |
| Yara Western Cape Sudafrica                   | 578                   | -                     | -                     | -                     |
| Yara Phosyn Ltd                               | -                     | 36                    | -                     | -                     |
| Yara France S.A.                              | 1,559                 | 36                    | -                     | -                     |
| <b>Total</b>                                  | <u>70,732</u>         | <u>52,050</u>         | <u>2,118</u>          | <u>2,000</u>          |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 6 - Balances and Transactions with Related Parties (continued)**

b) Accounts payable to related parties as of September 30, 2007 and 2006 are as follows:

| <b>Accounts payable</b>  | <b>Short-term</b>                   |                                     |
|--------------------------|-------------------------------------|-------------------------------------|
|                          | <u><b>2007</b></u><br><b>ThUS\$</b> | <u><b>2006</b></u><br><b>ThUS\$</b> |
| NU3 N.V.                 | 3                                   | 954                                 |
| Charlee SQM Thailand Co  | 106                                 | 91                                  |
| SQM East Turkey          | -                                   | 18                                  |
| Yara internacional ASA   | 58                                  | -                                   |
| Fos                      | 278                                 | -                                   |
| Yara Fertilizantes LTD   | 888                                 | -                                   |
| Sales de Magnesio Ltda.. | -                                   | 34                                  |
| Yara Nederland B.V.      | 400                                 | -                                   |
| <b>Total</b>             | <u>1,733</u>                        | <u>1,097</u>                        |

There were no outstanding long-term accounts payable with related parties as of September 30, 2007 and 2006.

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 6 - Balances and Transactions with Related Parties (continued)**

c) During the first nine months of 2007 and 2006, principal transactions with related parties were as follows:

| <u>Company</u>                         | <u>Relationship</u> | <u>Type of transaction</u> | <u>Amount of Transaction</u> |               | <u>Effect on income (charge) credit</u> |               |
|--|---------------------|----------------------------|------------------------------|---------------|---|---------------|
|  |                     |                            | <u>2007</u>                  | <u>2006</u>   | <u>2007</u>                             | <u>2006</u>   |
|  |                     |                            | <u>ThUS\$</u>                | <u>ThUS\$</u> | <u>ThUS\$</u>                           | <u>ThUS\$</u> |
| NU3 N.V. (Belgium)                     | Indirect            | Sales of products          | 4,860                        | 5,151         | 1,447                                   | 1,781         |
| Doktor Tarsa                           | Indirect            | Sales of products          | 6,629                        | 8,679         | 1,781                                   | 2,351         |
| Abu Dhabi Fertilizer WLL               | Indirect            | Sales of products          | 4,117                        | 2,339         | 461                                     | 639           |
| Ajay Europe S.A.R.L.                   | Indirect            | Sales of products          | 18,964                       | 11,787        | 7,139                                   | 4,747         |
| NU3 B.V.                               | Indirect            | Sales of products          | 6,302                        | 5,481         | 1,988                                   | 2,012         |
| Ajay North America LLC                 | Indirect            | Sales of products          | 12,626                       | 11,853        | 6,507                                   | 5,982         |
| Yara Benelux B.V.                      | Shareholder         | Sales of products          | 5,903                        | 6,436         | 1,121                                   | 1,446         |
| Yara UK Ltd.                           | Shareholder         | Sales of products          | 1,118                        | 1,112         | 305                                     | 334           |
| Yara International Asia Trade Pte Ltd. | Shareholder         | Sales of products          | 8,764                        | 6,185         | 1,974                                   | 1,778         |
| Yara France BU Africa                  | Shareholder         | Sales of products          | 4,356                        | 1,810         | 988                                     | 443           |
| Yara Business Support                  | Shareholder         | Services                   | 3,273                        | 3,500         | -3,273                                  | -3,500        |
| Yara International Australia Pty Ltd.  | Shareholder         | Sales of products          | 2,059                        | 1,917         | 567                                     | 571           |
| Yara Iberian S.A.                      | Shareholder         | Sales of products          | 7,026                        | 6,461         | 1,788                                   | 2,240         |
| Yara Colombia Ltda..                   | Shareholder         | Sales of products          | 5,594                        | 2,861         | 1,618                                   | 862           |
| Yara Poland SP                         | Shareholder         | Sales of products          | 2,055                        | 1,697         | 632                                     | 602           |
| Yara GMBH & Co Kg                      | Shareholder         | Sales of products          | 1,768                        | 1,621         | 470                                     | 541           |
| Yara France                            | Shareholder         | Sales of products          | 6,785                        | 7,336         | 1,554                                   | 2,149         |
| Yara China Ltd.                        | Shareholder         | Sales of products          | 1,358                        | 0             | 260                                     | 0             |
| Yara Hellas S.A.                       | Shareholder         | Sales of products          | 1,613                        | 1,578         | 350                                     | 465           |
| Yara France S.A.                       | Shareholder         | Sales of products          | 9,850                        | 0             | 2,289                                   | 0             |
| Yara Argentina S.A.                    | Shareholder         | Sales of products          | 1,071                        | 10,587        | 262                                     | 3,094         |
| Adubo Trevo S.A.                       | Shareholder         | Sales of products          | 0                            | 1,573         | 0                                       | 547           |
| Yara Fertilizer Brazil                 | Shareholder         | Sales of products          | 9,864                        | 5,911         | 3,411                                   | 2,365         |
| Yara Internacional ASA                 | Shareholder         | Sales of products          | 27,490                       | 20,466        | 7,208                                   | 5,570         |
| Yara North America                     | Shareholder         | Sales of products          | 43,001                       | 35,125        | 9,841                                   | 10,183        |
| Yara Italia                            | Shareholder         | Sales of products          | 3,343                        | 4,149         | 754                                     | 1,362         |
| Kowa (Japan)                           | Shareholder         | Sales of products          | 65,190                       | 0             | 39,073                                  | 0             |
| Fertilizantes Olmeca                   | Shareholder         | Sales of products          | 2,574                        | 0             | 570                                     | 0             |
| Yara East Africa LP                    | Shareholder         | Sales of products          | 516                          | 1,255         | 159                                     | 358           |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 7 - Inventories**

Net inventories as of September 30, 2007 and 2006 are summarized as follows:

|                   | <u>2007</u><br>ThUS\$ | <u>2006</u><br>ThUS\$ |
|-------------------|-----------------------|-----------------------|
| Finished products | 230,634               | 242,391               |
| Work in process   | 130,359               | 125,837               |
| Supplies          | 24,937                | 19,238                |
| Total             | <u>385,930</u>        | <u>387,466</u>        |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
(A translation of the original in Spanish- see note 2 (a))

**Note 8 - Property, Plant and Equipment**

Property, plant and equipment as of September 30, 2007 and 2006 are summarized as follows:

|  | <u>2007</u><br>ThUS\$ | <u>2006</u><br>ThUS\$ |
|--|-----------------------|-----------------------|
| <b>Land</b>                                |                       |                       |
| Land                                       | 82,598                | 67,518                |
| Mining Concessions                         | 30,086                | 30,080                |
| Total                                      | <u>112,684</u>        | <u>97,598</u>         |
| <b>Buildings and infrastructure</b>        |                       |                       |
| Buildings                                  | 163,806               | 168,405               |
| Installations                              | 274,477               | 208,936               |
| Construction-in-progress                   | 251,841               | 236,021               |
| Other                                      | 193,738               | 177,625               |
| Total                                      | <u>883,862</u>        | <u>790,987</u>        |
| <b>Machinery and Equipment</b>             |                       |                       |
| Machinery                                  | 487,735               | 459,841               |
| Equipment                                  | 128,541               | 123,952               |
| Project-in-progress                        | 20,531                | 7,719                 |
| Other                                      | 19,524                | 18,552                |
| Total                                      | <u>656,331</u>        | <u>610,064</u>        |
| <b>Other property, plant and equipment</b> |                       |                       |
| Tools                                      | 8,968                 | 11,231                |
| Furniture and office equipment             | 15,115                | 14,539                |
| Project-in-progress                        | 11,756                | 21,629                |
| Other                                      | 16,670                | 8,857                 |
| Total                                      | <u>52,509</u>         | <u>56,256</u>         |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 8 - Property, Plant and Equipment (continued)**

|   | <u>2007</u>      | <u>2006</u>      |
|---|------------------|------------------|
|   | ThUS\$           | ThUS\$           |
| <b>Amounts relating to technical revaluation of property, plant and equipment</b> |                  |                  |
| Land  | 7,839            | 7,839            |
| Buildings and infrastructure  | 41,439           | 41,439           |
| Machinery and equipment   | 12,048           | 12,091           |
| Other assets  | 53               | 53               |
|   | <u>61,379</u>    | <u>61,422</u>    |
| Total property, plant and equipment   | <u>1,766,765</u> | <u>1,616,327</u> |
| <b>Less: Accumulated depreciation</b>   |                  |                  |
| Buildings and infrastructure  | (340,095)        | (302,047)        |
| Machinery and equipment   | (388,971)        | (348,512)        |
| Other property, plant and equipment   | (32,164)         | (26,920)         |
| Technical appraisal   | (37,830)         | (36,650)         |
| Total accumulated depreciation  | <u>(799,060)</u> | <u>(714,129)</u> |
| Net property, plant and equipment   | <u>967,705</u>   | <u>902,198</u>   |
| <br>  |                  |                  |
|   | <u>2007</u>      | <u>2006</u>      |
|   | ThUS\$           | ThUS\$           |
| <b>Depreciation for the nine months ended September 30:</b>                       |                  |                  |
| Buildings and infrastructure  | (35,225)         | (31,090)         |
| Machinery and equipment   | (31,159)         | (30,861)         |
| Other property, plant and equipment   | (4,562)          | (3,077)          |
| Technical revaluation   | (854)            | (1,108)          |
| Total depreciation  | <u>(71,800)</u>  | <u>(66,136)</u>  |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 8 - Property, Plant and Equipment (continued)**

