



THE WORLDWIDE
BUSINESS FORMULA

SQM S.A.

Corporate Presentation

May 2009

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>1Q09</u> | <u>1Q08</u> | <u>2008</u> |
|--------------------|--------|-------------|-------------|-------------|
| • Revenues | US\$ M | 321 | 326 | 1,774 |
| • Operating Income | US\$ M | 120 | 86 | 632 |
| • Net Income | US\$ M | 86 | 65 | 501 |

Specialty Plant Nutrition



47% world market share
 Revenues LTM US\$954 MM
 54% of revenues LTM
 52% of total G.M.* LTM

Iodine & Derivatives



33% world market share
 Revenues LTM US\$230 MM
 13% of revenues LTM
 12% of total G.M. LTM

Lithium & Derivatives



30% world market share
 Revenues LTM US\$155 MM
 9% of revenues LTM
 11% of total G.M. LTM

Potassium Chloride



Revenues LTM US\$197 MM
 11% of revenues LTM
 19% of total G.M. LTM

Industrial Chemicals



Revenues LTM US\$122 MM
 7% of revenues LTM
 7% of total G.M. LTM

* G.M.: Gross Margin

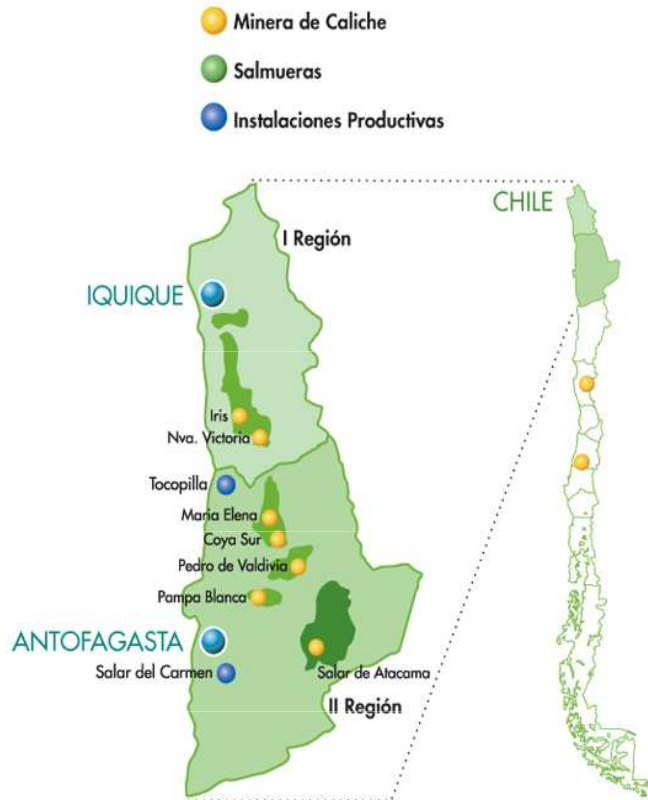




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Unique Natural Resources

Foundation of our competitive advantage



Caliche Ore

Nitrates

Iodine



Salar Brines

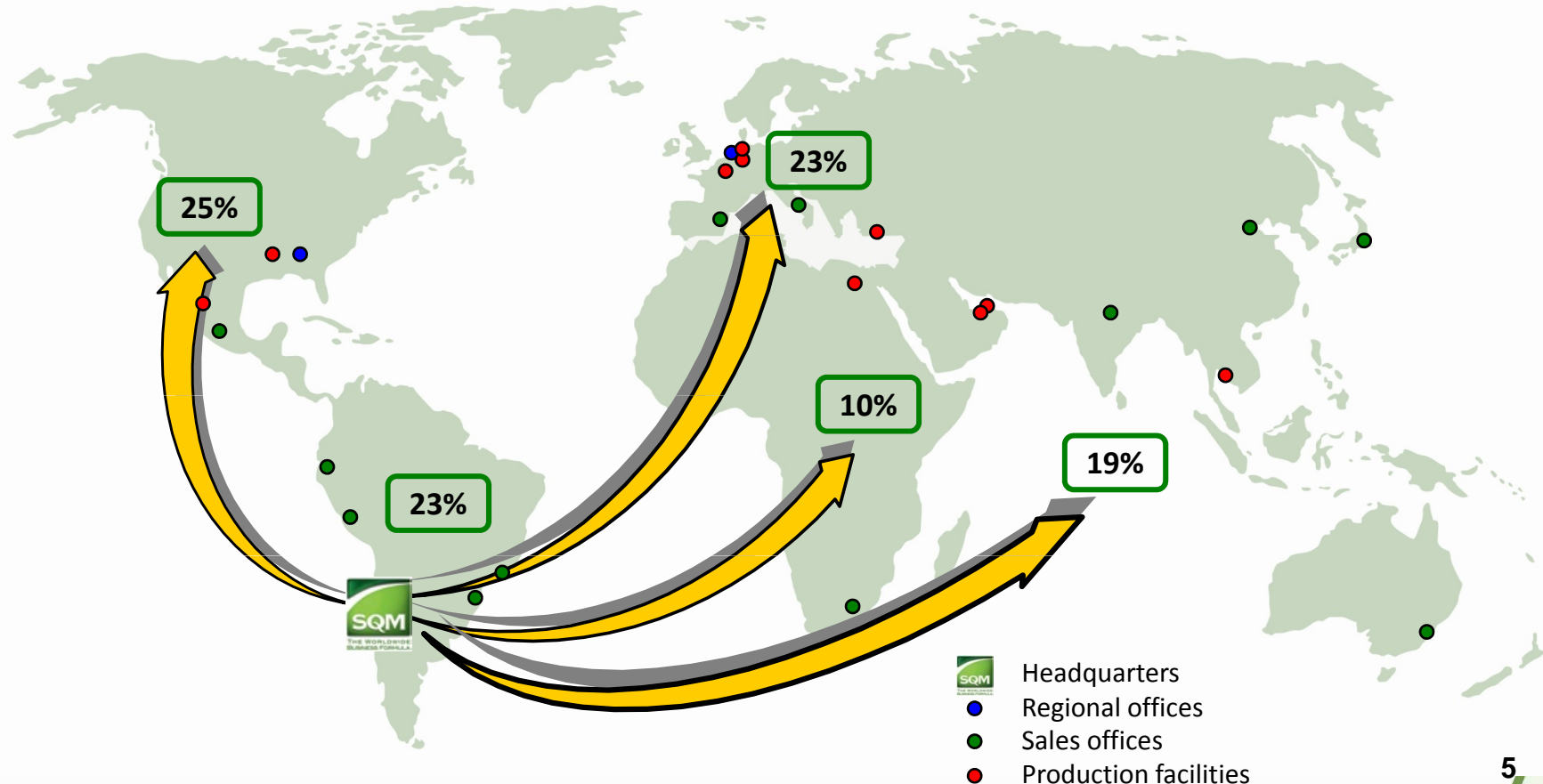
Potassium

Lithium



Diversified Cash Flows

Diversification by markets, products and customers



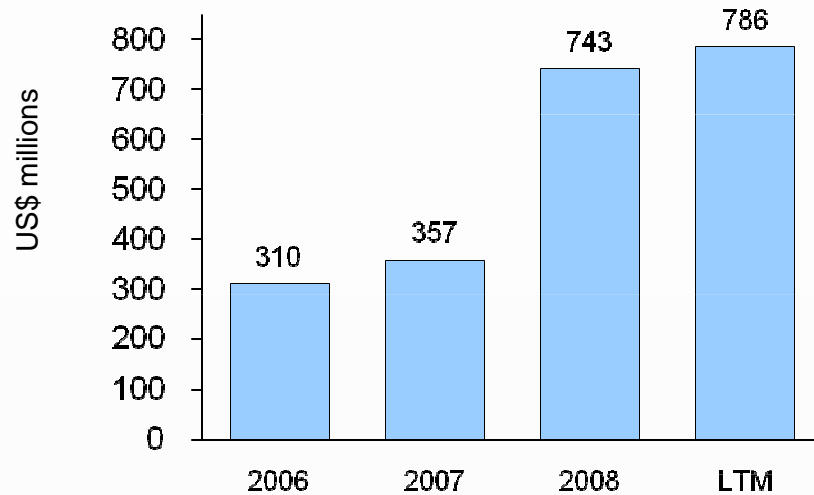
- 79% of sales are exports
- Sales in more than 100 countries – Local presence in 20 countries

