



CORPORATE INFORMATION

SQM

2015

► About SQM



SQM Sociedad Química y Minera de Chile S.A. (SQM) (NYSE: SQM; Santiago Stock Exchange: SQM-B, SQM-A) is an integrated producer and distributor of specialty plant nutrients, iodine, lithium, potassium-related fertilizers and industrial chemicals. Its products are based on the development of high quality natural resources that allow the Company to be a leader in costs, supported by a specialized international network with sales in over 100 countries. SQM's development strategy aims to maintain and strengthen the Company's position in each of its businesses.

The leadership strategy is based on the Company's competitive advantages and on the sustainable growth of the different markets in which it participates. SQM's main competitive advantages in its different businesses include:

- Low production costs based on vast and high quality natural resources;
- Know-how and its own technological developments in its various production processes;
- Logistics infrastructure and high production levels that allow SQM to have low distribution costs;
- High market share in all its core products;
- International sales network with offices in 20 countries and sales in over 115 countries;
- Synergies from the production of multiple products that are obtained from the same two natural resources;
- Continuous new product development according to the specific needs of its different customers;
- Conservative and solid financial position.

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▶ Letter from the President

Dear Shareholders

As you know, 2015 was a challenging year for all of us at SQM. We worked proactively and diligently to resolve the legal and tax issues resulting from payments made by the former CEO, which lacked the supporting documentation to be classified as expenses necessary to generate income as required by Chilean law.

These incidents required the Company to make important decisions and changes related to corporate governance and administration. Thanks to the hard work and support of everyone, we were able to implement important changes quickly, with the goal of improving processes and compliance with all existing procedures in the Company. The first measure taken by the Board was to replace the CEO, a decision that was followed by changes on many levels.

The Board underwent important changes, including a new composition; the members were unanimously elected by the Company's shareholders at the April 2015 Shareholders' Meeting. These new changes included the creation of a Corporate Governance Committee at the Board level, the development of a Risk Management and Compliance position, and the redefinition of the responsibilities of the Head of Internal Audit, who now reports directly to the Directors' Committee.

The Board created an independent Ad-hoc committee that hired the professional services of Shearman & Sterling LLP, a prestigious U.S. law firm, and FTI Consulting, a forensic company, to investigate and analyze the possible liability for SQM under the Foreign Corrupt Practices Act (FCPA). The ad-hoc Committee concluded, among other things, that for purposes of the U.S. FCPA, no evidence was identified that demonstrated that the payments were made in order to induce a public official to act or refrain from acting in order to assist SQM in obtaining economic benefits. These findings were presented in a timely and transparent manner to the Board and to Chilean authorities, in December; a summary was published by the Company.

Regarding the changes and improvements in the administration, internal controls over supplier payments were improved, the IT backup for invoices was strengthened, and new limits were implemented for payment approvals.



Additionally, a new control was implemented to deal with Politically Exposed Persons (PEP) and their families, and a new internal code of ethics was implemented.

With respect to the Company's financial results, in 2015, we faced a difficult macro-economic environment, in which commodity prices fell across various industries. We reported net income of US\$213 million and revenue of US\$1.728 billion. Our cost saving efforts came to fruition this year, and we recognized strong margins this year despite lower prices; our EBITDA margin in 2015 was 42%, higher than the 37% reported in 2014. The depreciation of the peso and reduced oil costs also worked in our favor. We ended the year with a strong balance sheet and cash position.

In general, our results were impacted by lower fertilizer prices and volumes, as well as lower iodine prices and higher lithium prices. Demand grew in all of the major businesses in which we sell, except potassium chloride; in this market, we saw demand fall to less than 60 million metric tons for the year.

During 2015, we successfully restructured our mining operations, focusing our iodine production efforts in Nueva Victoria, which has become the most cost efficient iodine and nitrates facility in the world.

In line with our cost saving efforts, we had to make the inevitable and difficult decision to close the mining operations at Pedro de Valdivia, which is an important part of SQM's history. However, thanks to a placement program, the majority of the employees who worked in Pedro de Valdivia continue to work in other functions in the Company.

As we move forward to 2016, we will continue to face difficult commodity markets, which will impact prices and margins. However, we expect sales volumes to increase in all of our core businesses. We will maintain a strong balance sheet, and will continue to seek opportunities in the future.

Before closing, I would like to acknowledge all of the Company employees, and their efforts over the past year. Their collaboration and dedication, and their ability to remain focused on the core businesses have been invaluable. They were able to maintain the professional and positive work environment that has always existed at SQM. Along with the Board and management of the Company, I would like to thank them for their trust, support and confidence in us over the past year.

Sincerely,

Juan Antonio Guzman
President



▶ A History of Growth



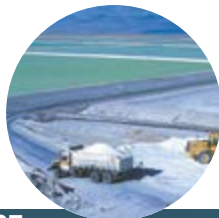
THE BEGINNING

1968

SQM was created through a corporate merger between Corporación de Ventas de Salitre y Yodo, Compañía Salitrera Anglo Lautaro and Compañía Victoria, with the participation of the Chilean government.

1971

Government agency CORFO took 100% control of SQM.



1985 - 1986

Heap leach ore processing was launched to extract nitrates and iodine.

Potassium nitrate production began at Coya Sur.

1993

The technical-grade potassium nitrate plant opened, and the company issued its first shares on the international market, using American Depositary Receipts (ADRs).

1997

Lithium carbonate production started, using lithium brines as raw material.



2005

The company began producing lithium hydroxide at the Salar del Carmen.