The Company has capitalized assets obtained through leasing, which are included in other property, plant and equipment and are detailed as follows:

|                                 | <u>2007</u><br>ThUS\$ | <u>2006</u><br>ThUS\$ |
|---------------------------------|-----------------------|-----------------------|
| Administrative office buildings | 1,988                 | 1,988                 |
| Vehicles                        | -                     | 98                    |
| Accumulated depreciation        | (513)                 | (579)                 |
| Total leased assets             | <u>1,475</u>          | <u>1,507</u>          |

The administrative office buildings were acquired for 230 installments of UF 663.75 each and an annual, contractually established interest rate of 8.5%.

The vehicles were acquired for 36 installments of ThUS\$ 98 each.

**Note 9 - Investments in and Receivables from Related Companies**

**a) Information on foreign investments**

There are no plans for the foreign subsidiaries to pay dividends, as it is the Company's policy to reinvest those earnings.

The Company has not assumed liabilities such as hedging instruments for foreign investments.

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 9 - Investments in and Receivables from Related Companies (continued)**

**b) Transactions executed in 2007**

On January 12, 2007, the subsidiary PTM SQM Ibérica S.A. was liquidated and extinguished. This operation gave rise to a loss of ThUS\$ 41 in the subsidiary Soquimich European Holding B.V.

On March 2, 2007, the subsidiary SQM Industrial S.A. made a capital increase of ThUS\$ 130 in its subsidiary SQM Brasil Ltda. In accordance with Technical Bulletin No. 72 issued by the Chilean Association of Accountants and SVS Circular No. 1,697, the Company performed the valuation in consideration of the carrying value of the equity of SQM Brasil Ltda. as of March 31, 2006, which does not significantly differ from its fair value determined at that date.

On April 11, 2007, the subsidiary SQM S.A and the subsidiary Soquimich European Holding B.V. made a capital increase of ThUS\$ 6,599 in their subsidiary SQM Europe N.V. In accordance with Technical Bulletin No. 72 issued by the Chilean Association of Accountants and SVS Circular No. 1,697, the valuation was conducted considering the carrying value of the equity of SQM Europe N.V. as of September 30, 2006, which does not significantly differ from its fair value determined at that date.

**c) Transactions executed in 2006**

At the First General Extraordinary Shareholders' Meeting of SQM Industrial S.A. held on January 9, 2006, the shareholders approved the merger of SQM Procesos S.A. (dissolved) with the successor company SQM Industrial S.A., which acquires all the rights, shares, exceptions, assets, liabilities, obligations, shareholders' equity, shareholders and remaining assets and expectations of SQM Procesos S.A. This merger generates each and every of its effects beginning on January 1, 2006.

On January 19, 2006, Sociedad Química y Minera de Chile S.A. and SQM Potasio S.A. acquired 7,021,169 and 70,921 shares, respectively, of DSM Minera S.A. and its subsidiary Exploraciones Minera S.A. for the sum of ThUS\$100,067 in cash (equivalent to ownership of 99% and 1%, respectively).

This investment has been stated using the equity method under the acquisition method in accordance with Technical Bulletin No. 72 issued by the Chilean Association of Accountants and the standards established in SVS Circular No. 1,697. Accordingly, the Company conducted a preliminary evaluation of assets and liabilities in the consolidated financial statements of DSM Minera S.A. as of December 31, 2005. This generated negative goodwill of ThUS\$1,928, which, as it is directly associated with mineral rights, is amortized in accordance with their exploitation.

The Company will continue to review the valuation at fair value using the term allowed to refine the adjustment as provided in paragraph No. 66 in Technical Bulletin No. 72 issued by the Chilean Association of Accountants.

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 9 - Investments in and Receivables from Related Companies (continued)**

**c) Transactions executed in 2006 (continued)**

The assets, liabilities and shareholders' equity included in consolidation at their respective fair values as of December 31, 2006 are as follows:

|                               | Minera Nueva<br>Victoria S.A.<br>ThUS\$ | Exploraciones<br>Mineras S.A.<br>ThUS\$ |
|-------------------------------|---|---|
| Current assets                | 66,951                                  | 400                                     |
| Property, plant and equipment | 23,327                                  | 31,567                                  |
| Other assets                  | 7,220                                   | -                                       |
| Current liabilities           | 4,516                                   | 7,126                                   |
| Long-term liabilities         | 5,718                                   | -                                       |
| Shareholders' equity          | 112,105                                 | -                                       |

On January 19, 2006, Soquimich European Holding B.V. acquired 100% of the 20,403 shares of DSM Minera BV. for a sum of ThUS\$13,840 in cash.

This investment has been stated using the equity method under the acquisition method in accordance with Technical Bulletin No. 72 issued by the Chilean Association of Accountants and SVS Circular No. 1,697. Accordingly, the Company conducted a preliminary evaluation of assets and liabilities in the consolidated financial statements of DSM Minera B.V. as of December 31, 2005. This generated goodwill of ThUS\$11,373, which will be amortized over the estimated period of investment return, which does not exceed 20 years.

The Company will continue to review the valuation at fair value using the term allowed to refine the adjustment as provided in paragraph No. 66 in Technical Bulletin No. 72 issued by the Chilean Association of Accountants.

Assets, liabilities and shareholders' equity included in consolidation at their respective fair values as of December 31, 2006 are as follows:

|                      | ThUS\$ |
|----------------------|--------|
| Current assets       | 4,581  |
| Current liabilities  | 1,153  |
| Shareholders' equity | 3,428  |

On January 31, 2006, DSM Minera S.A. changed its name to Minera Nueva Victoria S.A.

**Note 9 - Investments in and Receivables from Related Companies (continued)**

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**c) Transactions executed in 2006 (continued)**

On January 24, 2006, Soquimich European Holding B.V. and Nutrisi Holding N.V. acquired 334 and 666 shares, respectively, of Fenasa S.A. for a sum of ThEuro 75,100, thereby increasing their ownership to 33.35% and 66.65%, respectively.

During February 2006, DSM Minera B.V. changed its name to Iodine Minera BV.

On May 9, 2006, SQM Industrial S.A. and SQM Potasio S.A. formed Prestadora de Servicios de Salud Cruz del Norte S.A.

This company's capital amounts to Ch\$50,000,000 divided into 5,000 single shares with no par value, no privileges or preferences, which are paid in full upon subscription of shares and through subscription and payment by SQM Industrial S.A. of 4,950 shares for a sum of Ch\$49,500,000 paid upon subscription in cash and the subscription and payment by SQM Potasio S.A. of 50 shares for a sum of Ch\$500,000 paid upon subscription in cash. The Company's share capital and the total number of shares in which capital is divided is subscribed and paid in full in the company's social fund.

On September 14, 2006, Soquimich European Holding B.V. (SQH) sold all the rights it held in Impronta SRL to Yara Italia SPA for a sum of ThUS\$902, thereby generating a loss on sale of investments of ThUS\$308.

On October 27, 2006, SQM Comercial de México S.A. de C.V. and SQM Industrial S.A. sold all the shares they had in SQM Comercial de México S.A. de C.V. to Yara Nederland B.V. and Yara Holdings Netherlands B.V. for a sum of ThUS\$4,888 and obtained a gain from this sale of ThUS\$1,040.

On December 19, 2006, SQM Salar S.A. distributed dividends for a sum of ThUS\$68,000 to its shareholders SQM Potasio S.A. (81.82%) and SQM S.A. (18.18%).

On December 19, 2006, SQM Potasio S.A. distributed dividends for a sum of ThUS\$60,000 to its shareholders SQM S.A.(99.9974%) and Inversiones Pascuala S.A.(0.0026%)

**d) Investments with less than 20% participation**

Investments in which the Company has less than 20% participation and the capacity to exert significant influence or control over the investment, because SQM forms part of its Board of Directors, have been valued using the equity method.

