



THE WORLDWIDE
BUSINESS FORMULA

SQM S.A.

September 2010

www.sqm.com





Important Notice

Statements in this presentation concerning the Company's business outlook or future economic performances, anticipated profitability, revenues, expenses, or other financial items, anticipated cost synergies and product or service line growth, together with other statements that are not historical facts, are "forward-looking statements" as that term is defined under Federal Securities Laws.

Any forward-looking statements are estimates, reflecting the best judgment of SQM based on currently available information and involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those stated in such statements.

Risks, uncertainties, and factors that could affect the accuracy of such forward-looking statements are identified in the public filing made with the Securities and Exchange Commission, and forward-looking statements should be considered in light of those factors.





World Leader in Specialty Businesses

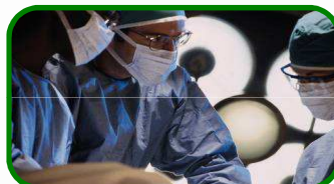
		<u>2009</u>	<u>2008</u>	<u>2007</u>
• Revenues	US\$ M	1,437	1,774	1,188
• Operating Income	US\$ M	442	632	260
• Net Income	US\$ M	327	501	180

Specialty Plant Nutrition



50% world market share
 Revenues US\$ 574 M LTM
 35% revenues LTM
 32% of total G.M.*

Iodine & Derivatives



25% world market share
 Revenues US\$248 M LTM
 15% revenues LTM
 21% of total G.M.

Lithium & Derivatives



24% world market share
 Revenues US\$143 M LTM
 9% revenues LTM
 12% of total G.M.

MOP & SOP



Revenues US\$459 M LTM
 28% revenues LTM
 24% of total G.M.

Industrial Chemicals



Revenues US\$136 M LTM
 8% revenues LTM
 10% of total G.M.

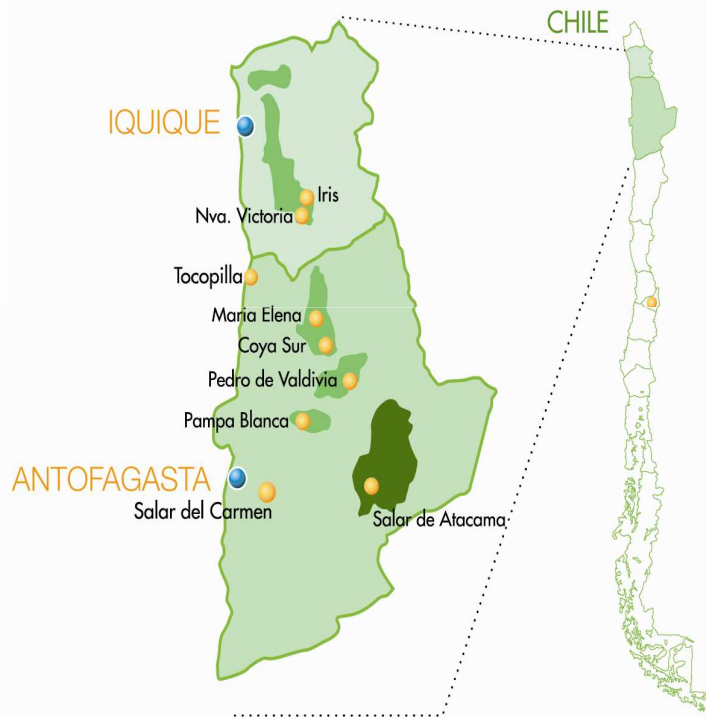
*Gross margin.



Unique Natural Resources

Foundation of our competitive advantage

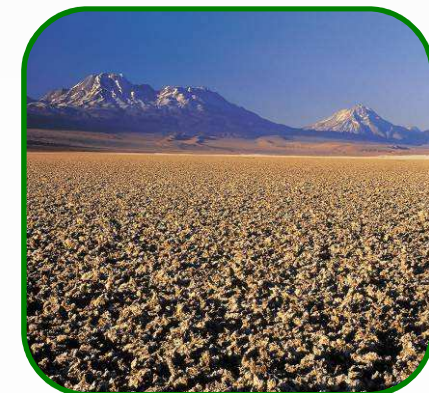
● Caliche Ore ● Brines ● Production Facilities