2006

On December 21, 2006, the Pampa Group and the Kowa Group signed a joint agreement, leading to their current classification as the Controlling Group of SQM.

2008

SQM signed a joint venture agreement with the Migao Corporation to produce and distribute potassium nitrate in China. Lithium carbonate production capacity was expanded to 40,000 metric tons per year.

2009

Work began to boost production of potassium nitrate and potassium chloride. SQM launched new joint ventures with Coromandel (India), Qingdao Star (China) and Roullier (France).

2010

The new potassium nitrate plant began production on a test basis. Work continued to expand potassium salt production at the Salar de Atacama. In Dubai, SQM Vitas launched a new line of soluble phosphate products.

2011

A new potassium nitrate plant was opened in China, as a joint venture with the Migao Corporation. This allowed SQM to increase its presence in key markets such as the Asian giant.

2012

SQM Vitas broke ground on new plants in Brazil (Candeias), Peru and South Africa (Durban) to produce water-soluble fertilizers with different proportions of nitrogen, phosphorus, and potassium, sometimes containing small quantities of other nutrients.

2013 - 2014

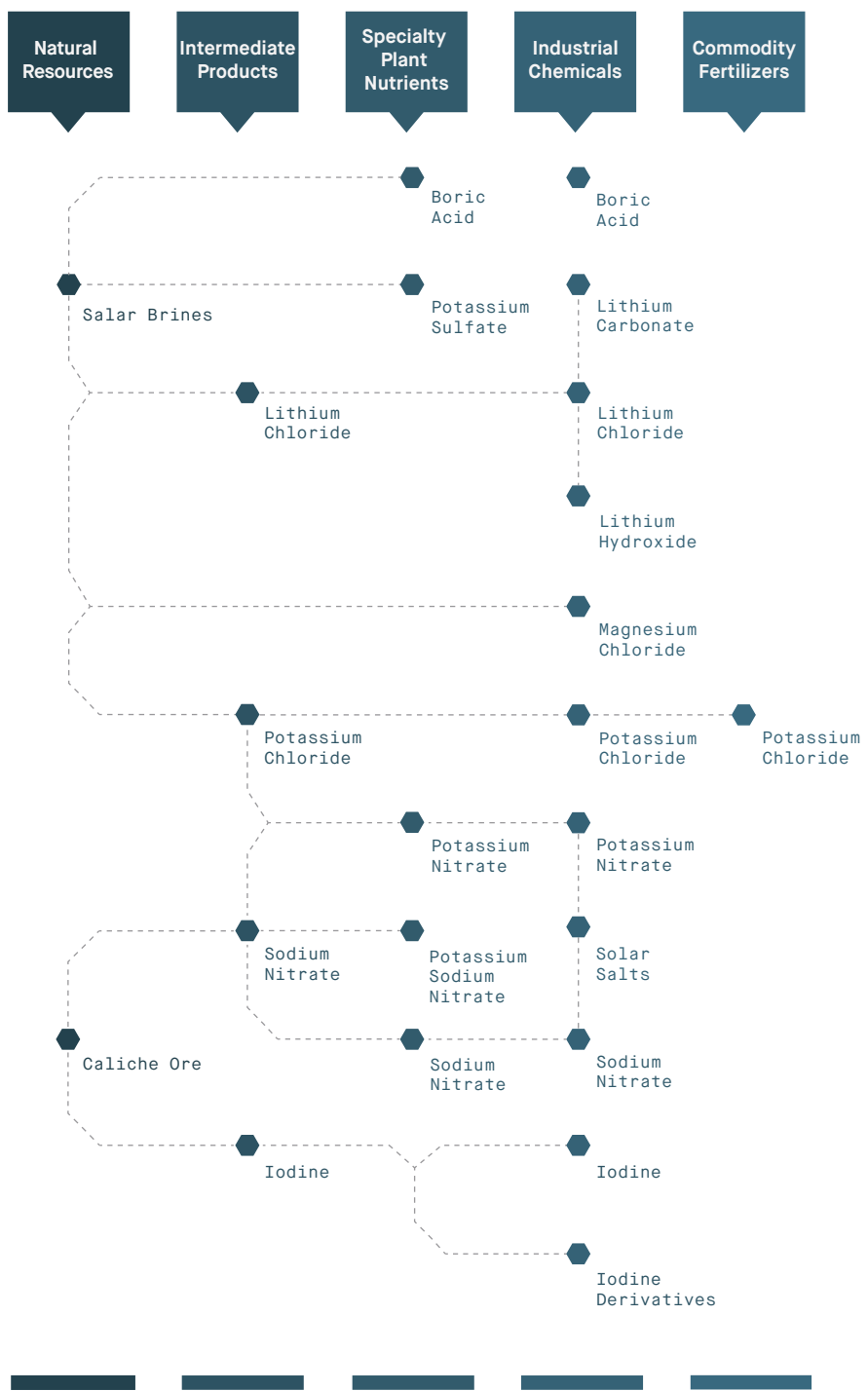
SQM sold its royalty rights to the Antucoya mining project to Antofagasta Minerals for a sum of US\$ 84 million. SQM emitted a bond for US\$250 million in international markets.

2015

SQM continued to work on its cost reduction efforts. The restructuring of the nitrates and iodine mining operations in Pedro de Valdivia in 2015 increased our competitiveness and allowed us to further reduce our production costs.