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 9 - Investments in and Receivables from Related Companies (continued)**

**e) Detail of investments in related companies**

| Tax<br>Registration<br>Number | Company                                | Country of<br>origin | Controlling<br>currency | Number of<br>Shares | Ownership interest |       | Equity of companies |        | Book value of investment |        | Net income (loss) |        | Equity participation in net<br>income (loss) |        |
|-------------------------------|--|----------------------|-------------------------|---------------------|--------------------|-------|---------------------|--------|--------------------------|--------|-------------------|--------|--|--------|
|                               |  |                      |                         |                     | 2007               | 2006  | 2007                | 2006   | 2007                     | 2006   | 2007              | 2006   | 2007   | 2006   |
|                               |  |                      |                         |                     | %                  | %     | ThUS\$              | ThUS\$ | ThUS\$                   | ThUS\$ | ThUS\$            | ThUS\$ | ThUS\$                                       | ThUS\$ |
| 0-E                           | Nutrisi Holding N.V.                   | Belgium              | Euros                   | -                   | 50.00              | 50.00 | 11,718              | 7,899  | 5,726                    | 3,809  | 2,839             | 735    | 1,409  | 367    |
| 0-E                           | Ajay North America LLC                 | USA                  | US\$                    | -                   | 49.00              | 49.00 | 11,157              | 11,414 | 4,095                    | 4,806  | 475               | 442    | 233  | 217    |
| 0-E                           | Doktor Tarsa                           | Turkey               | Euros                   | -                   | 50.00              | 50.00 | 7,885               | 5,271  | 3,943                    | 2,636  | 2,219             | 856    | 1,109  | 428    |
| 0-E                           | Ajay Europe S.A.R.L.                   | France               | Euros                   | 36,700              | 50.00              | 50.00 | 8,154               | 5,473  | 2,209                    | 1,288  | 907               | -      | 453  | -      |
| 0-E                           | Abu Dhabi Fertilizer<br>Industries WLL | UAE                  | US\$                    | 1,961               | 50.00              | 37.00 | 4,399               | 3,853  | 2,199                    | 1,926  | 481               | 333    | 241  | 166    |
| 0-E                           | Misr Specialty Fertilizers             | Egypt                | US\$                    | -                   | 47.00              | 47.00 | 4,555               | 4,381  | 2,163                    | 2,080  | (110)             | (398)  | (52)   | (131)  |
| 0-E                           | SQM Thailand Co. Ltd.                  | Thailand             | US\$                    | -                   | -                  | 40.00 | 2,355               | 2,136  | 942                      | 854    | 31                | 136    | 12   | 54     |
| 77557430-5                    | Sales de Magnesio Ltda.                | Chile                | Pesos                   | -                   | 50.00              | 50.00 | 921                 | 994    | 458                      | 497    | 200               | 188    | 100  | 94     |
| 0-E                           | SQM Eastmed Turkey                     | Turkey               | Euros                   | -                   | 50.00              | 50.00 | 188                 | 499    | 94                       | 249    | (7)               | -      | (3)  | -      |
| 81767200-0                    | Asoc. Garantizadora Pensiones          | Chile                | Pesos                   | -                   | 3.00               | 3.00  | 707                 | 866    | 29                       | 29     | -                 | -      | -  | -      |
| 0-E                           | Agro India Limitada                    | India                | US\$                    | -                   | 49.00              | -     | 15                  | 115    | 8                        | 56     | (4)               | -      | (2)  | -      |
| Total                         |  |                      |                         |                     |                    |       |                     |        | 21,866                   | 18,230 |                   |        |  |        |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 10 - Goodwill and Negative Goodwill**

Goodwill, negative goodwill and the related amortization are summarized as follows:

**a) Goodwill**

| Tax Registration<br>Number | Company                             | September 30, 2007                    |                     | September 30, 2006                    |                     |
|----------------------------|-------------------------------------|---------------------------------------|---------------------|---------------------------------------|---------------------|
|                            |                                     | Amount amortized<br>during the period | Goodwill<br>Balance | Amount amortized<br>during the period | Goodwill<br>balance |
|                            |                                     | ThUS\$                                | ThUS\$              | ThUS\$                                | ThUS\$              |
| 96864750-4                 | SQM Potassium S.A.                  | 108                                   | 1,337               | 108                                   | 1,482               |
| 96801610-5                 | Comercial Hydro S.A.                | 194                                   | 1,060               | 171                                   | 1,206               |
| 79947100-0                 | SQM Industrial S.A.                 | 835                                   | 19,195              | 876                                   | 20,307              |
| 78602530-3                 | Minera Nueva Victoria S.A.          | -                                     | -                   | 97                                    | 3,058               |
| 0-E                        | SQMC México S.A. de C.V.            | 42                                    | 794                 | 42                                    | 850                 |
| 0-E                        | Comercial Caiman Internacional S.A. | 17                                    | 114                 | 17                                    | 137                 |
| 0-E                        | SQM Dubai- Fzco                     | 76                                    | 1,807               | 76                                    | 1,909               |
| 0-E                        | Iodine Minera B.V.                  | 426                                   | 10,426              | 471                                   | 12,095              |
| Total                      |                                     | <u>1,698</u>                          | <u>34,733</u>       | <u>1,858</u>                          | <u>41,044</u>       |

**b) Negative Goodwill**

| Tax Registration<br>Number | Company                    | September 30, 2007                    |                                 | September 30, 2006                    |                                 |
|----------------------------|----------------------------|---------------------------------------|---------------------------------|---------------------------------------|---------------------------------|
|                            |                            | Amount amortized<br>during the period | Negative<br>Goodwill<br>Balance | Amount amortized<br>during the period | Negative<br>goodwill<br>Balance |
|                            |                            | ThUS\$                                | ThUS\$                          | ThUS\$                                | ThUS\$                          |
| 96575300-1                 | Minera Mapocho S.A.        | -                                     | -                               | 68                                    | -                               |
| 78602530-3                 | Minera Nueva Victoria S.A. | -                                     | 1,650                           | -                                     | -                               |
| Total                      |                            | <u>-</u>                              | <u>1,650</u>                    | <u>68</u>                             | <u>-</u>                        |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 11 - Other Long-Term Assets**

Other long-term assets are summarized as follows:

|  |     | <u>2007</u> | <u>2006</u> |
|--|-----|-------------|-------------|
|  |     | ThUS\$      | ThUS\$      |
| Engine and equipment spare-parts, net                                      | (1) | 5,046       | 16,026      |
| Termination of agreement bonus   |     | 1,176       | 133         |
| Mine development costs   |     | 24,585      | 24,929      |
| Income taxes recoverable   |     | 340         | 285         |
| Healthcare institution guarantee in the National Healthcare Service Fonasa |     | 268         | 253         |
| Pension plan   |     | -           | 1,124       |
| Construction of Salar-Baquedano road                                       |     | 1,200       | 1,320       |
| Deferred loan issuance costs   | (2) | 387         | 246         |
| Cost of issuance and placement of bonds                                    | (3) | 5,019       | 5,860       |
| Other  |     | 724         | 662         |
| Total  |     | 38,745      | 50,838      |

(1) According to analyses conducted, at each year-end, this item includes non-current warehouse spare-parts and materials. In addition, an allowance for obsolescence has been made and included in this item.

(2) Relates to the portion to be accrued of negotiation costs of long-term loans.

(3) Refer to the explanation of these expenses in Note 23.

**Note 12 - Bank Debt**

a) Short-term bank debt as of September 30, 2007 and 2006 is detailed as follows:

| <b>Bank or financial institution</b> | <u>2007</u> | <u>2006</u> |
|--------------------------------------|-------------|-------------|
|                                      | ThUS\$      | ThUS\$      |
| Banco de Crédito e Inversiones       | -           | 40,030      |
| Citibank N.A.                        | -           | 15,067      |
| Corpbanca                            | -           | 15,011      |
| Banco Boston                         | -           | 10,007      |
| BBVA Banco Bilbao Vizcaya Argentaria | -           | 10,003      |
| Other                                | 1,253       | 1,934       |
| Total                                | 1,253       | 92,052      |
| Annual average interest rate         | 4.35%       | 5.35%       |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 12 - Bank Debt (continued)**

b) Long-term bank debt is detailed as follows:

| <b>Bank or financial institution</b>     | <b><u>2007</u></b><br><b>ThUS\$</b> | <b><u>2006</u></b><br><b>ThUS\$</b> |
|--|-------------------------------------|-------------------------------------|
| BBVA Banco Bilbao Vizcaya Argentaria (1) | 100,433                             | 100,384                             |
| ING Capital LLC (2)                      | 81,581                              | -                                   |
| Total                                    | <u>182,014</u>                      | <u>100,384</u>                      |
| Less: Current portion                    | (2,014)                             | (384)                               |
| Long-term portion                        | <u>180,000</u>                      | <u>100,000</u>                      |

(1) U.S. dollar-denominated loan without guarantee, interest rate of Libor + 0.375% per annum, quarterly payment. The principal is due February 25, 2010.