**Geographic distribution of exports during the last twelve months*

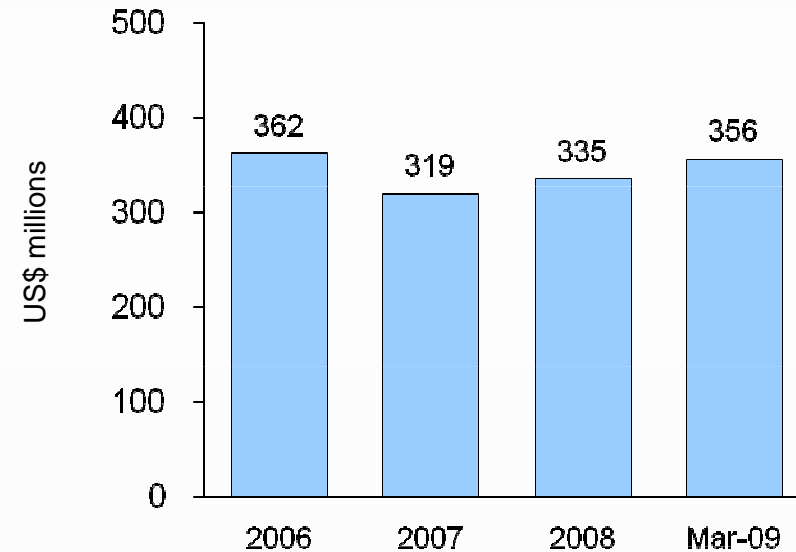


Financial Performance

EBITDA (*)



Net Financial Debt ()**



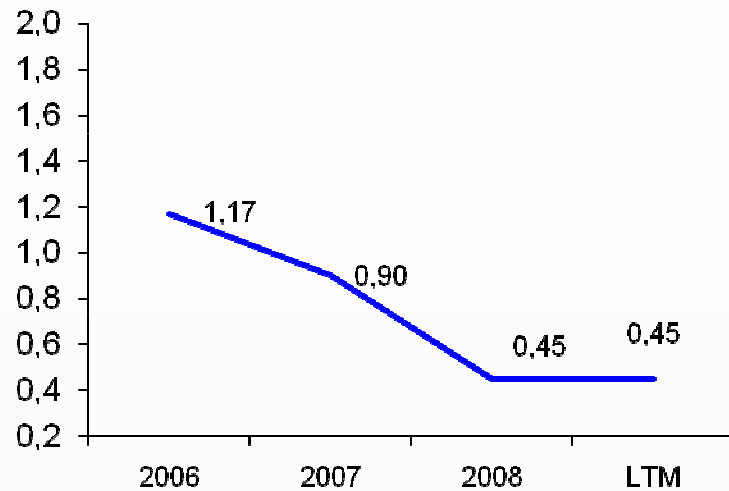
- Continuous increase → cost reduction, new products, capacity increase, better price environment
- Product and geographic diversification
- Market Growth and Specialty Businesses
- Net Financial Debt stable in the last three years

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

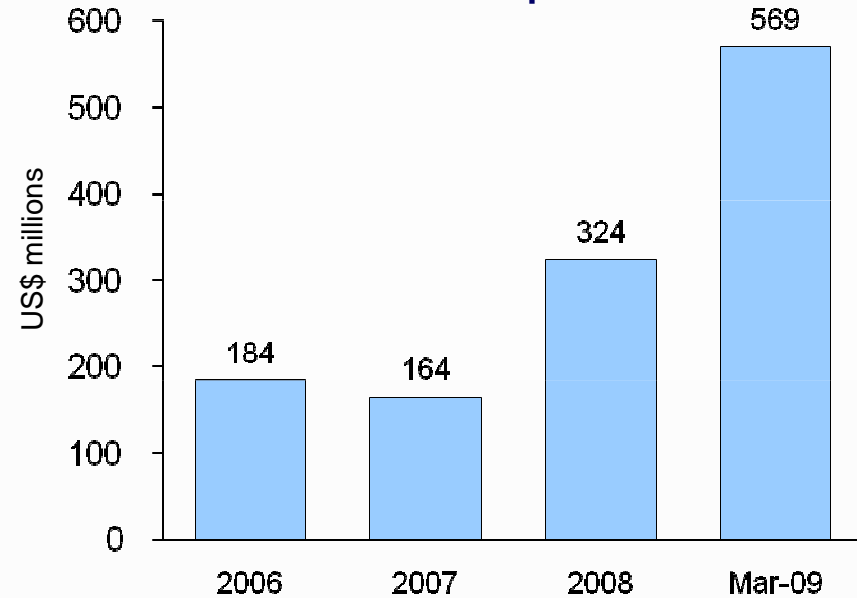
*** N.F.D. : interest bearing debt net of cash and cash equivalents, considering effects of cross currency swap.*

