

Report to Stockholders

ACNB Corporation reported year-to-date net income of \$8,419,000 for the year ended December 31, 2010, compared to \$7,219,000 for the year ended December 31, 2009, an increase of \$1,200,000 or 17%.

Net income on a per share basis rose to \$1.42 at year-end 2010 from \$1.22 for the same period in 2009. Net interest income, which is the most significant component of the Corporation's net income, increased by \$2,765,000, or 9%, to a total of \$35,017,000 for the year ended December 31, 2010.

On a quarterly basis, the Corporation reported net income of \$1,628,000 for the three months ended December 31, 2010, compared to \$1,773,000 for the same quarter in 2009, a decrease of \$145,000 or 8%. Net income on a per share basis amounted to \$0.27 for the fourth quarter of 2010 and was \$0.30 for the same period in 2009.

Quarterly cash dividends paid to ACNB Corporation stockholders for 2010 totaled \$4,506,000, or \$0.76 per share. This is the same per share amount that was paid in 2009.

Total assets of ACNB Corporation at December 31, 2010, were \$969 million, a slight increase from \$962 million at December 31, 2009. Total deposits increased by 2% over the previous year to \$747 million. Total loans rose by 3% to \$665 million, as compared to December 31, 2009. A 6% increase in stockholders' equity resulted in an aggregate of \$93.8 million at December 31, 2010, compared to \$88.3 million at December 31, 2009.

On Monday, October 4, 2010, Adams County National Bank, the wholly-owned subsidiary of ACNB Corporation, became ACNB Bank, a Pennsylvania state-chartered bank and trust company. The conversion to a Pennsylvania

state-chartered bank and trust company was a purposeful strategic decision. We believe a state bank charter serves the needs of a community bank like ours more effectively. Plus, the brand name of ACNB Bank is consistent with the name of ACNB Corporation and its stock symbol of ACNB.

Then, on Monday, December 20, 2010, ACNB Corporation common stock was listed and began trading on The NASDAQ Capital Market. This was a significant step in the growth of ACNB Corporation. We believe that listing on NASDAQ increases liquidity for our stockholders, provides greater access to the capital markets for future growth, and expands the base of future stockholders of ACNB Corporation common stock.

Both of these initiatives, which became effective in Fourth Quarter 2010, are indicative of ACNB Corporation's plans for a healthy future—a future of growth and independence.

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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ACNB Corporation and ACNB Bank Boards of Directors

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

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

2010

FOURTH QUARTER REVIEW



2010 Fourth 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 19 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, 2009, 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.

Consolidated Statements of Condition Unaudited

	DECEMBER 31	
	2010	2009
ASSETS <i>Dollars in thousands</i>		
Cash and due from banks	\$ 14,091	\$ 17,875
Interest bearing deposits with banks	10,082	6,263
Total cash and cash equivalents	24,173	24,138
Securities held to maturity (fair value \$10,671 and \$10,334 in 2010 and 2009, respectively)	10,044	10,057
Securities available for sale	190,730	209,872
Total investment securities	200,774	219,929
Loans held for sale	3,068	145
Loans	665,291	644,687
Less: Allowance for loan losses	15,252	11,981
Net loans	650,039	632,706
Premises and equipment	14,119	14,760
Restricted investment in bank stocks	8,420	9,170
Investment in bank-owned life insurance	27,443	26,408
Investments in low-income housing partnerships	4,124	4,391
Goodwill	5,972	5,972
Intangible assets	3,688	4,362
Foreclosed real estate	7,859	6,046
Other assets	18,988	13,877
TOTAL ASSETS	\$968,667	\$961,904
LIABILITIES		
Deposits:		
Non-interest bearing	\$103,464	\$ 93,829
Interest bearing	643,062	634,694
TOTAL DEPOSITS	746,526	728,523
Short-term borrowings	39,086	55,291
Long-term borrowings	81,499	80,294
Other liabilities	7,802	9,493
TOTAL LIABILITIES	874,913	873,601
STOCKHOLDERS' EQUITY		
Common stock (par value \$2.50; 20,000,000 shares authorized; 5,990,943 shares issued; 5,928,343 shares outstanding for 2010 and 2009, respectively)	14,977	14,977
Treasury stock, at cost (62,600 shares in 2010 and 2009, respectively)	(728)	(728)
Additional paid-in capital	8,787	8,787
Retained earnings	69,536	65,623
Accumulated other comprehensive income (loss)	1,182	(356)
TOTAL STOCKHOLDERS' EQUITY	93,754	88,303
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$968,667	\$961,904

Consolidated Statements of Income Unaudited

	YEARS ENDED DECEMBER 31	
	2010	2009
<i>In thousands, except per share data</i>		
Interest income	\$44,640	\$45,812
Less: Interest expense	9,623	13,560
Net interest income	35,017	32,252
Less: Provision for loan losses	6,410	4,750
Net interest income after provision for loan losses	28,607	27,502
Add: Other income	12,172	11,703
Less: Other expenses	30,303	30,629
Income before income taxes	10,476	8,576
Less: Provision for income taxes	2,057	1,357
NET INCOME	\$ 8,419	\$ 7,219
EARNINGS PER SHARE	\$ 1.42	\$ 1.22
DIVIDENDS PER SHARE	\$ 0.76	\$ 0.76

Common Stock Market Prices and Dividends

ACNB Corporation's common stock trades on The NASDAQ Capital Market under the symbol ACNB. As of December 31, 2010, the approximate number of shareholders of record of the Corporation's common stock was 2,527.

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		PER SHARE DIVIDEND
	HIGH	LOW	
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
March 31, 2009	12.48	7.75	0.19