(2) U.S. dollar-denominated loan without guarantee, interest rate of Libor + 0.300% per annum, semi-annually payment. The principal is due on November 28, 2011.

c) The maturity of long-term debt is as follows:

| <b>Years to maturity</b> | <b><u>2007</u></b><br><b>ThUS\$</b> | <b><u>2006</u></b><br><b>ThUS\$</b> |
|--------------------------|-------------------------------------|-------------------------------------|
| Current portion          | 2,014                               | 384                                 |
| 2 to 3 years             | 100,000                             | -                                   |
| 3 to 5 years             | 80,000                              | 100,000                             |
| Total                    | <u>182,014</u>                      | <u>100,384</u>                      |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 13 - Short and Long-term Obligations with the Public (Promissory Notes and Bonds Payable)**

Additional Information

On January 25, 2006, the Company made a placement of Series C bonds for an amount of UF 3,000,000 at an annual rate of 4.18%. This placement achieved collection equivalent to 100% of par value.

On April 5, 2006, the Company made a placement of single-series bonds for an amount of ThUS\$200,000 at an annual rate of 6.125%, under the regulations contained in Rule 144 and regulation S of the U.S. Securities Act of 1933.

On June 1, 2007, the first capital payment for the Series C bond was made, for an amount equivalent to UF 75,000.

As of September 30, 2007 and 2006, the short-term portion of obligations with the public includes a balance of ThUS\$12,687 and ThUS\$9,593, respectively, which corresponds to the current portion of the principal plus interest accrued at that date. The long-term portion includes an amount of ThUS\$304,101 and ThUS\$300,219 respectively, related to principal installments for Series C and single-series bonds.

The detail of these amounts is as follows:

| Instrument<br>Regist. No.                         | Series | Nominal<br>Amount | Adjustm<br>ent Unit | Interest<br>Rate | Final<br>Period | Payment of<br>Interest | Payment of<br>Amortization | <b>06/30/07</b><br><b>ThUS\$</b> | <b>06/30/06</b><br><b>ThUS\$</b> | Placement<br>Chile or<br>abroad |
|---|--------|-------------------|---------------------|------------------|-----------------|------------------------|----------------------------|----------------------------------|----------------------------------|---------------------------------|
| <b>Current portion of long-term bonds payable</b> |        |                   |                     |                  |                 |                        |                            |                                  |                                  |                                 |
| 446   | C      | 150,000           | UF                  | 4.00%            | 06/01/2008      | Semi-<br>annual        | Semi-annual                | 7,064                            | 3,910                            | In Chile                        |
| 184   | Single | -                 | US\$                | 6.125%           | 10/15/2007      | Semi-<br>annual        | Semi-annual                | 5,623                            | 5,683                            | Abroad                          |
| Total Current Portion                             |        |                   |                     |                  |                 |                        |                            | <b>12,687</b>                    | <b>9,593</b>                     |                                 |
| <b>Long-term bonds payable</b>                    |        |                   |                     |                  |                 |                        |                            |                                  |                                  |                                 |
| 446   | C      | 2,775,000         | UF                  | 4.00%            | 12/01/2026      | Semi-<br>annual        | Semi-annual                | 104,101                          | 100,219                          | In Chile                        |
| 184   | Single | 200,000,000       | US\$                | 6.125%           | 04/15/2016      | Semi-<br>annual        | Semi-annual                | 200,000                          | 200,000                          | Abroad                          |
| Total Long-term                                   |        |                   |                     |                  |                 |                        |                            | <b>304,101</b>                   | <b>300,219</b>                   |                                 |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 14 - Accrued Liabilities**

As of September 30, 2007 and 2006, accrued liabilities are summarized as follows:

|  | <u>2007</u><br>ThUS\$ | <u>2006</u><br>ThUS\$ |
|--|-----------------------|-----------------------|
| Provision for royalties Corfo                          | 3,291                 | 2,407                 |
| Provision for employee compensation and legal costs    | 2,653                 | 501                   |
| Taxes and monthly income tax installment payments      | 3,130                 | 3,316                 |
| Expenses incurred for long-term loans (additional tax) | 234                   | 557                   |
| External auditors' fees                                | 701                   | 400                   |
| Employee benefits                                      | 10,695                | 4,077                 |
| Vacation accrual                                       | 9,608                 | 8,169                 |
| Marketing expenses                                     | 3,273                 | 3,500                 |
| Other accruals   | 3,338                 | 2,073                 |
| Total current accrued liabilities                      | 36,923                | 25,000                |

**Note 15 - Income Taxes and Deferred Taxes**

- a) As of September 30, 2007 and 2006, the Company has the following consolidated balances for retained tax earnings, income not subject to taxes, tax loss carry-forwards and credit for shareholders:

|   | <u>2007</u><br>ThUS\$ | <u>2006</u><br>ThUS\$ |
|---|-----------------------|-----------------------|
| Accumulated tax basis retained earnings<br>with tax credit    | 347,330               | 251,949               |
| Accumulated tax basis retained earnings<br>without tax credit | 56,329                | 90,330                |
| Tax loss carry-forwards (1)                                   | 138,725               | 171,241               |
| Credit for shareholders                                       | 70,963                | 51,391                |

- (1) Income tax losses in Chile can be carried forward indefinitely.

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

The Company has recognized deferred taxes for tax losses and the related valuation allowance, where applicable, in accordance with Technical Bulletin No. 60 issued by the Chilean Association of Accountants.

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 15 - Income Taxes and Deferred Taxes (continued)**

- b) The deferred taxes as of September 30, 2007 and 2006 represented a net liability of ThUS\$56,077 and ThUS\$40,269 respectively, and consisted of:

| <b>2007</b>                            | <b>Deferred tax asset</b>   |                            | <b>Deferred tax liability</b> |                            |
|--|-----------------------------|----------------------------|-------------------------------|----------------------------|
|  | <u>Short-term</u><br>ThUS\$ | <u>Long-term</u><br>ThUS\$ | <u>Short-term</u><br>ThUS\$   | <u>Long-term</u><br>ThUS\$ |
| <b>Temporary differences</b>           |                             |                            |                               |                            |
| Allowance for doubtful accounts        | 2,006                       | 605                        | -                             | -                          |
| Vacation accrual                       | 1,506                       | -                          | -                             | -                          |
| Unrealized gain on sale of products    | 13,837                      | -                          | -                             | -                          |
| Provision for obsolescence             | -                           | 2,957                      | -                             | -                          |
| Production expenses                    | -                           | -                          | 16,241                        | -                          |
| Accelerated depreciation               | -                           | -                          | -                             | 60,162                     |
| Exploration expenses                   | -                           | -                          | -                             | 4,555                      |
| Capitalized interest                   | -                           | -                          | -                             | 8,135                      |
| Staff severance indemnities            | -                           | -                          | -                             | 1,884                      |
| Fair value recognition                 | -                           | 1,199                      | -                             | -                          |
| Capitalized expenses                   | -                           | -                          | -                             | 957                        |
| Tax loss carry-forwards                | -                           | 26,909                     | -                             | -                          |
| Accrued gain from exchange insurance   | -                           | -                          | 1,553                         | -                          |
| Leased assets                          | -                           | -                          | -                             | 10                         |
| Provision for energy tariff difference | 2,700                       | -                          | -                             | -                          |
| Accrued interest                       | 273                         | -                          | -                             | -                          |
| Other                                  | 2,006                       | 5,571                      | 2,136                         | 469                        |
| Total gross deferred taxes             | 22,328                      | 37,241                     | 19,930                        | 76,172                     |
| Total complementary accounts           | -                           | -                          | (147)                         | (18,262)                   |
| Valuation allowance                    | (6,658)                     | (31,295)                   | -                             | -                          |
| Total deferred taxes                   | 15,670                      | 5,946                      | 19,783                        | 57,910                     |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 15 - Income Taxes and Deferred Taxes (continued)**

| 2006                                | Deferred tax asset |                  | Deferred tax liability |                  |
|-------------------------------------|--------------------|------------------|------------------------|------------------|
|                                     | <u>Short-term</u>  | <u>Long-term</u> | <u>Short-term</u>      | <u>Long-term</u> |
|                                     | ThUS\$             | ThUS\$           | ThUS\$                 | ThUS\$           |
| <b>Temporary differences</b>        |                    |                  |                        |                  |
| Allowance for doubtful accounts     | 1,518              | -                | -                      | -                |
| Vacation accrual                    | 1,287              | -                | -                      | -                |
| Unrealized gain on sale of products | 19,966             | -                | -                      | -                |
| Provision for obsolescence          | -                  | 952              | -                      | -                |
| Production expenses                 | -                  | -                | 17,812                 | -                |
| Accelerated depreciation            | -                  | -                | -                      | 59,512           |
| Exploration expenses                | -                  | -                | -                      | 5,394            |
| Capitalized interest                | -                  | -                | -                      | 6,983            |
| Staff severance indemnities         | -                  | -                | -                      | 2,432            |
| Claims expense provision            | -                  | 88               | -                      | -                |
| Capitalized expenses                | -                  | -                | -                      | 1,076            |
| Tax loss carry-forwards             | -                  | 30,088           | -                      | -                |
| Accrued interest                    | 221                | -                | -                      | -                |
| Other                               | 2,827              | 1,436            | -                      | 334              |
| Total gross deferred taxes          | 25,819             | 32,564           | 17,812                 | 75,731           |
| Total complementary accounts        | -                  | (216)            | (862)                  | (21,499)         |
| Valuation allowance                 | -                  | (27,254)         | -                      | -                |
| Total deferred taxes                | 25,819             | 5,094            | 16,950                 | 54,232           |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 15 - Income and Deferred Taxes (continued)**