Financial Performance

N.F.D. / EBITDA



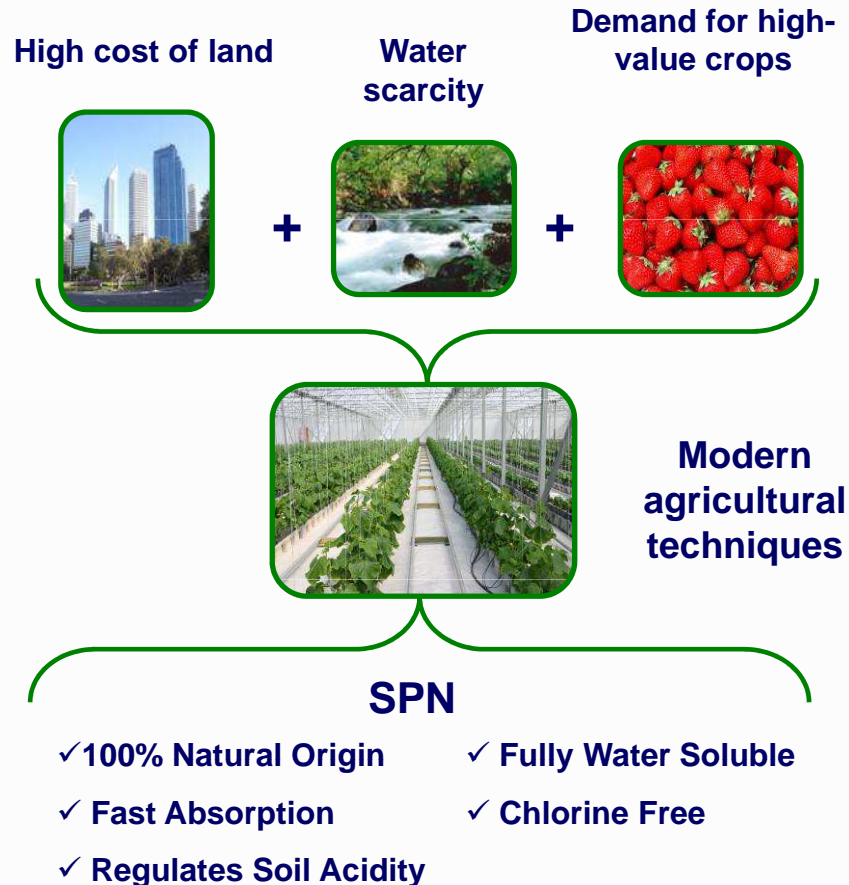
Cash and Cash Equivalents



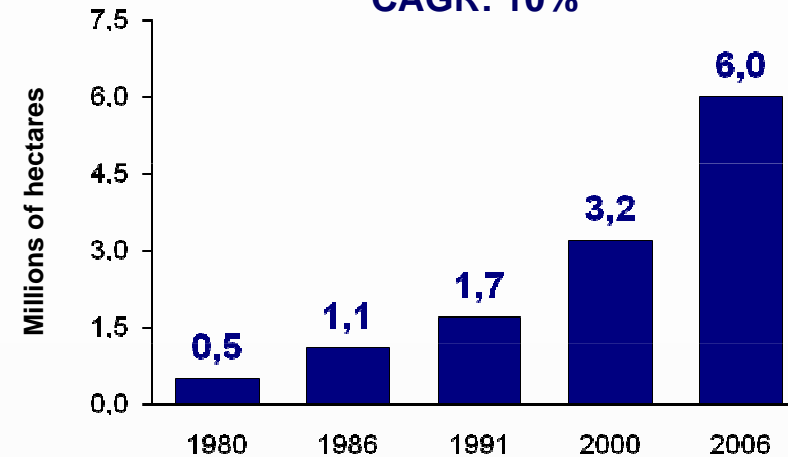
- N.F.D. / EBITDA ratio at historical low levels, 60% lower than 2006
- Cash plus committed credit lines add financial flexibility

Specialty Plant Nutrition

World demand growth has averaged 3% (2000-2008)



Global Micro-Irrigation Surface Area*
CAGR: 10%



Source: ICID

* Demand for KNO₃ has increased significantly in; China, India, Turkey, Mexico and M. East.

