

Red Robin Gourmet Burgers Announces Intent to Acquire Red Robin Franchised Restaurants in Wisconsin & Minnesota for \$20.9 million

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Transaction Expected to Close in the Second Quarter of Fiscal 2008

Red Robin Gourmet Burgers, Inc. (Nasdaq: RRGB), the casual dining company that serves up fun, feel-good experiences by offering its guests an imaginative selection of high-quality gourmet burgers and innovative menu items in a family-friendly environment, today announced that it has agreed to acquire the assets of 11 existing Red Robin franchised restaurants for a total of \$20.9 million. The Company will acquire an additional restaurant that is currently under construction in Eau Claire, Wisconsin upon its opening, which is expected to occur in May, 2008.

Eight of the existing franchised restaurants are located in Wisconsin and are owned by Dane County Robins, Inc., while the remaining three existing franchised restaurants are located in Minnesota and are owned by Minnesota Robins, Inc. The Company will also acquire the development rights to the territory in Wisconsin that was formerly subject to exclusivity provisions.

The combined revenue from these existing 11 franchised restaurants was \$31.1 million in 2007, as reported by Dane County Robins, Inc. and Minnesota Robin, Inc. respectively. The Company currently expects the acquisitions, if completed, to close in the second quarter of fiscal 2008 and to be accretive to earnings. The Company anticipates funding the purchase through borrowings under its credit facility. The closing of the acquisitions is subject to completion of due diligence satisfactory to the Company, necessary licensing approvals, lease consents and transfers, and negotiating a definitive acquisition agreement, among other customary closing conditions. The Company will update its earnings guidance upon the completion of this transaction.

'As we have stated in the past, we evaluate franchise acquisitions on an opportunistic basis, after consideration of many factors, including being accretive to earnings. This attractive market will be open to Company-owned development, which we would certainly anticipate over time,' said Dennis B. Mullen, chairman and chief executive officer.

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