Red Robin Gourmet Burgers Reports Earnings for the Fiscal First Quarter 2008

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Completes Acquisition of 15 Existing Franchised Red Robin Restaurants and Increases Earnings Guidance for Fiscal Year 2008

Red Robin Gourmet Burgers, Inc., (NASDAQ: RRGB), a casual dining restaurant chain focused on serving an innovative selection of high-quality gourmet burgers in a family-friendly atmosphere, today reported financial results for the sixteen weeks ended April 20, 2008.

Financial and Operational Highlights

Highlights for the sixteen weeks ended April 20, 2008, compared to the sixteen weeks ended April 22, 2007, are as follows:

Total revenues increased 20.4% to $255.6 million.

Restaurant revenue increased 21.2% to $250.9 million.

Company-owned comparable restaurant sales increased 3.9%.

Restaurant-level operating profit increased 14.9% to $47.9 million.

Diluted earnings per share were $0.43 vs. $0.44 in the first quarter a year ago.

A total of 10 new Red Robin(R) restaurants, nine company-owned and one franchised location, were opened during the first quarter 2008.

As of the end of the fiscal first quarter of 2008, there were 258 company-owned and 135 franchised Red Robin(R) restaurants.

’While the overall macroeconomic environment remains very challenging for our industry, we were pleased to achieve increased comparable restaurant sales in the first quarter and we are encouraged by the traction that we are getting from our national media campaign, along with our other sales and marketing efforts. Our brand building initiatives continue to raise awareness and excitement for Red Robin, and are helping us manage the headwinds facing our traffic counts, which were down only slightly during the quarter,’ said Dennis B. Mullen, chairman and chief executive officer.

’Looking ahead, in anticipation of further intense commodity and other margin pressures, we will continue managing costs while maintaining the great dining experience that our Guests enjoy and expect. We are on plan with new restaurant development and also recently completed the accretive acquisition of 15 Red Robin franchised restaurants.’

Acquisitions of 15 Franchised Restaurants

The Company also announced the completion of its acquisitions of 15 existing Red Robin franchised restaurants from three franchise partners for a combined purchase price of $28.6 million, net of working capital adjustments. The purchase price was paid in cash, funded primarily through borrowings under the Company’s existing credit facility. In addition, on April 15, 2008, the Company completed the purchase of a restaurant that was under construction in Eau Claire, Wisconsin, and has since been opened by the Company on May 5, 2008. The acquisition of one existing restaurant in New Jersey was completed on April 28, 2008, and the acquisition of eight existing restaurants in Wisconsin, three restaurants in Minnesota and three restaurants in northern Indiana was completed on May 19, 2008. In addition to the acquisition of existing restaurants, the Company will gain access to development rights where these restaurants are located - territories that were formerly subject to exclusivity provisions. The combined revenue from the 15 existing restaurants was approximately $41.8 million in 2007.

The acquisitions are expected to add between $25 and $27 million of revenue, and approximately $0.04 per diluted share to earnings for the remainder of fiscal year 2008. For accounting purposes the financial results of all 15 restaurants will be included in the Company’s financial results from their acquisition dates forward.

Fiscal First Quarter 2008 Results

Comparable restaurant sales increased 3.9% for company-owned restaurants in the fiscal first quarter of 2008 compared to the fiscal first quarter of 2007, driven by a 4.3% increase in the average guest check, which was offset by a 0.4% decline in guest counts. Average weekly comparable sales for company-owned restaurants were $64,543 from the 200 comparable restaurants in the fiscal first quarter of 2008, compared to $63,169 for the 151 comparable restaurants in the fiscal first quarter of 2007. Average weekly sales for the 42 non-comparable company-owned restaurants were $55,165 in the fiscal first quarter of 2008, compared to $53,979 for the 52 non-comparable restaurants in the fiscal first quarter a year ago. Average weekly sales for 16 California restaurants acquired in June and July of 2007 and one managed restaurant in California were $61,396 in the fiscal first quarter of 2008 compared to $63,350 for the first quarter of 2007.

In the first quarter 2008, the Company’s results were negatively impacted by lower restaurant sales in California, Arizona and Nevada - markets that have been disproportionately impacted by macroeconomic factors. Excluding the impact from the Company’s 56 comparable restaurants in these three markets, comparable restaurant sales would have been about 2.3%

higher or approximately 6.2%. The Company's comparable guest counts excluding the negative 2.1% impact from the restaurants in these three markets would have been a positive 1.7%. The restaurants in California, Arizona and Nevada represent 28% of the total company-owned comparable restaurants and these 56 comparable restaurants contributed more than 30% of the Company's restaurant revenues in fiscal 2007.