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

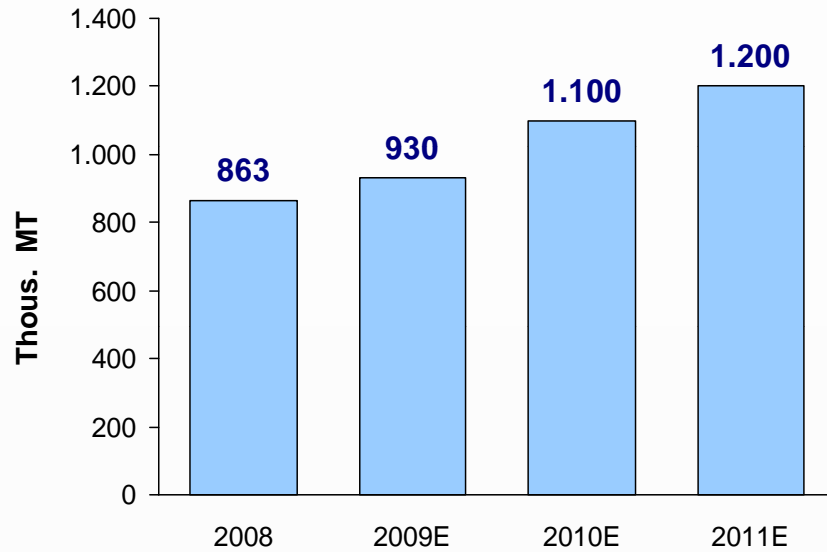
- Potassium nitrate (KNO₃) capacity will increase by 300,000 MT in the second half of 2010
- No other relevant potassium nitrate expansion projects have been announced



Potassium Chloride

SQM can capture growth potential in Potassium market

SQM Production: KCl + SOP**



Source: SQM Estimates

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

**SOP is K_2SO_4 or potassium sulfate.

- The increase in sales of potassium-based fertilizers is expected to have a significant effect on SQM's margins.
- Sales of KCl are expected to be between 550,000 MT and 600,000 MT in 2009.

