

FOR IMMEDIATE RELEASE

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**ALLIANCE FINANCIAL CORPORATION SHAREHOLDERS
ELECT DIRECTORS TO BOARD**

SYRACUSE, NY, May 27, 2008 – Shareholders of Alliance Financial Corporation (**NASDAQ: ALNC**) reelected Donald S. Ames, John M. Endries, Margaret G. Ogden, Paul M. Solomon and John H. Watt, Jr. to the Board of Directors.

Ames is President of Cortland Laundry, Inc. and has served on the board since 1986.

Endries is President of Endries Wealth Management, LLC and a director since 2005.

Ogden is President and Chief Executive Officer of Central New York Community Foundation, Inc. and a board member since 2001.

Solomon is a Partner in P.J. Equities, LLP and a director since 2001.

Watt is Executive Vice President of Alliance Financial Corporation; EVP, Commercial Banking Sales and Service and Trust and Investment Services for the bank, and CEO and Director of its subsidiary, Alliance Leasing, Inc. He joined the board in 2007.

Alliance Financial Corporation is a \$1.3 billion financial holding company headquartered in Syracuse, NY. Its primary subsidiary is Alliance Bank, N.A., with 29 locations in Cortland, Madison, Oneida, Onondaga and Oswego Counties.

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