► Main Products





Specialty Plant Nutrition

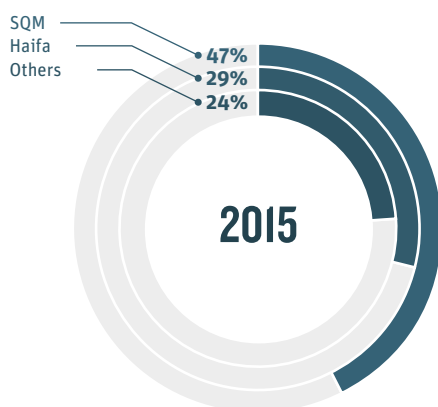
47% Market Share

831k^{MT} 2015 Sales Volumes

US\$
651 mm 2015 Revenues

35% 2015 Contribution to Gross Profit

2015 MARKET BREAKDOWN



SQM has been active in the specialty fertilizer sector for over 20 years, and today is the global leader in the potassium nitrate market.

Specialty Plant Nutrition is a niche market that supplies ground breaking solutions to the challenges facing agriculture today. By producing specialty plant nutrients, SQM offers farmers some of the tools they need to meet these challenges.

The need for sophisticated fertilizers goes hand in hand with these advanced technologies. SQM's specialty nutrition solutions meet the requirements that farmers demand, and provide the tools needed to avoid wasting scarce resources such as water and land.

Specialty Plant Nutrition allow crops to reach the yield and quality requirements demanded in the marketplace.

SQM's specialty nutrients are: potassium nitrate, potassium sulfate, sodium nitrate, and sodium potassium nitrate. The features that make these products unique include:

- ▶ Nitrate nitrogen: Plants' preferred nitrogen source, which can be absorbed without any prior transformations.
- ▶ High solubility: Permits fast nutrient absorption, particularly during growth phases with high requirements.
- ▶ Chlorine-free products: A number of crops are chlorine-sensitive, including tobacco, potatoes, citrus fruits, and avocados, with yields and/or quality being damaged when products are used that contain chlorine.

Farmers currently face the challenge of producing increasing amounts of agricultural products with better quality. The need to optimize scarce resources such as arable land and water has been generating incentives for development of new technologies associated with the use of fertilizers and water, such as fertigation (in the open field, hydroponics, greenhouses, etc.) and foliar application of fertilizer, which allow the use of significantly lower amounts of water per square meter as compared with traditional watering systems. Essentially these techniques help achieve greater yields with lower water consumption.





Potassium

>3% Market share

1.242MT 2015 Sales Volumes

US\$
430 mm 2015 Revenues

23% 2015 Contribution to Gross Profit



3

Potassium, nitrates, and phosphates are the three macronutrients a plant requires for its development.

SQM began a new field of operations in the Salar de Atacama in the 1990s, as a way of obtaining the potassium chloride that it used in the production of potassium nitrate. Today, we produce almost two million tons of potassium chloride for sale directly to the market, or as a raw material in our potassium nitrate production.

Potassium is a strategic nutrient that has a number of important functions in plant development, including:

- Ensuring crop quality, prolonging post-harvest freshness, and improving flavour, vitamin content, and appearance.
- Increasing crop yield through processes that include boosting photosynthesis, accelerating nutrient flow, improving nitrogen uptake and efficient use of water.
- Improving crops' resistance to stress caused by diseases and pests, high and low temperatures, drought, etc.

The basics of the demand side, with a growing global population and changes in eating habits, will underpin long term growth in the potassium fertilizer sector.





Iodine and Derivatives

26%

Market share

9.3kMT

2015 Sales Volumes

US\$

262 mm

2015 Revenues

14%

2015 Contribution to Gross Profit

SQM is the world's leading iodine producer, with a global market share of approximately 26% in 2015.

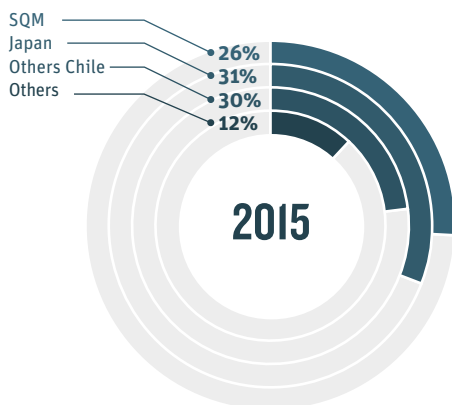


SQM has been active in the iodine and derivatives market since the early 1990s through a joint venture with Ajay Chemicals, a US company. With production plants in Chile, the United States of America and France, Ajay-SQM has become the leading producer and supplier of iodine derivatives on the planet.

Iodine is an element found widely distributed in nature, but generally in relatively small quantities. Very few resources are known that contain iodine in significant concentrations. The Caliche deposits found in Northern Chile, where SQM extracts this element, are the world's only iodine ore sources. Iodine can also be found in commercially usable quantities in seaweeds and in the underground water extracted from some oil and natural gas wells.



MARKET PARTICIPATION 2015





Lithium and Derivatives

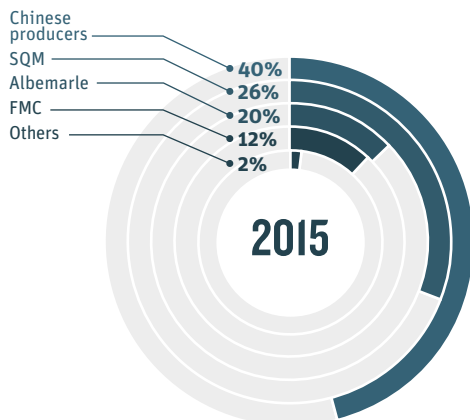
26% Market share

38.7k^{MT} 2015 Sales Volumes

US\$
223 mm 2015 Revenues

21% 2015 Contribution to Gross Profit

PARTICIPATION IN THE MARKET 2015



SQM began producing lithium carbonate in 1996 as a sub-product of potassium chloride production. The production process starts with lithium chloride solutions obtained from the Salar de Atacama. These are then processed to extract lithium carbonate and lithium hydroxide in plants located in the Salar del Carmen, near Antofagasta. SQM has a capacity of 48,000 metric tons of lithium carbonate. SQM is the only Chilean producer of lithium hydroxide. The Company also produces lithium chloride solutions, used in the production of lithium metals.