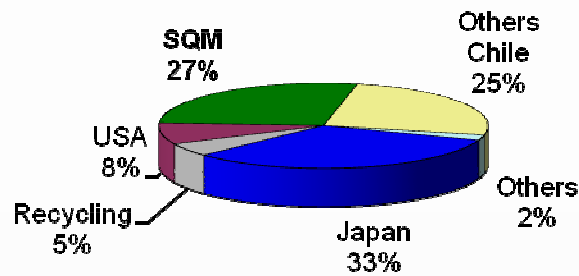


Iodine

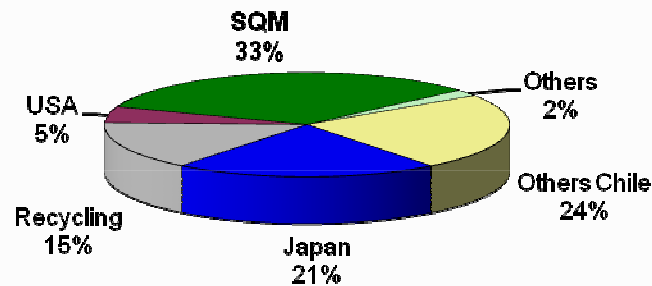
World leader with 33% market share

Market Evolution*

2000: 18,300 MT

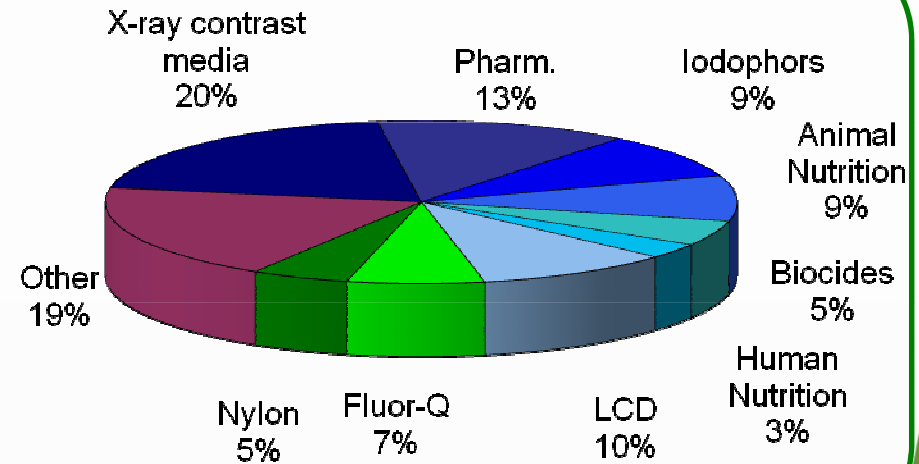


2008: 29,200 MT



✓ World demand CAGR (2000 - 2008): 6%*

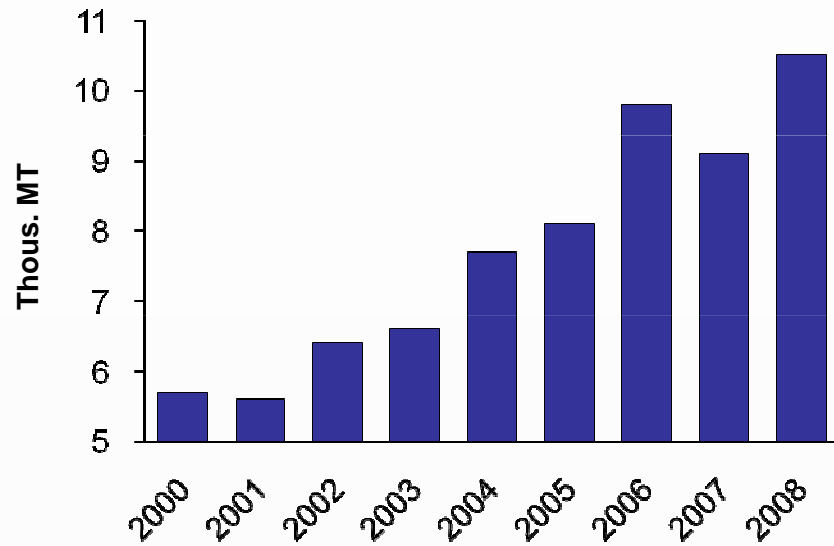
Main Uses *



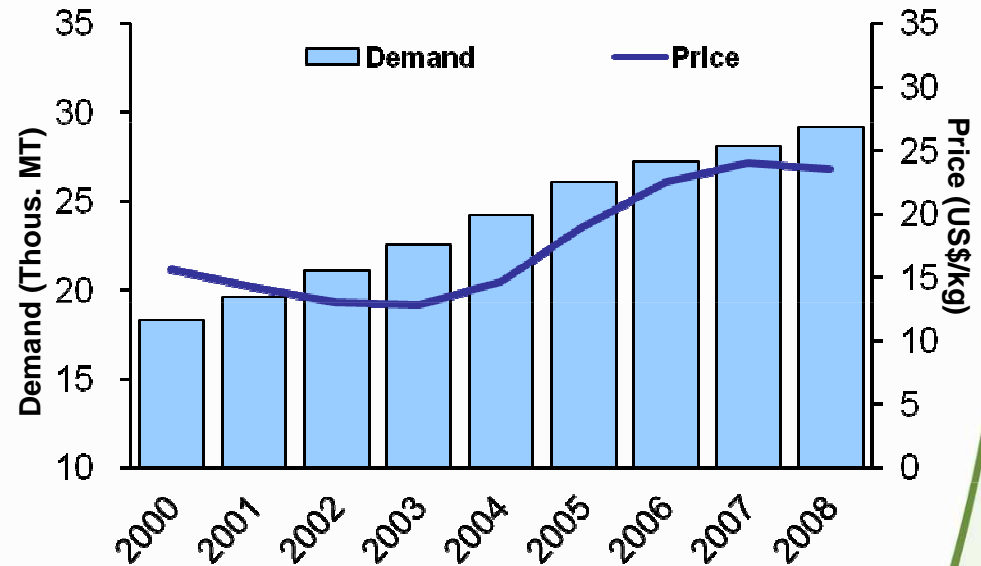
- Key demand drivers:
 - ✓ X-ray contrast media
 - ✓ New agrochemicals application
- Tight supply in medium term
- Price increase reflects market conditions

