

**ACNB Corporation reported net income of \$2,460,000 for the first quarter of 2011, compared to \$2,422,000 over the same period for 2010, an increase of \$38,000 or 2%.**

Net income on a per share basis was \$0.41 for both the first three months of 2011 and for the same period in 2010. Net interest income, which is the most significant component of the Corporation's net income, decreased slightly by \$6,000, or less than 1%, to a total of \$8,564,000 for the quarter ended March 31, 2011.

Quarterly cash dividends paid to ACNB Corporation stockholders for the first quarter of 2011 totaled \$1,126,000, or \$0.19 per share. This is the same per share amount that was paid in the first quarter of 2010.

Total assets of ACNB Corporation at March 31, 2011, were \$976 million, a decrease of less than 1% from March 31, 2010. Total deposits increased by 3% over the previous year to \$760 million. Total loans rose by 1% to \$664 million, as compared to March 31, 2010. A 5% increase in stockholders' equity resulted in an aggregate of \$95.0 million at March 31, 2011, compared to \$90.4 million at March 31, 2010.

Like recent years, 2011 is proving to be another challenging year for our industry given the sustained low interest rate environment and uncertainty of economic recovery in some sectors. There is also the unknown magnitude of regulatory reform on the banking landscape. However, ACNB Corporation's success is due to solid community banking principles, firmly rooted in a history of independence for more than 150 years. This history is the foundation upon which we look to the horizon for a future of steady growth and profitability.

The continued loyalty and confidence of our Board of Directors, our stockholders, our customers, our employees and our communities provide the strength and stability supporting ACNB Corporation. The success of our endeavors reflects this commitment, for which we are grateful.

Sincerely,



Ronald L. Hankey  
Chairman



Thomas A. Ritter  
President & Chief Executive Officer



Lynda L. Glass  
Executive Vice President & Secretary



David W. Cathell  
Executive Vice President,  
Treasurer & Chief Financial Officer

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Thomas A. Ritter	James E. Williams

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Richard L. Galusha	L. Robert Snyder
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**Russell Insurance Group, Inc. Board of Directors**

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Ronald L. Hankey	Frank C. Russell, Jr.
Daniel W. Potts	

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 Lynda L. Glass, *Executive Vice President & Secretary*  
 David W. Cathell, *Executive Vice President, Treasurer & Chief Financial Officer*