Caliche Ore

Nitrates

Iodine



Salar Brines

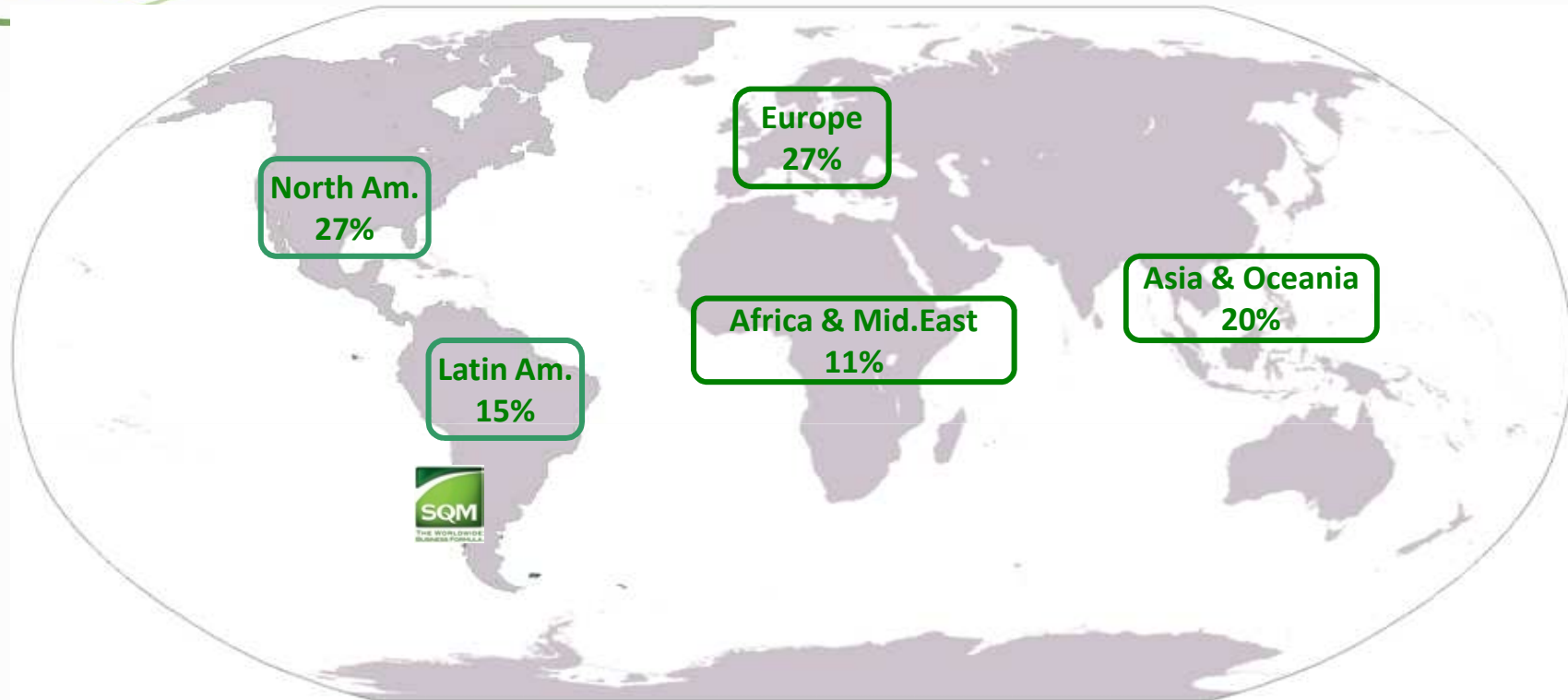
Potassium

Lithium



Diversified Cash Flows

Diversification by markets, products and customers



- **Geographic distribution of exports during 2009**
- **84% of sales are exports**
- **Sales in more than 100 countries – Local presence in 20 countries**