c) Income tax expense for the nine months ended September 30, 2007 and 2006 is summarized as follows:

|   | <u>2007</u><br>ThUS\$ | <u>2006</u><br>ThUS\$ |
|---|-----------------------|-----------------------|
| Current tax expense (income tax accrual)  | (33,422)              | (26,338)              |
| Tax expense adjustment (prior period)   | 116                   | (655)                 |
| Effect of deferred tax assets and liabilities                                       | 2,278                 | 3,939                 |
| Tax benefit from tax losses   | (5,449)               | (10,733)              |
| Effect of amortization of complementary accounts                                    | (2,730)               | (4,298)               |
| Effect on deferred tax assets and liabilities due to changes in valuation allowance | 935                   | 7,658                 |
| Other tax charges and credits   | 16                    | (630)                 |
| Total income tax expense  | <u>(38,256)</u>       | <u>(31,057)</u>       |

**Note 16 – Staff Severance Indemnities**

Staff severance indemnities are summarized as follows:

|                              | <u>2007</u><br>ThUS\$ | <u>2006</u><br>ThUS\$ |
|------------------------------|-----------------------|-----------------------|
| Opening balance              | 17,091                | 16,415                |
| Increases in obligation      | 2,780                 | 2,970                 |
| Payments                     | (1,755)               | (1,224)               |
| Foreign currency translation | 751                   | (781)                 |
| Other differences            | (47)                  | -                     |
| Balance as of September 30   | <u>18,820</u>         | <u>17,380</u>         |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 17 - Minority Interest**

Minority interest is summarized as follows:

|                                  | <b>Equity</b>      |                    | <b>Net Income/(Loss)</b> |                    |
|----------------------------------|--------------------|--------------------|--------------------------|--------------------|
|                                  | <u><b>2007</b></u> | <u><b>2006</b></u> | <u><b>2007</b></u>       | <u><b>2006</b></u> |
|                                  | <b>ThUS\$</b>      | <b>ThUS\$</b>      | <b>ThUS\$</b>            | <b>ThUS\$</b>      |
| Soquimich Comercial S.A.         | 38,533             | 33,037             | (1,961)                  | (1,546)            |
| Ajay SQM Chile S.A.              | 3,653              | 3,674              | (264)                    | (841)              |
| Cape Fear Bulk L.L.C.            | 199                | 167                | (146)                    | (197)              |
| SQM Nitratos México S.A. de C.V. | (9)                | (106)              | 53                       | 66                 |
| Fertilizantes Naturales S.A.     | 133                | 141                | (10)                     | (18)               |
| SQM Indonesia S.A.               | (30)               | (20)               | -                        | 18                 |
| SQM Potasio S.A.                 | 7                  | 6                  | (2)                      | (1)                |
| Total                            | <u>42,486</u>      | <u>36,899</u>      | <u>(2,330)</u>           | <u>(2,519)</u>     |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 18 - Shareholders' Equity**

a) Changes to shareholders' equity consisted of:

|  | Number<br>of shares | Paid-in<br>capital<br>ThUS\$ | Other<br>reserves<br>ThUS\$ | Accumulated<br>deficit<br>of subsidiaries<br>in<br>development<br>stage<br>ThUS\$ | Retained<br>earnings<br>ThUS\$ | Net<br>Income<br>ThUS\$ | Total<br>ThUS\$ |
|--|---------------------|------------------------------|-----------------------------|---|--------------------------------|-------------------------|-----------------|
| Balance as of January 1, 2006                              | 263,196,524         | 477,386                      | 157,287                     | (8,370)   | 280,607                        | 113,506                 | 1,020,416       |
| Transfer 2005 net income to retained earnings              | -                   | -                            | -                           | -   | 113,506                        | (113,506)               | -               |
| Declared dividends 2006                                    | -                   | -                            | -                           | -   | (73,647)                       | -                       | (73,647)        |
| Accumulated deficit from subsidiaries in development stage | -                   | -                            | -                           | 8,370   | (8,370)                        | -                       | -               |
| Other comprehensive income                                 | -                   | -                            | (1,112)                     | -   | -                              | -                       | (1,112)         |
| Net income   | -                   | -                            | -                           | -   | -                              | 111,622                 | 111,622         |
| Balance as of September 30, 2006                           | 263,196,524         | 477,386                      | 156,175                     | -   | 312,096                        | 111,622                 | 1,057,279       |
| Balance January 1, 2007                                    | 263,196,524         | 477,386                      | 155,190                     | (8,370)   | 320,466                        | 141,277                 | 1,085,949       |
| Transfer 2006 net income to retained earnings              | -                   | -                            | -                           | -   | 141,277                        | (141,277)               | -               |
| Declared dividends 2007                                    | -                   | -                            | -                           | -   | (91,786)                       | -                       | (91,786)        |
| Accumulated deficit from subsidiaries in development stage | -                   | -                            | -                           | 8,370   | (8,370)                        | -                       | -               |
| Other comprehensive income                                 | -                   | -                            | 5,418                       | -   | -                              | -                       | 5,418           |
| Net income   | -                   | -                            | -                           | -   | -                              | 135,434                 | 135,434         |
| Balance as of September 30, 2007                           | 263,196,524         | 477,386                      | 160,608                     | -   | 361,587                        | 135,434                 | 1,135,015       |

In compliance with SVS Form 1819, we have netted the balance of the Development Period Deficit Account (ThUS\$8,370 as of December 31) against the balance of the Retained Earnings account. For comparative purposes, the balance in the Development Period Deficit Account of ThUS\$8,370 as of September 30, 2006 was netted against the Retained Earnings account.

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 18 - Shareholders' Equity (continued)**

b) The composition of other comprehensive income as of September 30, 2007 is as follows:

| Detail   |     | <b>For the nine months<br/>ended September 30,<br/><u>2007</u></b> | <b>Total as of<br/>September 30,<br/><u>2007</u></b> |
|--|-----|--|--|
|  |     | <b>ThUS\$</b>  | <b>ThUS\$</b>  |
| Technical appraisal  |     | -  | 151,345  |
| Changes to other comprehensive income from equity<br>method investments: |     |  |  |
| Soquimich Comercial S.A.   | (1) | 4,986  | 10,385   |
| Isapre Norte Grande Ltda.  | (1) | 25   | (59)   |
| Inversiones Augusta S.A.   | (1) | -  | (761)  |
| SQM Ecuador S.A.   | (2) | -  | (270)  |
| Almacenes y Depósitos Ltda.  | (1) | 40   | 62   |
| Asociación Garantizadora de Pensiones                                    | (1) | -  | (12)   |
| Sales de Magnesio Ltda.  | (1) | 22   | 74   |
| Sociedad de servicios de Salud   | (1) | 14   | 14   |
| SQM North America Corp.  | (3) | -  | (1,218)  |
| SQM Dubai – Fzco   | (1) | (12)   | (12)   |
| Ajay Europe SARL   | (1) | 343  | 343  |
| Other Companies  | (1) | -  | 717  |
| Total other comprehensive income   |     | <u>5,418</u>   | <u>160,608</u>                                       |

(1) Corresponds to translation adjustments and monetary correction

(2) Corresponds to the translation adjustment produced by the application of a new law implemented by the Ecuadorian Government

(3) Relates to valuation differences generated in the pension plans of the subsidiary SQM North America Corp.

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 18 - Shareholders' Equity (continued)**

- c) Capital consists of 263,196,524 fully authorized, subscribed and paid shares with no par value, divided into 142,819,552 Series A shares and 120,376,972 Series B shares.

The preferential voting rights of each series are as follows:

- Series A :            If the election of the president of the Company results in a tied vote, the Company's directors may vote once again, without the vote of the director elected by the Series B shareholders.
- Series B:    1)    A general or extraordinary shareholders' meeting may be called at the request of shareholders representing 5% of the Company's Series B shares.
- 2)    An extraordinary meeting of the Board of Directors may be called with or without the agreement of the Company's president, at the request of a director elected by Series B shareholders.

Under the current ownership structure, the Company has a controlling shareholder group that comprises the company Pampa Calichera S.A. and the Kowa Group. These entities signed a Joint Action Agreement on December 21, 2006.