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Ronald L. Hankey, *Chairman*  
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 Laurie A. Laub, *Senior Vice President & Chief Credit Officer*  
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 Douglas A. Seibel, *Senior Vice President/Commercial Lending*  
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Barry C. Dillman	Dennis R. Hollinger
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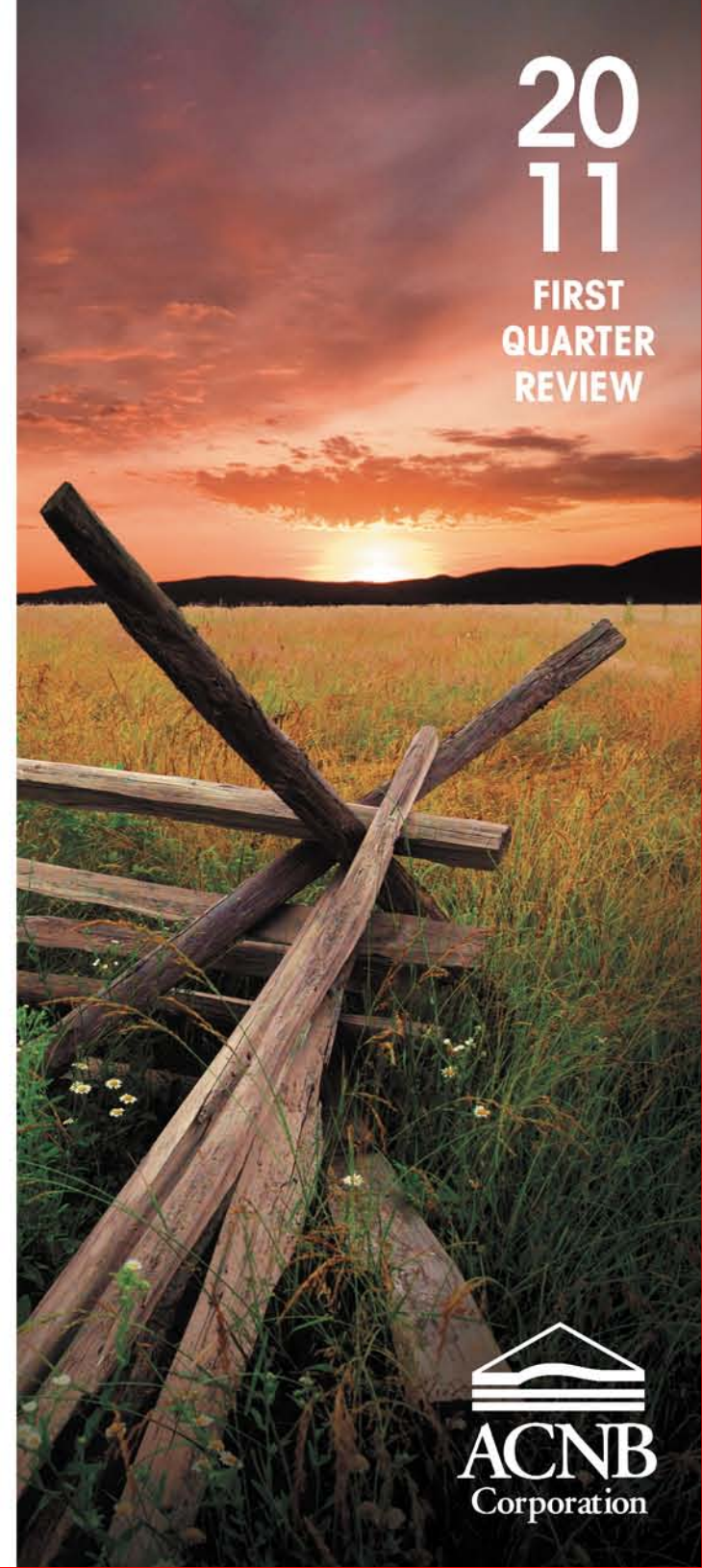
Timothy A. Berwager	Beth W. Lesko
Cara Lynn Clabaugh	Scott A. Miller
Wayne G. Crum	Jeffrey A. Pottorff
David W. Deaner	Gary W. Rappoldt
Michael D. Farley	Wendy D. Roth
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**Russell Insurance Group, Inc.**

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 Daniel J. Coughlin, *Vice President*  
 David W. Cathell, *Vice President & Treasurer*  
 Lynda L. Glass, *Vice President & Secretary*



## 2011 FIRST QUARTER REVIEW

ACNB Corporation, headquartered in Gettysburg, PA, is the financial holding company for the wholly-owned subsidiaries of ACNB Bank, Gettysburg, PA, and Russell Insurance Group, Inc., Westminster, MD.

Through its banking subsidiary of ACNB Bank, ACNB Corporation provides a wide array of consumer, commercial and fiduciary services to fulfill the financial needs of individuals, businesses, public entities, and community organizations in its trading area. Originally founded in 1857, ACNB Bank serves its marketplace via a network of 18 retail banking offices located throughout Adams County, PA, as well as in Dillsburg and Hanover, York County, PA, and in Newville, Cumberland County, PA. In addition, the Bank operates loan offices in Hanover, York County, and Chambersburg, Franklin County, PA.

Russell Insurance Group, Inc., the insurance subsidiary of ACNB Corporation, offers a broad range of commercial and personal insurance lines through licenses in 36 states, including Maryland and Pennsylvania. This full-service insurance agency has office locations in Westminster, Carroll County, MD, and Germantown, Montgomery County, MD.