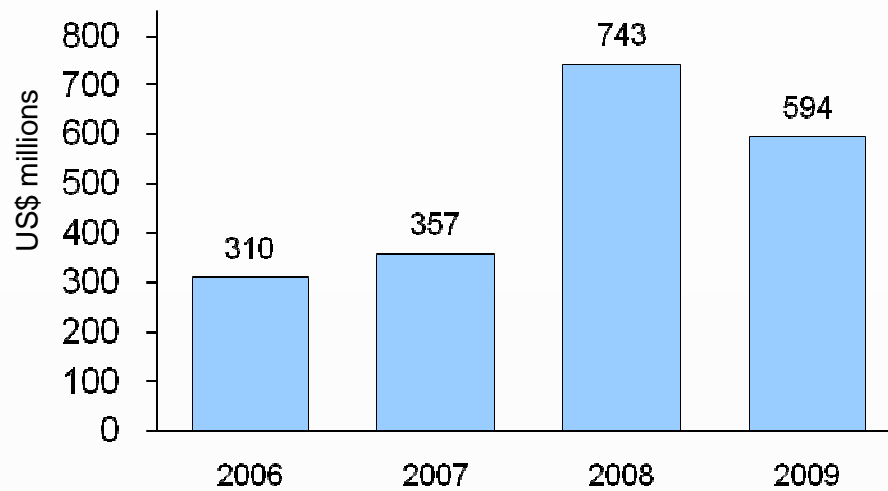


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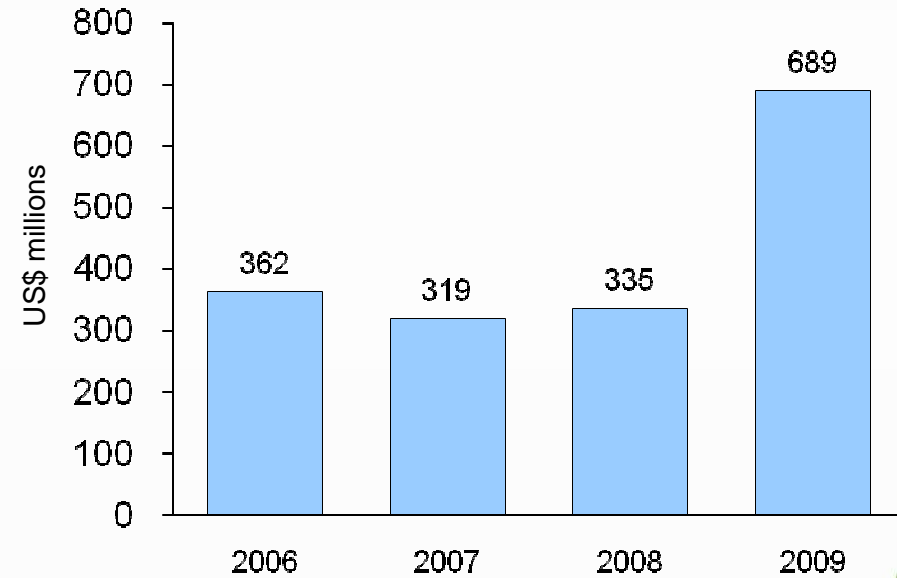
Financial Performance

Historical Overview

EBITDA (*)



Net Financial Debt (**)



- During 2009 the Company increased its financial debt to finance its capex program and working capital increases.