During 2015, lithium chemicals demand increased by approximately 5%, reaching approximately 151,000 metric tons.

Lithium is a metal found widely distributed in nature. Its high level of reactivity means that it is never found as a pure element, but rather in relatively stable salts and ores. For example, commercially viable sources of lithium include the concentrated salt solutions or brines found in salt flats and salt lakes, where the most common lithium compound is lithium chloride. Lithium can also be extracted from hard rock mines, where it is found in the mineral spodumene - in chemical terms, lithium aluminium inosilicate.

Main Uses of Lithium

Lithium is mainly marketed as lithium carbonate. The next most traded compound is lithium hydroxide.

As the solid with the highest specific heat capacity, lithium is an excellent substance to use in applications that involve thermal energy transfer, such as glass ceramic stove tops. One of the key advantages of using lithium carbonate in this type of glass is that it improves both the hardness and the appearance of the final product.

Lithium ion batteries have been under development for some years for the auto industry. Car companies are continuing to make progress in developing hybrid and electric vehicles that use lithium batteries. Companies such as Nissan, Mitsubishi, General Motors and Tesla are already selling vehicles that use lithium ion batteries to store energy, and these developments are expected to show major growth dynamics during coming years.

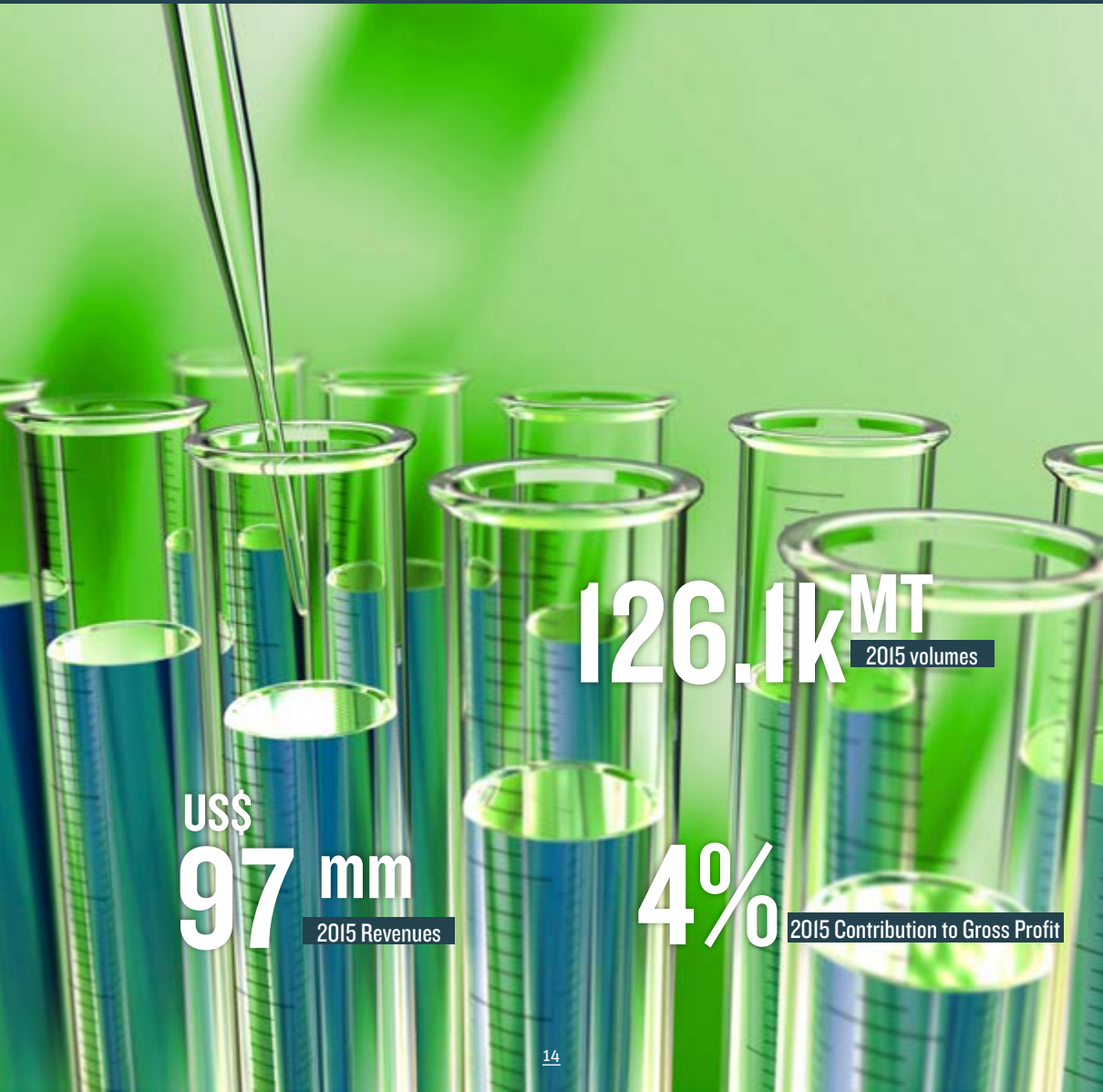


The lithium market is dynamic and versatile, and new technologies have developed in recent years.