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*In addition to historical information, this Quarterly Review may contain forward-looking statements which can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "intends," "will," "should," "anticipates," or the negative of any of the foregoing or other variations thereon or comparable terminology, or by discussion of strategy. Actual results may differ materially from those projected in such forward-looking statements due to various risks and uncertainties such as economic conditions, competitive factors, and regulatory limitations. For a discussion of specific factors that may adversely affect financial results and condition and cause actual results to differ from expectations, please refer to ACNB Corporation's Annual Report on Form 10-K for the year ended December 31, 2010, and the most recent Quarterly Report on Form 10-Q, as filed with the Securities and Exchange Commission and available on the SEC's website at [www.sec.gov](http://www.sec.gov).*

## CONSOLIDATED STATEMENTS OF CONDITION *Unaudited*

	MARCH 31	
	2011	2010
<b>ASSETS</b> <i>In thousands, except per share data</i>		
Cash and due from banks	\$ 11,967	\$ 13,470
Interest bearing deposits with banks	26,427	25,742
Total Cash and Cash Equivalents	38,394	39,212
Securities available for sale	192,092	198,359
Securities held to maturity (fair value \$10,570 and \$10,391)	10,041	10,054
Loans held for sale	112	1,117
Loans, net of allowance for loan losses (\$14,335 and \$12,768)	650,043	645,448
Premises and equipment	13,940	14,754
Restricted investment in bank stocks	7,999	9,170
Investment in bank-owned life insurance	27,680	26,655
Investments in low-income housing partnerships	4,038	4,312
Goodwill	5,972	5,972
Intangible assets	3,529	4,184
Foreclosed assets held for resale	2,729	6,142
Other assets	19,148	13,607
<b>TOTAL ASSETS</b>	<b>\$975,717</b>	<b>\$978,986</b>
<b>LIABILITIES</b>		
Deposits:		
Non-interest bearing	\$114,717	\$ 94,862
Interest bearing	645,144	639,378
<b>TOTAL DEPOSITS</b>	<b>759,861</b>	<b>734,240</b>
Short-term borrowings	31,235	44,251
Long-term borrowings	81,381	98,837
Other liabilities	8,203	11,274
<b>TOTAL LIABILITIES</b>	<b>880,680</b>	<b>888,602</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock (\$2.50 par value; 20,000,000 shares authorized; 5,996,611 and 5,990,943 shares issued; 5,934,011 and 5,928,343 shares outstanding)	14,991	14,977
Treasury stock, at cost (62,600 shares)	(728)	(728)
Additional paid-in capital	8,859	8,787
Retained earnings	70,870	66,919
Accumulated other comprehensive income	1,045	429
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>95,037</b>	<b>90,384</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$975,717</b>	<b>\$978,986</b>

## CONSOLIDATED STATEMENTS OF INCOME *Unaudited*

	THREE MONTHS ENDED MARCH 31	
	2011	2010
<i>In thousands, except per share data</i>		
Interest income	\$10,480	\$11,125
Less: Interest expense	1,916	2,555
Net interest income	8,564	8,570
Less: Provision for loan losses	1,100	859
Net interest income after provision for loan losses	7,464	7,711
Add: Other income	2,957	2,868
Less: Other expenses	7,219	7,472
Income before income taxes	3,202	3,107
Less: Provision for income taxes	742	685
<b>NET INCOME</b>	<b>\$ 2,460</b>	<b>\$ 2,422</b>
<b>EARNINGS PER SHARE</b>	<b>\$ 0.41</b>	<b>\$ 0.41</b>
<b>DIVIDENDS PER SHARE</b>	<b>\$ 0.19</b>	<b>\$ 0.19</b>

## COMMON STOCK MARKET PRICES AND DIVIDENDS

ACNB Corporation's common stock trades on The NASDAQ Capital Market under the symbol ACNB. As of March 31, 2011, the approximate number of shareholders of record of the Corporation's common stock was 2,495.

The following table reflects the quarterly high and low prices of ACNB Corporation's common stock for the last eight quarters and the cash dividends paid on the common stock for the same periods.

QUARTER ENDED	PRICE RANGE PER SHARE HIGH	PER SHARE LOW	PER SHARE DIVIDEND
March 31, 2011	\$16.50	\$15.00	\$0.19
December 31, 2010	16.00	14.01	0.19
September 30, 2010	15.10	13.60	0.19
June 30, 2010	14.70	12.80	0.19
March 31, 2010	13.30	11.85	0.19
December 31, 2009	13.70	12.40	0.19
September 30, 2009	13.60	11.40	0.19
June 30, 2009	12.10	9.25	0.19