**EBITDA: operating income + depreciation (not including amortization)*

*** N.F.D. : interest bearing debt net of cash and cash equivalents, considering effects of derivatives.*

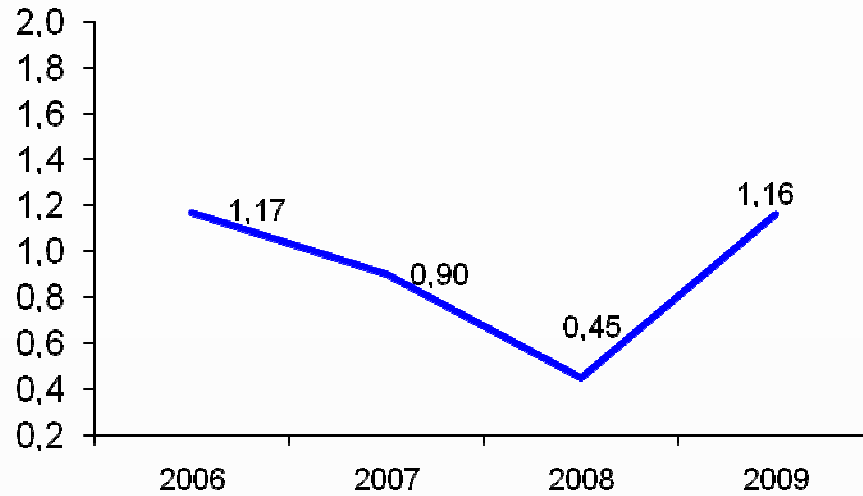




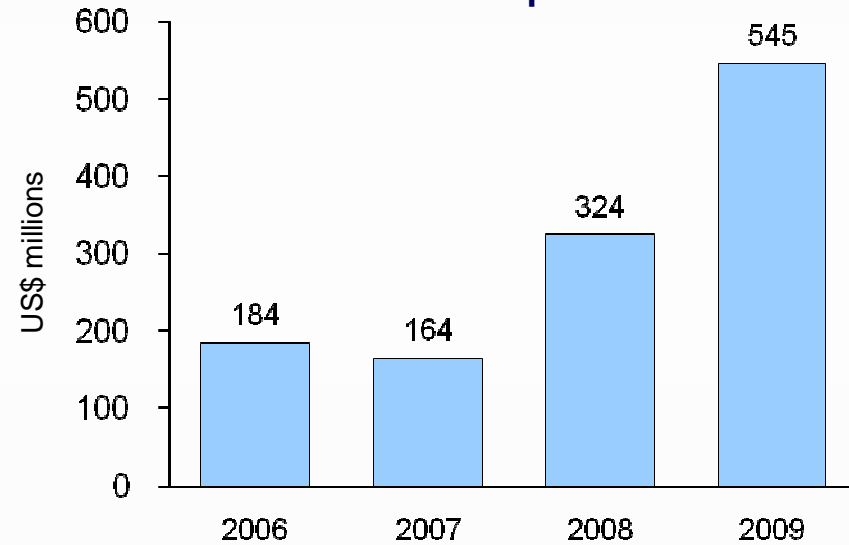
Financial Performance

Historical Overview

N.F.D. / EBITDA



Cash and Cash Equivalents



- Cash plus committed credit lines add financial flexibility

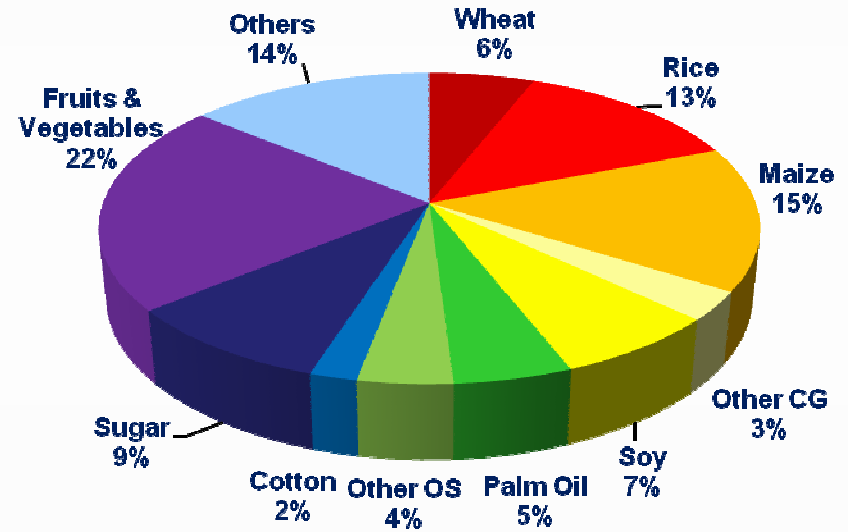




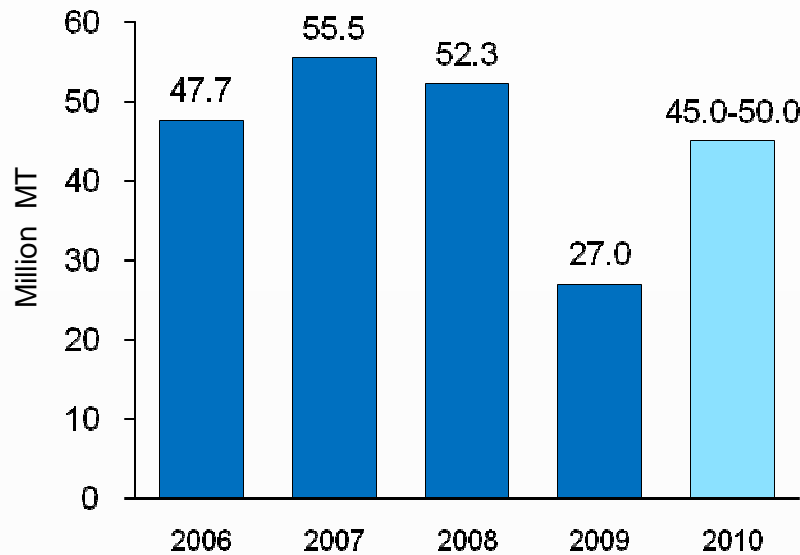
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Potassium Chloride

Potassium Consumption by Crop

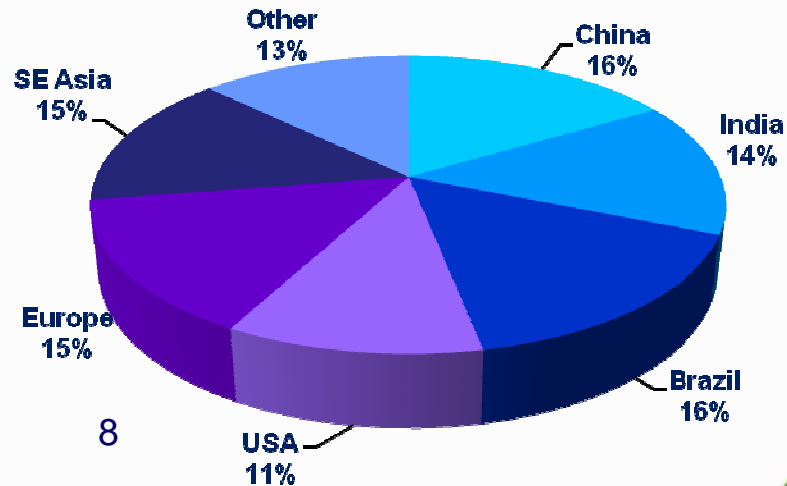


Potash World Demand



Source: SQM Estimates

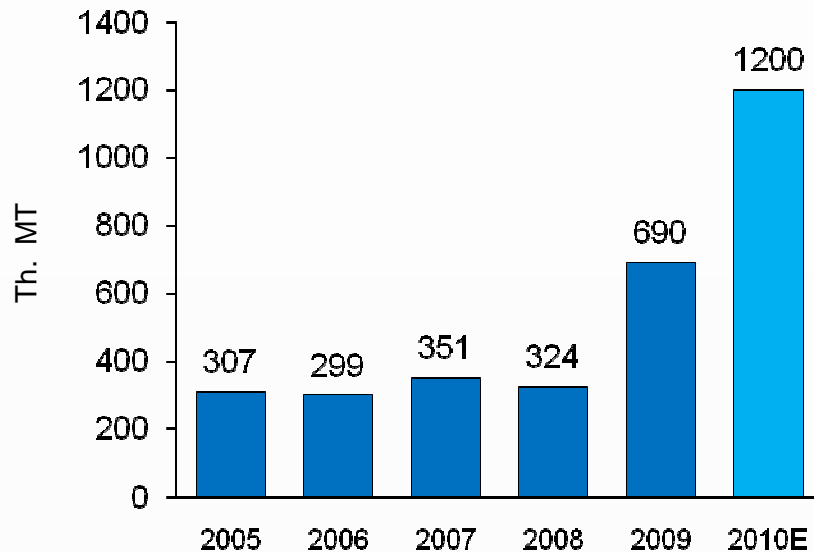
Potash Consumption by Country (2009)