Iodine

SQM Sales Volumes*



Iodine Demand and Prices**



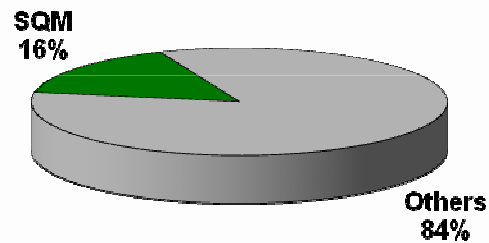
SQM's capacity expansions will enable the Company to supply the world iodine market

Lithium

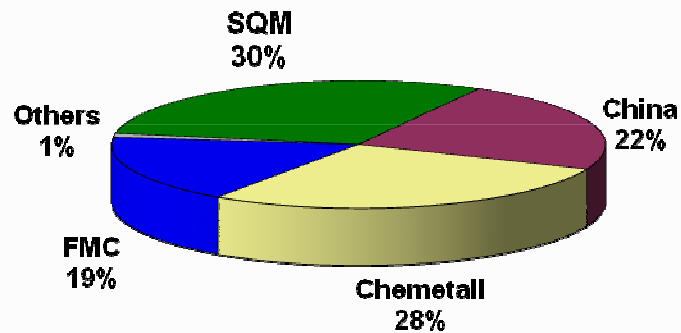
World leader with 30% market share

Market Evolution*

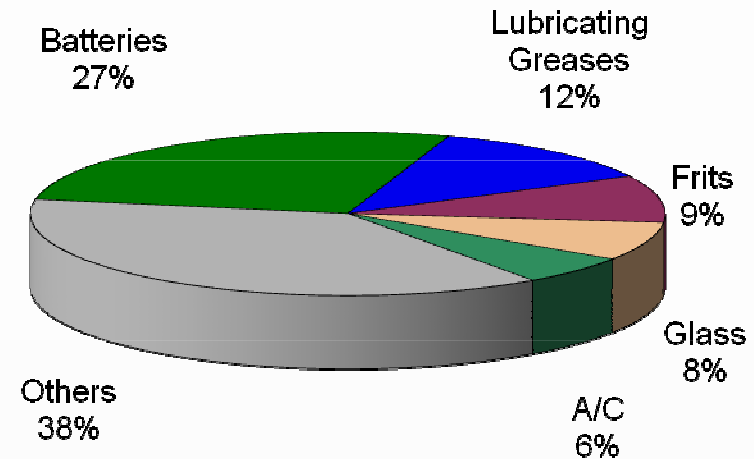
1997: 45,000 MT



2008: 92,000 MT



Main Uses*



- World demand CAGR (1997 - 2008): 6.7%
- In 2008, SQM expanded lithium carbonate capacity from 30,000 to 40,000 MT per year
- New batteries technology should drive future growth

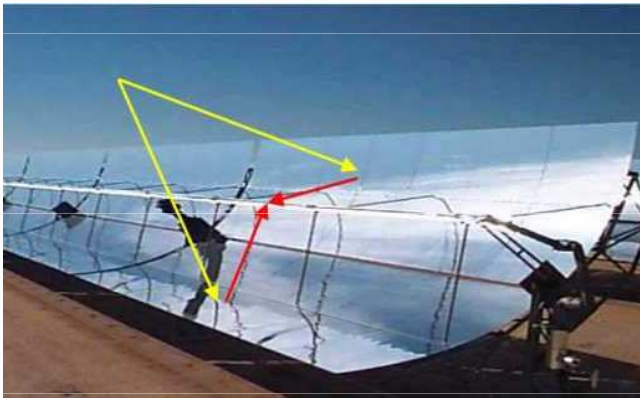
Lithium

Positive Outlook for Lithium Batteries



- There is a consensus in the industry that lithium batteries are the best option to store energy in electric and hybrid electric vehicles (HEVs).
- In addition to previous announcements from car manufacturers, in 2008:
 - Mitsubishi unveiled the i-Miev, a pure electric vehicle powered by a lithium ion battery
 - Nissan unveiled all EV and HEV prototype vehicles, both powered by Li ion batteries
 - Toyota has announced plans to introduce a Prius using lithium battery technology
 - GM will also introduce its fully electric model, the Volt, that will be powered by a lithium battery
- Current estimates suggest that between 2009-2012 approximately 10 car manufacturers will introduce HEV/EV using lithium batteries