**Note 19 – Derivative Instruments**

Derivative instruments are recorded at their fair value at period-end. Changes in fair value are recognized in income with the liability recorded in other current liabilities. Losses from options relate to fees paid by the Company to enter into such contracts. As of September 30, 2007, the Company's derivative instruments are as follows:

| 2007<br>Type of<br>derivative | Notional or<br>covered<br>amount<br>ThUS\$ | Expiration          | Description of the<br>type | Position<br>purchase/sale | (Liability)Asset<br>amount<br>ThUS\$ | Income<br>(loss) recorded<br>ThUS\$ | Income<br>(not) recorded<br>ThUS\$ |
|-------------------------------|--|---------------------|----------------------------|---------------------------|--------------------------------------|-------------------------------------|------------------------------------|
| US dollar PUT                 | 22,421                                     | 4th quarter of 2007 | Exchange rate              | P                         | (253)                                | -                                   | (253)                              |
| US dollar Forward             | 449  | 4th quarter of 2007 | Exchange rate              | P                         | (9)                                  | -                                   | (9)                                |
| US dollar Forward             | 6,926                                      | 4th quarter of 2007 | Exchange rate              | P                         | (206)                                | -                                   | (206)                              |
| Swap                          | 102,630                                    | 4th quarter of 2007 | Interest rate              | P                         | 9,136                                | -                                   | 9,136                              |
| US dollar PUT                 | 269  | 4th quarter of 2007 | Exchange rate              | P                         | (268)                                | -                                   | (268)                              |
|                               | <u>132,695</u>                             |                     |                            |                           | <u>8,400</u>                         |                                     | <u>8,400</u>                       |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 20 - Non-operating Income and Expenses**

Amounts included in non-operating income and expenses are summarized as follows:

**a) Non-operating income**

|   | <u>2007</u><br>ThUS\$ | <u>2006</u><br>ThUS\$ |
|---|-----------------------|-----------------------|
| Interest income   | 6,532                 | 9,498                 |
| Reversal of third-party obligations                               | 181                   | 208                   |
| Cross currency swap   | 4,000                 | -                     |
| Rights of use of trademark  | 21                    | 23                    |
| Insurance recoveries  | 217                   | 117                   |
| Provision of services   | 573                   | -                     |
| Rental of property, plant and equipment                           | 800                   | 730                   |
| Fines collected from third parties                                | 146                   | 295                   |
| Equity participation in net income of unconsolidated subsidiaries | 3,558                 | 1,450                 |
| Discounts obtained  | 359                   | 527                   |
| Sale of Antucoya  | -                     | 753                   |
| Overestimate of allowance for doubtful accounts                   | 413                   | 94                    |
| Sale of mining concessions  | 361                   | 202                   |
| Sale of scrap metal   | 137                   | -                     |
| Other income  | 475                   | 561                   |
| Total   | 17,773                | 14,458                |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 20 - Non-operating Income and Expenses (continued)**

**b) Non-operating expenses**

|   | <u>2007</u><br>ThUS\$ | <u>2006</u><br>ThUS\$ |
|---|-----------------------|-----------------------|
| Write-off of investments  | 312                   | 302                   |
| Interest expense  | 15,192                | 21,955                |
| Equity participation in net losses of unconsolidated subsidiaries                           | 58                    | 189                   |
| Amortization of goodwill  | 1,698                 | 1,858                 |
| Net foreign exchange  | 2,311                 | 5,403                 |
| Consulting services   | 20                    | 332                   |
| Training expenses and grants  | 322                   | 343                   |
| Investment plan expenses and adjustment to the net realizable value of PP&E                 | 8,748                 | 4,845                 |
| Energy tariff difference  | 4,800                 | -                     |
| Work disruption expenses  | 627                   | 1,716                 |
| Non-recoverable taxes   | 257                   | 756                   |
| Accrual for legal expenses and third-party indemnities                                      | 518                   | 16                    |
| Sale of Impronta SRL  | -                     | 197                   |
| Provider indemnities  | 1,600                 | 9                     |
| Provision and sale of materials, spare parts and supplies and property, plant and equipment | 3,402                 | 217                   |
| Other expenses  | 1,297                 | 1,694                 |
| Total   | <u>41,162</u>         | <u>39,832</u>         |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 21 – Price-level Restatement**

Amounts charged or credited to income relating to price-level restatement are summarized as follows:

|                               | <b>(Charge) credit to income<br/>from operations</b> |                       |
|-------------------------------|--|-----------------------|
|                               | <b><u>2007</u></b>                                   | <b><u>2006</u></b>    |
|                               | <b>ThUS\$</b>  | <b>ThUS\$</b>         |
| Property, plant and equipment | 350  | 172                   |
| Other assets and liabilities  | 384  | 326                   |
| Shareholders' equity          | <u>(4,788)</u>                                       | <u>(2,076)</u>        |
| Net price-level restatement   | <u><u>(4,054)</u></u>                                | <u><u>(1,578)</u></u> |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 22 – Assets and Liabilities Denominated in Foreign Currency**

Assets and liabilities denominated in foreign currency as of September 30, 2007 and 2006 are detailed as follows:

|                              | <u>2007</u> | <u>2006</u> |
|------------------------------|-------------|-------------|
|                              | ThUS\$      | ThUS\$      |
| <b>Assets</b>                |             |             |
| Chilean pesos                | 171,696     | 112,688     |
| US dollars                   | 1,619,972   | 1,567,807   |
| Euros                        | 47,466      | 37,903      |
| Japanese Yen                 | 919         | 1,217       |
| Brazilian Real               | 401         | 309         |
| Mexican pesos                | 2,278       | 4,373       |
| UF                           | 91,042      | 74,847      |
| South African Rand           | 15,232      | 11,829      |
| Dirhams                      | 13,846      | 14,281      |
| Other currencies             | 9,033       | 8,527       |
| <br>                         |             |             |
| <b>Current liabilities</b>   |             |             |
| Chilean pesos                | 135,315     | 103,904     |
| US dollars                   | 78,121      | 142,806     |
| Euros                        | 9,647       | 9,951       |
| Japanese Yen                 | 24          | 90          |
| Brazilian Real               | 1,894       | 1,558       |
| Mexican pesos                | 2,953       | 4,420       |
| UF                           | 7,291       | 5,186       |
| South African Rand           | 338         | 1,348       |
| Dirhams                      | 715         | 456         |
| Other currencies             | 456         | 259         |
| <br>                         |             |             |
| <b>Long-term liabilities</b> |             |             |
| Chilean pesos                | 18,679      | 17,343      |
| US dollars                   | 433,930     | 351,032     |
| Japanese Yen                 | 157         | 126         |
| UF                           | 104,854     | 101,115     |
| Other currencies             | 10          | 9           |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 23 – Expenses Incurred in the Issuance of Shares and Debt Titles**

Expenses incurred in the issuance and placement of bonds are presented under Other Long-Term Assets, and the portion to be amortized within one year is presented within Other Current Assets. These expenses are amortized using the straight-line method, according to the term of the documents. This amortization is presented as interest expense.

For the nine months ended September 30, 2007, issuance expenses net of amortization amount to ThUS\$6,665. Issuance expenses include disbursements related to reports issued by rating agencies, legal and financial consulting services, taxes, printing and placement fees. Amortization for the nine-month period ended September 30, 2007 amounted to ThUS\$615.

**Note 24 - Cash Flow Statement**

Amounts included in other investing income are summarized as follows:

|  | <u><b>2007</b></u><br><b>ThUS\$</b> | <u><b>2006</b></u><br><b>ThUS\$</b> |
|--|-------------------------------------|-------------------------------------|
| Cash included in cash equivalents        | -                                   | 24,279                              |
| Proceeds from sale of mining concessions | 361                                 | 202                                 |
| Total                                    | <u>361</u>                          | <u>24,481</u>                       |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 25 – Commitments and Contingencies**

**I. Contingencies:**

(a) Material lawsuits or other legal actions to which the Company is party:

1. Plaintiff : Compañía de Salitre y Yodo Soledad S.A.  
Defendant : Sociedad Química y Minera de Chile S.A.  
Date of lawsuit : December 1994  
Court : Civil Court of Pozo Almonte  
Cause : Partial annulment of mining property, Cesard 1 to 29  
Instance : Evidence provided  
Nominal amount : ThUS\$ 211
  
2. Plaintiff : Compañía Productora de Yodo y Sales S.A.  
Defendant : SQM Químicos S.A.  
Date of lawsuit : November 1999  
Court : Civil Court of Pozo Almonte  
Cause : Partial annulment of mining property, Paz II 1 to 25  
Instance : Evidence provided  
Nominal amount : ThUS\$ 162
  
3. Plaintiff : Compañía Productora de Yodo y Sales S.A.  
Defendant : SQM Químicos S.A.  
Date of lawsuit : November 1999  
Court : Civil Court of Pozo Almonte  
Cause : Partial annulment of mining property, Paz III 1 to 25  
Instance : Evidence provided  
Nominal amount : ThUS\$ 204
  
4. Plaintiff : Mario Miles Andrade  
Defendants : Constructora Fe Grande S.A. and jointly and severally,  
SQM S.A. and its insurers  
Date of lawsuit : June 2005  
Court : Labor Court of Antofagasta  
Cause : Work accident  
Instance : Evidence provided  
Nominal amount : ThUS\$ 270