Potassium Chloride

As a low cost producer SQM can capture growth potential in the potassium market

SQM Sales Volumes: MOP* + SOP**



Source: SQM Estimates

*MOP is potassium chloride (KCl), also known as potash.

**SOP is potassium sulfate (K_2SO_4)

- Potash market is beginning to normalize after 2009 stand off between China/India and the big suppliers
- Potash prices have begun to recover slightly
- The increase in sales volumes of potassium-based fertilizers is expected to have a significant effect on SQM's margins





Specialty Plant Nutrition

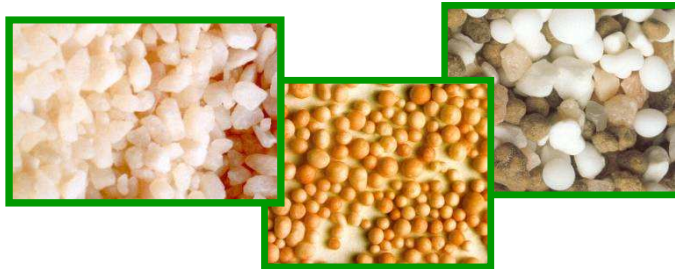
Historical world demand growth has averaged 5%

Competitive Advantages

- ✓ 100% Natural Origin
- ✓ Fast Absorption
- ✓ Regulates Soil Acidity
- ✓ Fully Water Soluble
- ✓ Chlorine Free



SPN Products



- Demand fundamentals for this segment **remain strong**
- We expect volumes to recover during 2010 and 2011

Demand Drivers

High cost of land



Water scarcity



Demand for high-value crops



+

+

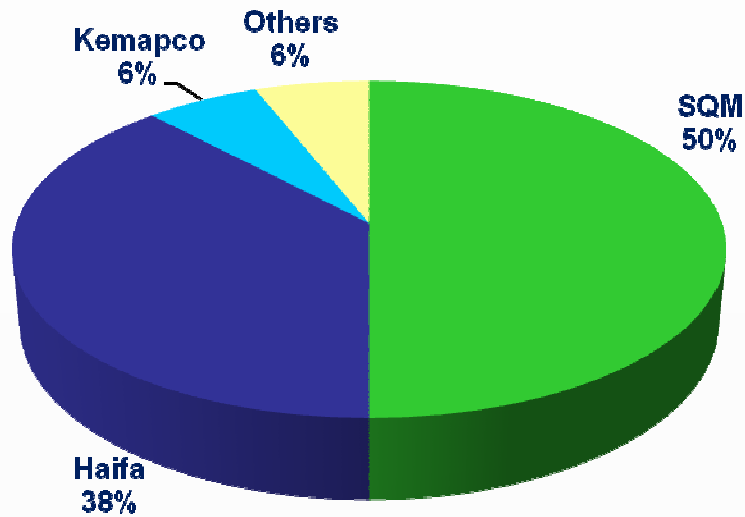


Modern agricultural techniques



Specialty Plant Nutrition

Market Share KNO₃



Main Uses of KNO₃: Premium Crops

Vegetables (41%)



**Industrialized
Crops
(28%)**



Fruits (22%)



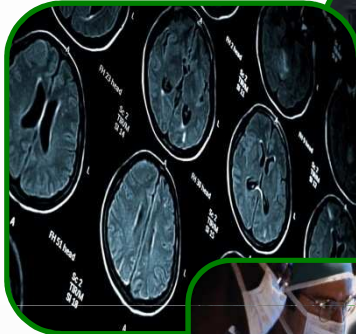
Limited supply and increasing demand provide strong support for our KNO₃ markets

- Completed 300,000 MT potassium nitrate (KNO₃) facility in August 2010
- No other relevant potassium nitrate expansion projects have been announced

Iodine

World leader with 25% market share

X-ray Contrast Media



LCD screens



Salt



Disinfectants



Nylon



Biocides

Iodine World Market 2009

- Total demand: 25,500 TM.
- World demand CAGR (2000-2008): 6%
- Demand declined in 2009
- Competitors:

* Japan	25%
* Others Chile (Cosayach, Atacama Min, ACF)	28%
* Recycling	14%
* USA	5%
* Others	3%

- **55%** of applications are related to human and animal health and nutrition.