Industrial Chemicals



126.1k MT
2015 volumes

US\$
97 mm
2015 Revenues

4%
2015 Contribution to Gross Profit



SQM's industrial chemical portfolio includes a wide range of products: sodium nitrate, potassium nitrate, potassium chloride, and boric acid. These compounds find uses in many different production processes.

Industrial Nitrates: Sodium Nitrate and Potassium Nitrate

Industrial nitrates make up the bulk of our industrial chemical sales, and are produced by refining sodium nitrate and potassium nitrate.

They are used in a varied range of applications, from daily processes such as the production of glass and ceramic glazes, to mining and engineering explosives and metal treatment. Sodium nitrate is also used to produce charcoal briquettes, and potassium nitrate is used in the pyrotechnics and specialty glass industries, as well as many other applications.

Solar Salts

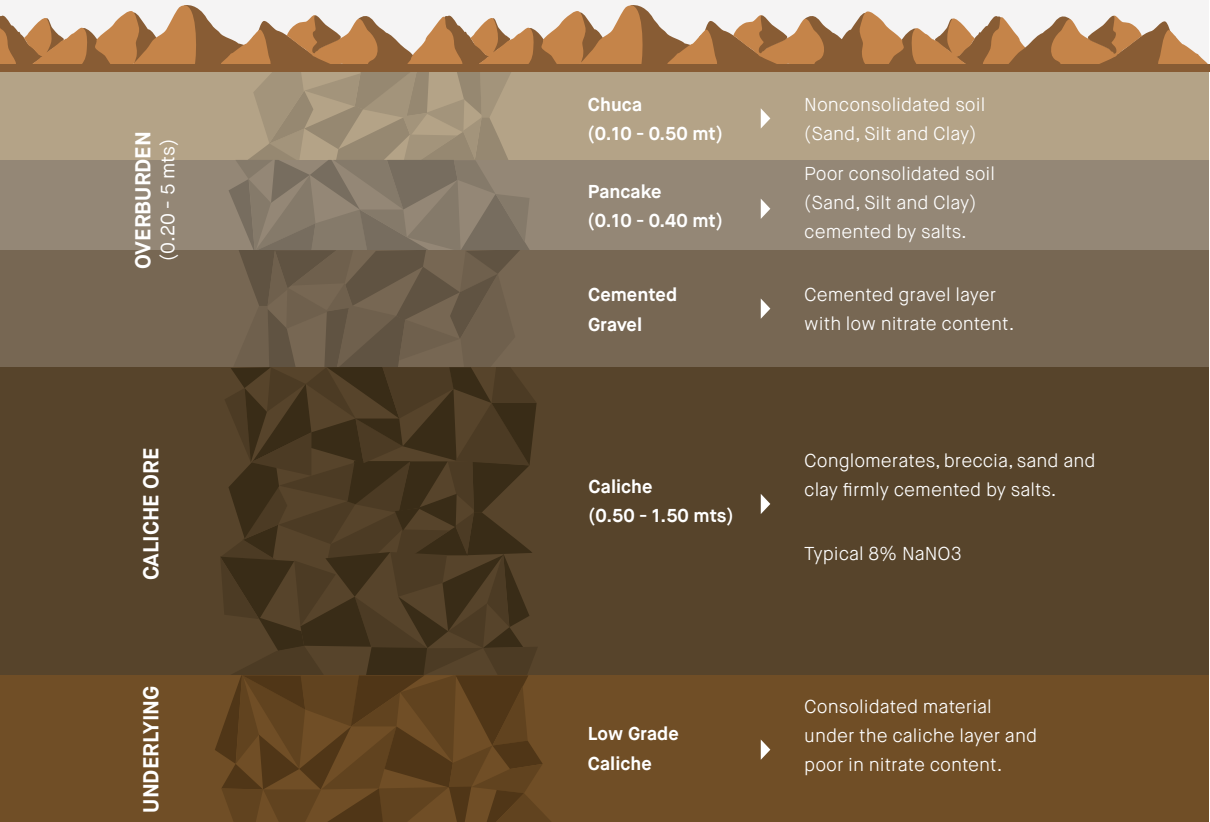
One of the most dynamic emerging sectors in the industrial chemical market is the use of a mix of sodium nitrate and potassium nitrate to store thermal energy in solar plants. These products are known as solar thermal salts.

Unlike traditional solar power plants, these new plants use a "battery" or tank that contains molten nitrate salts, which store energy as heat. The salts are kept hot during the day, and release the solar energy that they have captured during the night, allowing the plant to operate even during hours of darkness.

This simple innovation allows solar power plants to operate 24-hours per day, increasing their operational efficiency. Plants that use this new technology also have no need for a traditional energy backup such as coal or diesel, making them more environmentally friendly.



► Natural Resources



The Atacama Desert, located in Chile's Antofagasta and Tarapacá regions, is the vast landscape where most of SQM's production operations are located. Here, the company has access to natural reserves of incomparable size and quality: caliche and the salt brines of the Salar de Atacama.

Caliche is a mineral that contains high concentrations of nitrates and iodine, as well as a more modest quantity of potassium. It is found in layers or veins with a thickness that can vary between 20 centimetres and 5 meters, covered by 0.5 to 1.5 meters of sterile overburden.