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 25 – Commitments and Contingencies (continued)**

**I. Contingencies (continued):**

5. Plaintiff : Gabriela Véliz Huanchicay  
Defendants : Gilberto Mercado Barreda and jointly and severally  
SQM Nitratos S.A. and its insurers  
Date of lawsuit : August 2005  
Court : 4<sup>th</sup> Civil Court of Santiago  
Cause : Work accident  
Instance : At the first instance verdict the defendants were sentenced  
to pay the amount of ThUS\$250. The defendants filed an  
appeal against this verdict.  
Nominal amount : ThUS\$ 481
6. Plaintiff : Electroandina S.A.  
Defendant : Sociedad Química y Minera de Chile S.A.  
Date of lawsuit : September 2005  
Court : Court of arbitration  
Cause : Early termination or partial modification or temporary  
suspension of the Electrical Supply Agreement entered on  
February 12, 1999 by virtue of supposedly unforeseen events  
that would have resulted in an increase in the cost of, or restricted  
the supply of, natural gas from Argentina  
Instance : Evidentiary stage  
Nominal amount : The amount has not yet been determined.
7. Plaintiff : Juana Muraña Quispe  
Defendants : Intro Ingenieria Limitada and jointly and severally  
SQM S.A. and its insurers  
Date of lawsuit : October 2005  
Court : 25<sup>th</sup> Civil Court of Santiago  
Cause : Work accident  
Instance : Evidentiary stage  
Nominal amount : ThUS\$1,500

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 25 – Commitments and Contingencies (continued)**

**I. Contingencies (continued):**

- |                 |  |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
|-----------------|--|-----------|---|------------|---|-----------------|------------------|-------|---|-------|--|----------|-------------------------|----------------|---------------|
| 8.              | <table border="0"> <tr><td style="padding-right: 10px;">Plaintiff</td><td>: Marina Arnéz Valencia</td></tr> <tr><td style="padding-right: 10px;">Defendants</td><td>: SQM S.A. and its insurance companies</td></tr> <tr><td style="padding-right: 10px;">Date of lawsuit</td><td>: May 2006</td></tr> <tr><td style="padding-right: 10px;">Court</td><td>: 2<sup>nd</sup> Civil Court of Santiago</td></tr> <tr><td style="padding-right: 10px;">Cause</td><td>: Work accident</td></tr> <tr><td style="padding-right: 10px;">Instance</td><td>: Conciliation audience</td></tr> <tr><td style="padding-right: 10px;">Nominal amount</td><td>: ThUS\$ 500</td></tr> </table>  | Plaintiff | : Marina Arnéz Valencia                 | Defendants | : SQM S.A. and its insurance companies    | Date of lawsuit | : May 2006       | Court | : 2 <sup>nd</sup> Civil Court of Santiago     | Cause | : Work accident  | Instance | : Conciliation audience | Nominal amount | : ThUS\$ 500  |
| Plaintiff       | : Marina Arnéz Valencia  |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Defendants      | : SQM S.A. and its insurance companies   |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Date of lawsuit | : May 2006   |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Court           | : 2 <sup>nd</sup> Civil Court of Santiago  |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Cause           | : Work accident  |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Instance        | : Conciliation audience  |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Nominal amount  | : ThUS\$ 500   |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| 9.              | <table border="0"> <tr><td style="padding-right: 10px;">Plaintiff</td><td>: ESAOL Limitada</td></tr> <tr><td style="padding-right: 10px;">Defendant</td><td>: Sociedad Química y Minera de Chile S.A.</td></tr> <tr><td style="padding-right: 10px;">Date of lawsuit</td><td>: September 2006</td></tr> <tr><td style="padding-right: 10px;">Court</td><td>: Arbitration Court of Antofagasta</td></tr> <tr><td style="padding-right: 10px;">Cause</td><td>: Fees allegedly owed for urban cleaning services at Maria Elena.</td></tr> <tr><td style="padding-right: 10px;">Instance</td><td>: Evidentiary Stage</td></tr> <tr><td style="padding-right: 10px;">Nominal amount</td><td>: ThUS\$170</td></tr> </table>  | Plaintiff | : ESAOL Limitada                        | Defendant  | : Sociedad Química y Minera de Chile S.A. | Date of lawsuit | : September 2006 | Court | : Arbitration Court of Antofagasta            | Cause | : Fees allegedly owed for urban cleaning services at Maria Elena.  | Instance | : Evidentiary Stage     | Nominal amount | : ThUS\$170   |
| Plaintiff       | : ESAOL Limitada   |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Defendant       | : Sociedad Química y Minera de Chile S.A.  |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Date of lawsuit | : September 2006   |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Court           | : Arbitration Court of Antofagasta   |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Cause           | : Fees allegedly owed for urban cleaning services at Maria Elena.  |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Instance        | : Evidentiary Stage  |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Nominal amount  | : ThUS\$170  |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| 10.             | <table border="0"> <tr><td style="padding-right: 10px;">Plaintiff</td><td>: Sociedad de Servicios Tacora Limitada</td></tr> <tr><td style="padding-right: 10px;">Defendant</td><td>: SQM Nitratos S.A.</td></tr> <tr><td style="padding-right: 10px;">Date of lawsuit</td><td>: December 2006</td></tr> <tr><td style="padding-right: 10px;">Court</td><td>: 25<sup>th</sup> Civil Court of Antofagasta</td></tr> <tr><td style="padding-right: 10px;">Cause</td><td>: Collection of securities which SQM Nitratos S.A., by virtue of a mandate conferred in its favor, used to pay the plaintiff's employees who have not received their salary pay and contributions for transportation and machinery services rendered indirectly to SQM Nitratos S.A.</td></tr> <tr><td style="padding-right: 10px;">Instance</td><td>: Response.</td></tr> <tr><td style="padding-right: 10px;">Nominal amount</td><td>: ThUS\$266</td></tr> </table> | Plaintiff | : Sociedad de Servicios Tacora Limitada | Defendant  | : SQM Nitratos S.A.                       | Date of lawsuit | : December 2006  | Court | : 25 <sup>th</sup> Civil Court of Antofagasta | Cause | : Collection of securities which SQM Nitratos S.A., by virtue of a mandate conferred in its favor, used to pay the plaintiff's employees who have not received their salary pay and contributions for transportation and machinery services rendered indirectly to SQM Nitratos S.A. | Instance | : Response.             | Nominal amount | : ThUS\$266   |
| Plaintiff       | : Sociedad de Servicios Tacora Limitada  |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Defendant       | : SQM Nitratos S.A.  |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Date of lawsuit | : December 2006  |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Court           | : 25 <sup>th</sup> Civil Court of Antofagasta  |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Cause           | : Collection of securities which SQM Nitratos S.A., by virtue of a mandate conferred in its favor, used to pay the plaintiff's employees who have not received their salary pay and contributions for transportation and machinery services rendered indirectly to SQM Nitratos S.A.   |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Instance        | : Response.  |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Nominal amount  | : ThUS\$266  |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| 11.             | <table border="0"> <tr><td style="padding-right: 10px;">Plaintiff</td><td>: Marineer Zona Franca S.A.</td></tr> <tr><td style="padding-right: 10px;">Defendant</td><td>: Minera Nueva Victoria S.A.</td></tr> <tr><td style="padding-right: 10px;">Date of lawsuit</td><td>: August 2007</td></tr> <tr><td style="padding-right: 10px;">Court</td><td>: Arbitration Court of Santiago</td></tr> <tr><td style="padding-right: 10px;">Cause</td><td>: Damages for alleged unilateral and premature termination of mineral transport contract</td></tr> <tr><td style="padding-right: 10px;">Instance</td><td>: Conciliation</td></tr> <tr><td style="padding-right: 10px;">Nominal amount</td><td>: ThUS\$1,400</td></tr> </table>  | Plaintiff | : Marineer Zona Franca S.A.             | Defendant  | : Minera Nueva Victoria S.A.              | Date of lawsuit | : August 2007    | Court | : Arbitration Court of Santiago               | Cause | : Damages for alleged unilateral and premature termination of mineral transport contract   | Instance | : Conciliation          | Nominal amount | : ThUS\$1,400 |
| Plaintiff       | : Marineer Zona Franca S.A.  |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Defendant       | : Minera Nueva Victoria S.A.   |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Date of lawsuit | : August 2007  |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Court           | : Arbitration Court of Santiago  |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Cause           | : Damages for alleged unilateral and premature termination of mineral transport contract   |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Instance        | : Conciliation   |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |
| Nominal amount  | : ThUS\$1,400  |           |   |            |   |                 |                  |       |   |       |  |          |                         |                |               |

**Note 25 – Commitments and Contingencies (continued)**

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**I. Contingencies (continued):**

(b) Other

The Company and its subsidiaries are involved in litigation in the ordinary course of business. Based on the advice of counsel, management believes the litigation will not have a material effect on the consolidated financial statements.