- Main applications:

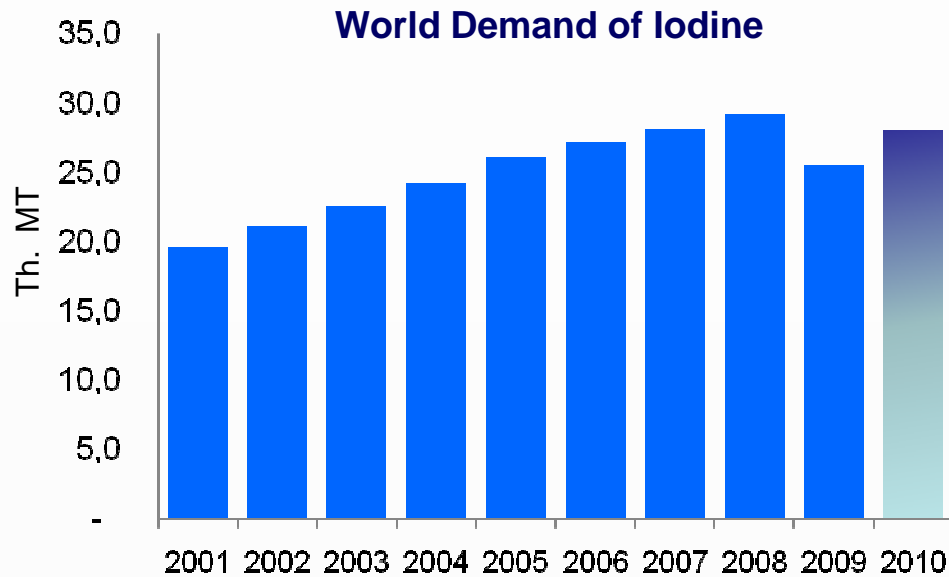
- **X-ray contrast media**
- **Disinfectants**
- **Liquid crystal displays (LCD)**

- **Key demand drivers:** X-ray contrast media and new agrochemicals application



Iodine

World leader in a growing market



Source: SQM Estimates

- Financial crisis affected 2009 demand → SQM sales volume significantly decreased
- Demand recovery during 2010 and limited new iodine supply will allow SQM to increase its market share