First mined for its saltpetre content in the 19th century, caliche is abundant in Northern Chile - indeed, this area is the world's largest natural

deposit of iodine and nitrates. SQM has also developed its own technology to extract iodine and derivatives, sodium nitrate, and potassium nitrate.

The mining process generally begins with bulldozers first ripping and removing the overburden in the mining area. This process is followed by production drilling and blasting to break the caliche seams. Front-end loaders load the ore onto off-road trucks, which take the ore to leaching pads. From here, the mineral is transported to processing plants. The diagram below further outlines the process.

The Salar is a salt flat located in the Atacama Desert that contains an underground deposit of salt brines located in porous rocks, fed by a subterranean flow from the Andes.

These brines contain high concentrations of lithium and potassium, as well as significant quantities of sulfate, boron, and magnesium. The key products produced from the Salar's resources are potassium chloride, lithium carbonate, potassium sulfate, boric acid, and magnesium chloride.

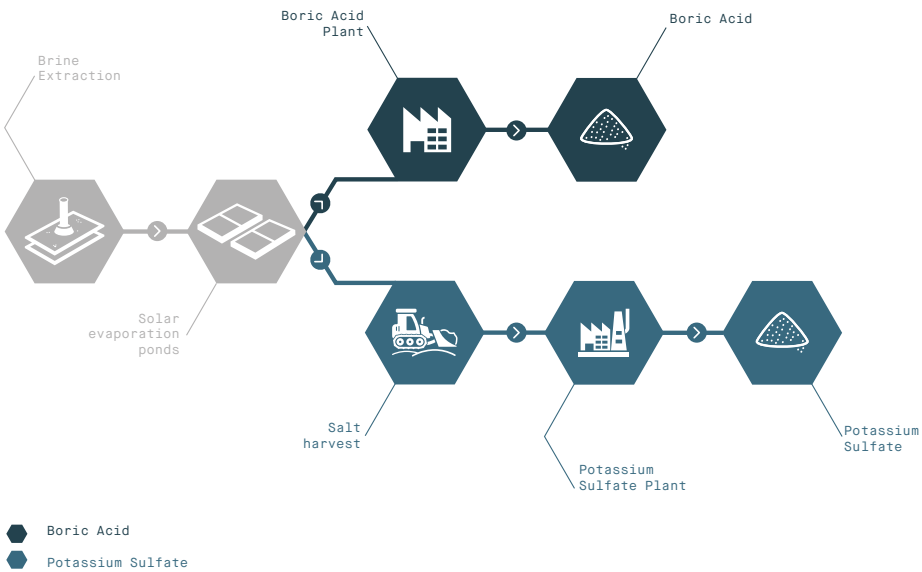
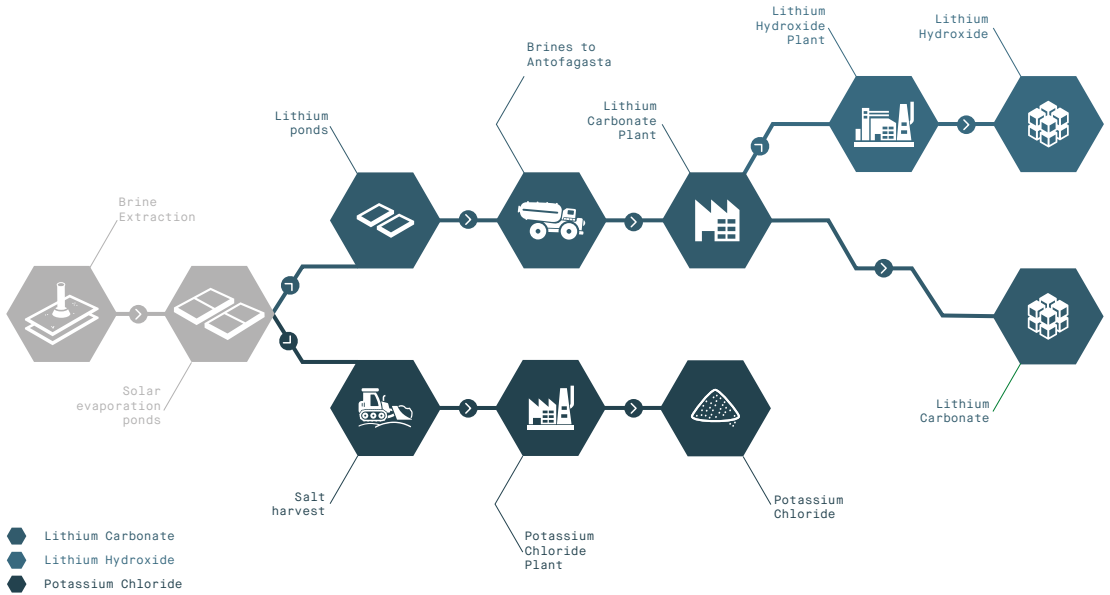
The Salar de Atacama offers a number of advantages apart from its mineral-rich brines: the resource's excellent ionic distribution allows processing costs to be minimized; the area's dry climate makes for extremely high evaporation rates that allow for year-round operations; and the site is located within close proximity to a port.

Over the years we have developed unique production processes that are tailored to our needs, and maximize our resources. This continuous improvement process has allowed us to build up the knowledge necessary to maintain a competitive edge in all the markets in which we operate.