Industrial Nitrates



- 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
 - ✓ Approximately 50 projects are expected to be developed in the next 5 years
- To date four contracts to supply new plants have been settled for the 2007-2009 period.
- Sales in the solar salts segment could consume 100% of the increase in nitrates production projected by SQM for the coming years

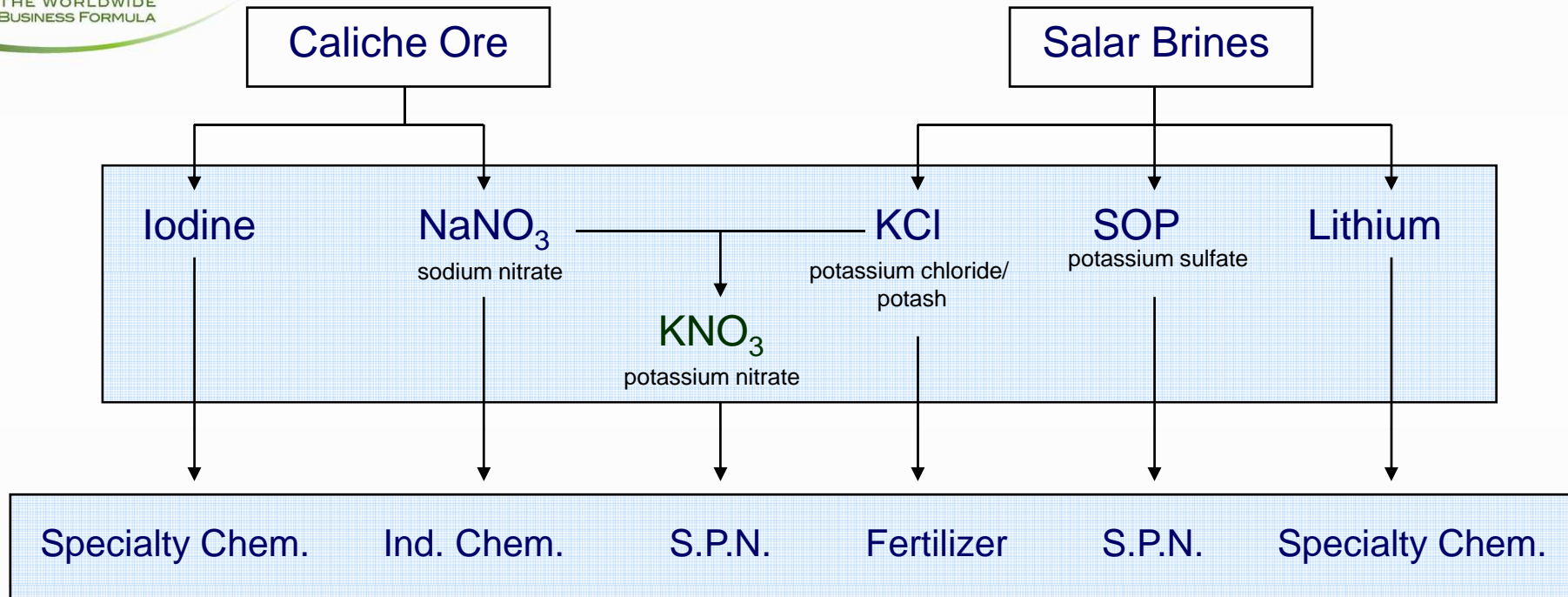
Capital Expenditure Plan

Focus on our main businesses

- Capacity expansion for potassium nitrate in 300,000 MT per year
- Capacity expansion for iodine in Chile's 1st Region in more than 2,000 MT per year
- Capacity expansion for potassium-based products in the Salar de Atacama close to 400,000 MT per year
- Other projects aimed at improving yields and reducing costs
- Capex 2008 US\$ 287 mm
- Capex 2009 estimated US\$ 300 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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