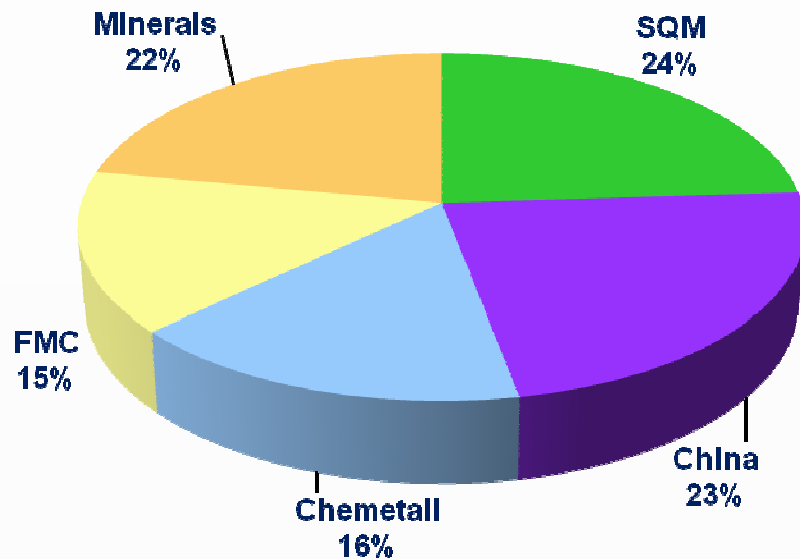




Lithium

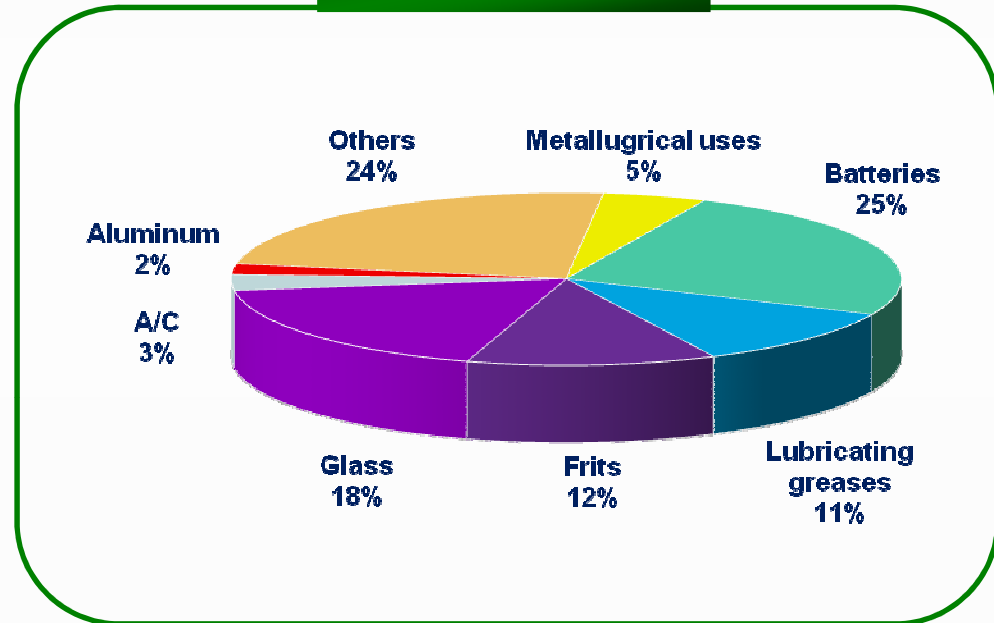
World leader with 24% market share

Market Share 2009: 90,000TM*



* Includes lithium chemicals and minerals

Main Uses*



- Global Demand CAGR (1997 - 2008): 6.7%
- In 2009, demand was negatively affected by the economic crisis
- In 2008, SQM expanded lithium carbonate capacity from 30,000 a 40,000 MT per year
- New battery technology should drive future growth



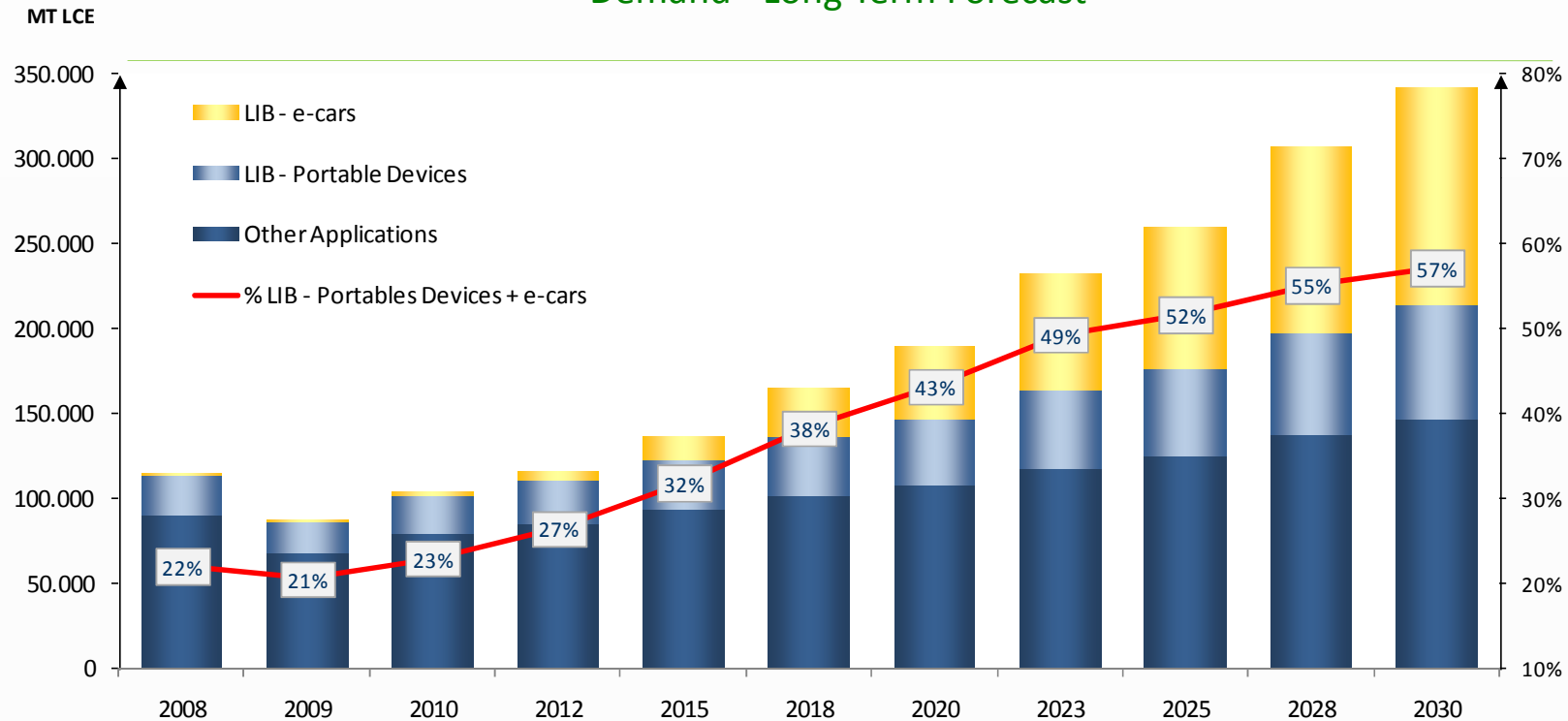


Demand

Long Term Forecast

- Total Lithium demand is expected to reach 190 KMT-LCE (2020) and 340 KMT-LCE (2030).
- Total production of e-cars (HEV-PHEV-EV) using Lithium-ion batteries (LIB) are expected to reach 1.2-2.4 million (2015), 5.0-7.5 million (2020) and 15-20 million (2030).