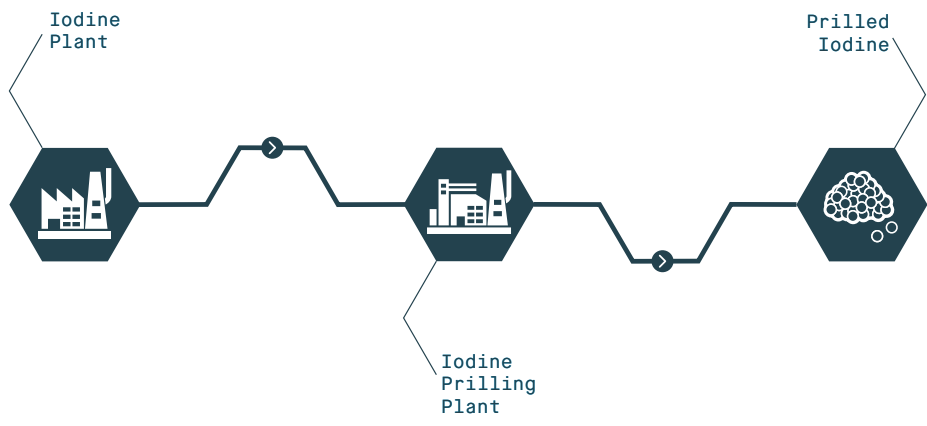
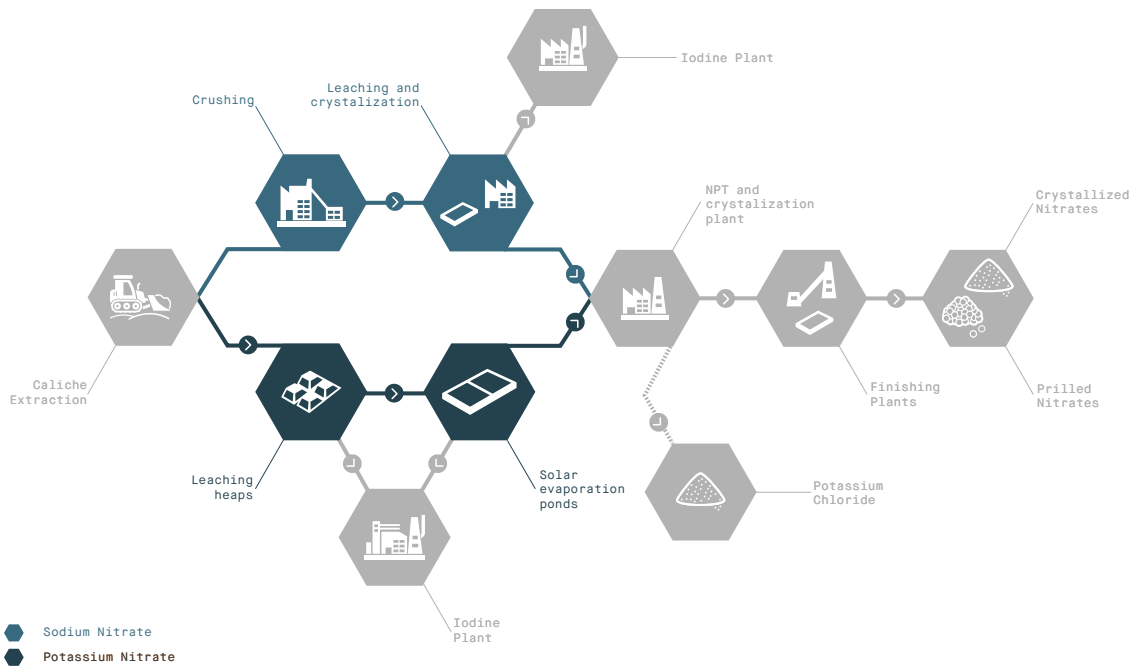
This production process benefits from ease of extraction and the scale of our operations, which together with the richness, quality, and quantity of the resources enables us to produce at low cost.



PRODUCTION PROCESS - POTASSIUM AND LITHIUM



PRODUCTION PROCESS - IODINE AND NITRATES



► Sustainability



SQM TEAM

SQM seeks to attract, develop and retain the best people to contribute to the company's human resources, by providing a work environment that fosters integration, motivation, safety and commitment, actively promoting the company's values and fulfilment of business objectives. With that in mind, the company creates personal and professional development opportunities for its employees and works to protect the safety and physical integrity of its workers and partners.

Our company implements a formal program that strongly promotes mobility within the company as a means of retaining talent, fostering employee performance, and strengthening the commitment and motivation of our personnel.

ENVIRONMENT

SQM is committed to safeguarding the environment and future generations. This is why the company has developed a solid knowledge base on the ecosystems that are linked to its operations, allowing it to prepare and implement protection and monitoring plans and to take whatever measures are necessary to safeguard the environment and prevent any negative impacts from its operations.

To that end, SQM imposes an environmental management system to oversee care for the natural environment and communities around its facilities.

To minimize any environmental impacts that its activities might cause, SQM includes environmental considerations at the early stages of operational design. Thus, all new projects and modifications of existing operations undergo an environmental assessment, and are submitted to Chile's Environmental Impact Assessment System when applicable. As of December 2015, SQM had 57 evaluated and approved environmental projects: 12 Environmental Impact studies and

45 Environmental Impact Declarations. In 2015, SQM has strictly maintained its plans to ensure environmental protection in all of its operations, especially in the Bellavista Salar, Llamara Salar, and the Salar de Atacama, including its hydrogeologies and the ecosystems at the borders of the Salar.