**II. Commitments:**

- (a) The subsidiary SQM Salar S.A. maintains an agreement with a government agency, whereby the Company must make annual payments until 2030 based on the Company's annual sales. This amount, which has been paid since the beginning of the agreement in 1996, was ThUS\$ 10,182 in 2007 (ThUS\$ 6,831 in 2006).
- (b) Bank loans of SQM S.A. and its subsidiaries contain restrictions similar to those loans of the same nature which have been outstanding at pertinent times and which, among others, relate to maximum indebtedness and minimum equity. Save for this, SQM S.A. is not exposed to other covenants to its management activities or to limits in financial indicators because of contracts or agreements with creditors.
- (c) Bank debt of SQM S.A. and its subsidiaries has no restrictions or terms other than those that might usually be found in identical debt in the financial markets, such as, among others, maximum indebtedness and minimum equity.

**Note 26 – Third Party Guarantees**

As of September 30, 2007 and 2006 the Company has the following indirect guarantees outstanding:

| Beneficiary                          | Debtor                          |              | Balances outstanding |         |
|--------------------------------------|---------------------------------|--------------|----------------------|---------|
|                                      | Name                            | Relationship | 2007                 | 2006    |
|                                      |                                 |              | ThUS\$               | ThUS\$  |
| BBVA Banco Bilbao Vizcaya Argentaria | Royal Seed Trading Corp. A.V.V. | Subsidiary   | 100,415              | 100,384 |
| ING Capital LLC                      | Royal Seed Trading Corp. A.V.V. | Subsidiary   | 80,408               | -       |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 27 – Sureties Obtained from Third Parties**

Joint and several guarantee of up to ThUS\$ 1,000 made by Tattersall Comercial S.A. to secure to Soquimich Comercial S.A. compliance with obligations contained in the commercial mandate agreement for the distribution and sale of fertilizers.

**Note 28 - Sanctions**

During 2007 and 2006, the SVS did not apply sanctions to the Company, its directors or its managers.

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 29 – Environmental Projects**

Disbursements incurred by the Company as of September 30, 2007 relating to its investments in production processes and compliance with regulations related to industrial processes and facilities are as follows:

| <b>Project</b>  | <b><u>2007</u></b><br><b>ThUS\$</b> | <b><u>Future</u></b><br><b><u>Disbursements</u></b><br><b>ThUS\$</b> |
|---|-------------------------------------|--|
| Dust emission control   | 76                                  | -  |
| Plumbing equipment at ME prilling plant   | 39                                  | 1  |
| Light normalization   | 921                                 | 90   |
| Enablement of money exchange and bathrooms  | 289                                 | -  |
| Water assessment San Isidro   | 21                                  | 155  |
| Environmental assessment for the KNO3 Plant                                       | 450                                 | 76   |
| Environmental assessment for new Chancado María Elena plant                       | 1,006                               | 164  |
| Waste water treatment plant, washing surface P. Valdivia. N. Victoria. P. Blanca. | 18                                  | 222  |
| Equipment washing system  | 184                                 | -  |
| Normalization of lighting at FFCC yard, PV Mill                                   | 164                                 | 1  |
| Implementation of waste water line for María Elena Treatment Plant.               | 29                                  | 21   |
| Infrastructure, equipment New Offices María Elena Environment                     | 14                                  | -  |
| Hospital Monitoring Station Project   | 12                                  | 9  |
| Improvements in M. Elena Camp – Streets   | 428                                 | 22   |
| Tourist Support in Salt Deposit (Soncor)  | 64                                  | 16   |
| Energy backup for Church monitoring station                                       | 18                                  | 3  |
| Environmental commitments Region I of Chile                                       | 169                                 | 22   |
| The Environment MOP/SOP 2   | 266                                 | 184  |
| Study of dust control at SOP-SC plant   | 30                                  | -  |
| Waste dump for dangerous waste  | 18                                  | 346  |
| Equipment elimination using PCB   | 300                                 | -  |
| Deputy Management of Environmental Matters  | 541                                 | 536  |
| Salar (Salt deposit) environmental follow-up plan                                 | 1,322                               | 1,153  |
| Sanitary regulations PV Traffic Facilities  | 7                                   | 73   |
| PV Environmental improvements   | 8                                   | 32   |
| Renewal of Salar Meteorological Stations  | 72                                  | 41   |
| Construction of temporary storage yard for residual and new oil                   | 1                                   | -  |
| Waste pools R&R Lithium C. Plant  | 1,231                               | 993  |
| Miscellaneous environmental projects  | 2                                   | 35   |
| <b>Total</b>  | <b><u>7,700</u></b>                 | <b><u>4,195</u></b>  |

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 29 – Environmental Projects (continued)**

Protecting the environment, both in regards to the Company's productive processes and the manufactured goods, is a constant concern for SQM. The Company's commitment is supported by the principles declared in the Company's Sustainable Development Policy.

SQM is currently using an Environmental Management System ("SGA"), which is based on the ISO 14000 standard. Through the SGA, the Company has improved its environmental performance by effectively applying the Sustainable Development Policy.

Processes where sodium nitrate is used as a raw material are carried out in the desert and other arid geographical areas with favorable weather conditions for drying solid materials and evaporating liquids using solar energy. The extraction of minerals in open pit mines, given their low waste-to-mineral ratio, gives rise to waste deposits that have little impact on the environment. The extraction process and ore crushing produce particles, which is normal for this type of operation.

On August 10, 1993, the Ministry of Health published a resolution in accordance with the Sanitary Code in the Official Gazette, establishing that breathable particle material levels in the productive facilities of María Elena exceeded the level allowed for air quality, thereby affecting the neighboring location. The particles mainly come from dust produced during the processing of caliche, in particular in the grinding of this ore prior to leaching. The Company has implemented a number of measures which have allowed a significant improvement in air quality at María Elena, both within the framework of a Decontamination Plan for this location and to comply with its Sustainable Development Policy. In October 2005, the Company obtained environmental approval for the "María Elena Technology Plan" project. This project will enable the Company to reduce particle emissions, as required by environmental regulations; the Company estimates that start-up of this project will take place during the second half of 2008. The Company is requesting that CONAMA make the necessary adjustments to the timeframe defined in the Decontamination Plan to reduce particles, so that the timeframe is consistent with the Company's progress on the María Elena Technology Plan.

The Company also develops plans for follow-up and environmental monitoring for all its operations, based on specialized scientific studies, and it annually develops a training program for environmental matters, for both its direct employees and its subcontractors. Within this context, SQM entered into an agreement with Corporación Nacional Forestal (CONAF) – the National Forestry Corporation – with the purpose of monitoring the activities of flamingo colonies in lagoon systems in the Atacama Salar, which includes counting birds and follow-up of the reproductive process. Environmental follow-up maintained by SQM in the Atacama Salar and in other systems in which it operates is supported by a number of studies that have integrated different scientific efforts by prestigious research centers, such as Dictuc from Pontificia Universidad Católica, the School of Agricultural Science of Universidad de Chile, Nevada University, Cornell University and the University of Binghamton, New York.

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**  
**Notes to the Consolidated Financial Statements**  
**(A translation of the original in Spanish- see note 2 (a))**

**Note 29 – Environmental Projects (continued)**

In addition, within the framework of environmental studies performed by the Company for its new projects, the Company is currently undertaking a significant amount of work in order to record pre-Hispanic and historical cultural heritage, as well as to protect heritage sites, in accordance with current Chilean laws. There has been a particularly great concentration of these efforts in the area surrounding Maria Elena and the Nueva Victoria plant. Furthermore, the Company is working to distribute this cultural heritage information within the community, as well as to make this information available at local and regional museums.

As emphasized by one of the points in its Sustainable Development Policy, the Company works to maintain a good neighbor relationship and to participate in the development of communities close to its operations, supporting joint projects and activities to improve the quality of life in these communities. For this purpose, the Company has focused its actions on the recovery of historical heritage, training, and social and cultural development. The Company makes efforts in these areas both on its own and in conjunction with other public and private organizations.

**Note 30 – Significant Events**

On March 21, 2007, the Company informed the Superintendency of Securities and Insurance (SVS) that the Board of Directors of Sociedad Química y Minera de Chile (SQM) at their meeting held on March 20, 2007, unanimously agreed to propose the payment of a final dividend for a sum of US\$0.34874 per share to those shareholders of SQM who were registered with the Shareholders' Registry during the fifth business day prior to the date of payment of this dividend.

Upon approval of this proposal by the shareholders at the General Ordinary Shareholders' Meeting to be held on April 27, 2007, this proposal will the Company to effectively pay and distribute dividends in conformity with its dividend policy, which provides for the payment of an annual dividend equivalent to 65% of distributable net income obtained during 2006.

**Note 31 – Subsequent Events**

Management is not aware of any significant subsequent events that have occurred between September 30, 2007 and the date of issuance of these financial statements (October 30, 2007) that may affect the Company's financial position or the interpretation of these financial statements.

## **SIGNATURES**

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

### **SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.**

Conf: /s/ Ricardo Ramos R.

Ricardo Ramos R.  
Chief Financial Officer

Date: December 07, 2007