Demand - Long Term Forecast



Industrial Nitrates

Solar Salts



- Sales in the solar salts segment could consume 100% of the increase in nitrates production projected by SQM for the coming years
- **Main projects:**
 - ACS Cobra-Sener, Aries, Rocketdyne, Abengoa, SAMCA, Solar Reserves.

- New demand for industrial nitrates for thermal energy storage in solar energy plants will significantly increase nitrates consumption
 - ✓ Mixture of sodium nitrate and potassium nitrate
- To date 10 contracts to supply new plants have been settled for the 2007-2011 period.



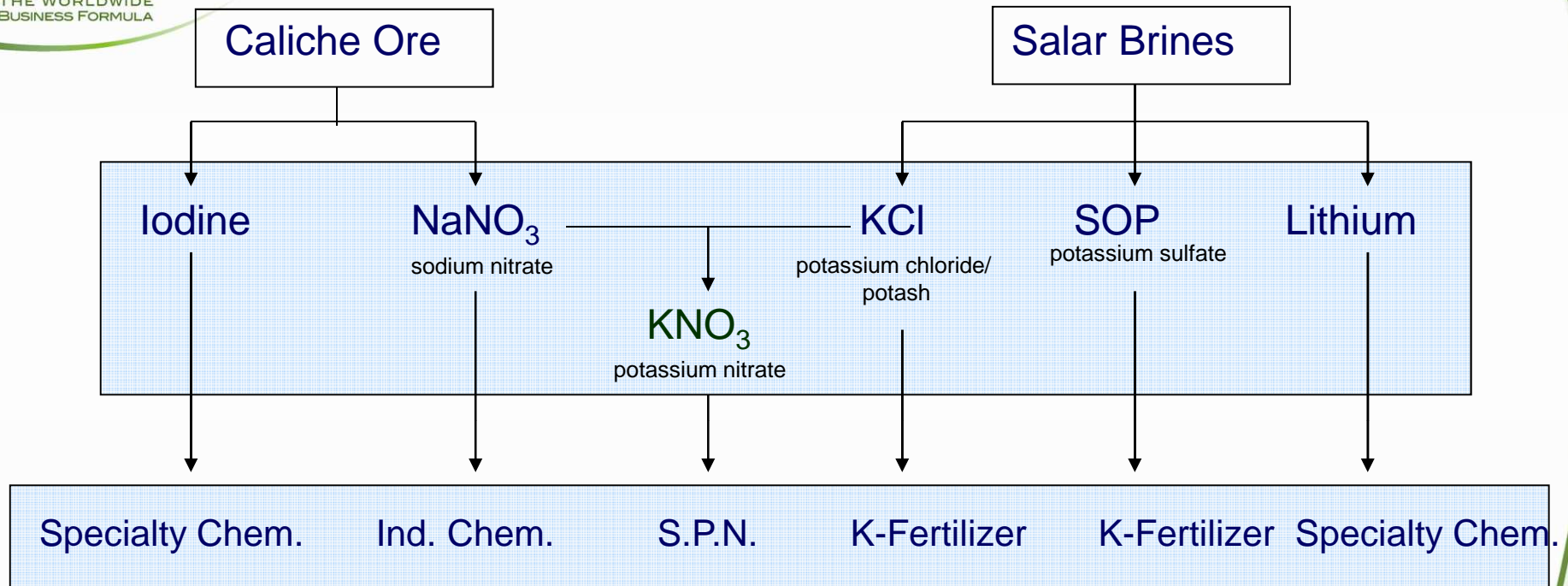
Capital Expenditure Plan

Focus on our main businesses

- **Capacity expansion for potassium nitrate in 300,000 MT per year**
- **Capacity expansion for potassium-based products in the Salar de Atacama**
- **Other projects aimed at improving yields and reducing costs**
- **Capex 2010 estimated US\$ 370 mm**



Business Flexibility



- World leader in iodine and lithium businesses → market growth and low cost
- World leader in potassium nitrate → market growth, lowest cost producer, value added potash fertilizer
- Potash → growth opportunities and low cost producer
- Sodium nitrate → number one, lowest cost producer and solar energy growth potential
- Potassium sulfate → specialty plant nutrient complementary with potassium nitrate
- Business flexibility → sodium nitrate, potash and potassium nitrate flexibility according market conditions



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EBITDA Reconciliation

<i>Millions of US\$</i>	2009	2008
EBITDA	593.6	742.7
Depreciation (less)	(151.7)	(110.6)
Operating Income	441.9	632.1
Non-operating Loss (less)	(37.0)	(19.3)
Income Taxes (less)	(76.5)	(107.9)
Other Items (less)	(1.3)	(3.5)
Net Income	327.1	501.4