All of these monitoring activities are conducted in association with prestigious environmental groups such as the Soil-Plant Water Relationship Institute (INIA) at the University of Chile Agronomy Science Department, Geobiota, Arcadis Consultores and the Universidad Católica del Norte.

As part of the Environmental plan to protect the Tamarugos, the company proposed various measures to support the development of the Tamarugal ecosystem at the Environmental Education Center (CEDAM), administrated by CONAF in the Reserva Pampa del Tamarugal, which is the only Center like this in the region. This allows children, and adults to learn about the Pampa and its properties, to thereby promoting the preservation and cultural heritage of the area.

COMMUNITY

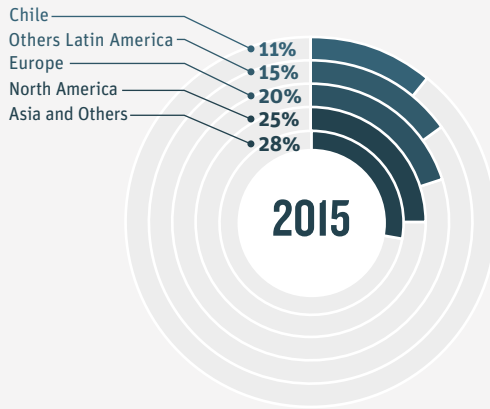
SQM firmly believes in maintaining a long-term good neighbour policy based on respect and trust with the settlements close to its operations, enabling the company and its nearby communities to grow together in the long term. To achieve this, we have developed permanent, open communication channels with authorities and residents in each community where we have a presence, and promote economic and social development by supporting joint projects and activities that help improve residents' quality of life. As part of this commitment, the company is permanently engaged in projects aligned with three key lines of action, to focus support on the development of neighbouring communities:

- ▶ **Historical Heritage**, aiming to recover, conserve, and raise awareness of the history of the saltpeter industry embodied to this day by SQM, and to promote and value the culture of the Atacama and Aymara peoples.
- ▶ **Education and Culture**, laying the foundations for development in nearby communities to provide future generations with knowledge and skills.
- ▶ **Social Development**, with an emphasis on promoting economically sustainable business start-ups that allow nearby communities to be the force behind their own development.

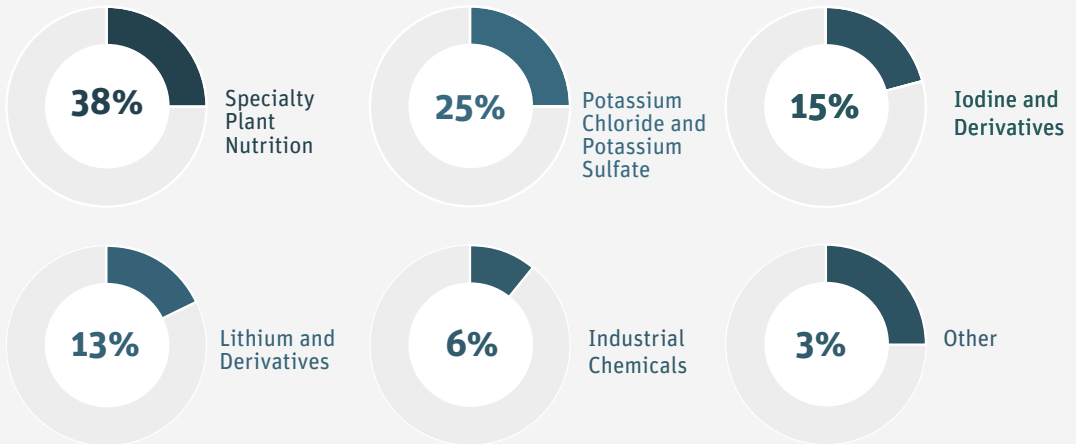


► Financial Information

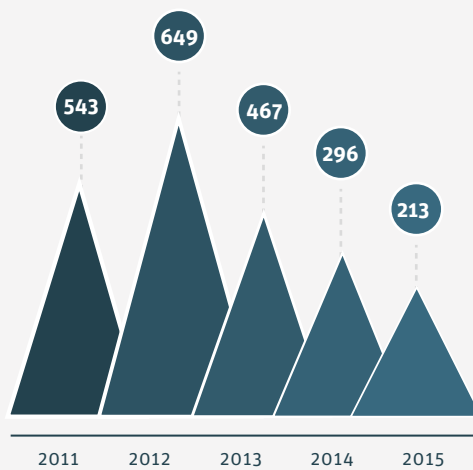
GEOGRAPHICAL DISTRIBUTION OF REVENUES



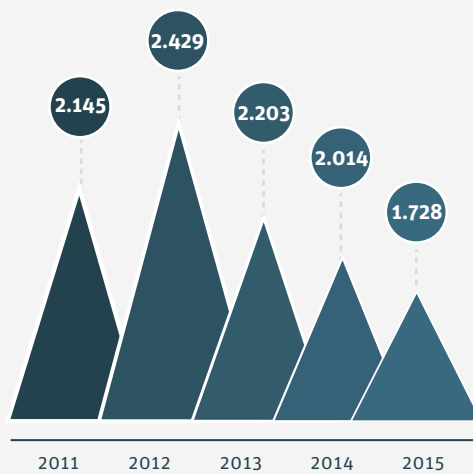
DISTRIBUTION OF REVENUES BY BUSINESS LINE



NET INCOME (US\$ MILLION)



REVENUES (US\$ BILLION)





THE WORLDWIDE
BUSINESS FORMULA