Total Company revenues, which include company-owned restaurant sales and franchise royalties and fees, increased 20.4% to $255.6 million in the fiscal first quarter of 2008, versus $212.3 million last year. Franchise royalties and fees decreased 11.2% to $4.6 million in the fiscal first quarter of 2008 compared to $5.2 million in the same period a year ago. Franchise royalties and fees in the fiscal first quarter 2007 included $588,000 from royalties attributed to 17 acquired or managed restaurants in California and $315,000 in fees from the openings of nine franchised restaurants in the first quarter 2007 versus $35,000 for one franchised restaurant opening the first quarter 2008.

For the fiscal first quarter of 2008, the Company's franchise system reported a decrease in total U.S. franchise restaurant sales of 6.2% to $105.9 million, compared to $113.1 million in the prior year period, due primarily to $17.4 million of first quarter 2007 revenue from the California restaurants acquired by the Company in June and July of 2007. Comparable sales in the fiscal first quarter of 2008 for franchise restaurants in the U.S. and Canada increased 4.0% and 6.7%, respectively, over the fiscal first quarter of 2007. Average weekly comparable sales for the U.S. franchised restaurants were $56,809 from the 94 comparable restaurants in the fiscal first quarter of 2008, compared to $56,855 for the 95 comparable restaurants in the fiscal first quarter of 2007. Average weekly sales in the fiscal first quarter of 2008 for the Company's 18 comparable franchise restaurants in Canada were C$50,662 versus C$47,501 in the same period last year. Canadian results are in Canadian dollars.

Restaurant-level operating profit margins at company-owned restaurants were 19.1% in the fiscal first quarter of 2008 compared to 20.1% in the fiscal first quarter of 2007. Fiscal first quarter 2008 restaurant-level operating profit margins were negatively impacted by approximately 0.95% of higher food and beverage costs and approximately 0.45% of increased operating costs which includes higher year-over-year contributions to the Company's national advertising fund, offset by 0.4% of lower labor costs. The Company's first quarter 2008 restaurant level operating profit without the 56 comparable restaurants in California, Arizona and Nevada would have been 19.9%.

The Company's restaurant-level operating profit metric does not represent income from operations or net income calculated in accordance with generally accepted accounting principles ("GAAP"). Schedule I of this earnings release reconciles restaurant-level operating profit to income from operations and net income for all periods presented.

General and administrative expense was $22.5 million in the fiscal first quarter of 2008 and $18.9 million in the fiscal first quarter of 2007, which were 8.8% and 8.9% of total revenue, respectively. The first quarter 2008 G&A expense includes expenses associated with first quarter national advertising spending, which will be offset through the remainder of the year.

Interest expense was $2.3 million in both the fiscal first quarter of 2008 and first quarter of 2007.

Net income for the fiscal first quarter of 2008 was $7.3 million or $0.43 per diluted share, as compared to net income of $7.5 million, or $0.44 per diluted share, in the fiscal first quarter of 2007.

Outlook

For the fiscal second quarter of 2008, which is a twelve week quarter, the Company expects to open seven to eight new company-owned restaurants with the franchisees opening one to two new franchised restaurants. Four company-owned and one new franchised restaurant have already opened during the fiscal second quarter of 2008 and 13 company-owned and 5 franchise restaurants are currently under construction. In fiscal 2008, the Company plans to open 30 to 32 new company-owned units, while franchisees are expected to open between nine and 11 new restaurants.

For the 2008 fiscal year, which is a 52-week year, the Company now expects revenues of $905 to $918 million and net income of $2.04 to $2.23 per diluted share, up from prior fiscal year 2008 revenue projections of $880 to $893 million and net income of $2.00 to $2.20 per diluted share. These updated projected fiscal year 2008 results are also based upon certain assumptions, including an expected comparable restaurant sales increase of approximately 2.5% to 4%, including the Company's late March 2008 price increase of approximately 0.5%, and an anticipated late-June price increase of approximately 2.7%. The updated fiscal year 2008 financial guidance includes the impact from the acquisitions of 15 Red Robin franchised restaurants, including acquisition-related expenses.

The Company's 2008 annual financial guidance includes the national advertising campaign that is being funded by company-owned and franchised restaurants. Total 2008 spending is expected to be approximately $18.0 million to $19.0 million -- up from $11.5 million in fiscal year 2007 -- which will continue to be funded by a national advertising fund, whereby each restaurant in the system, company-owned and franchised, is contributing approximately 1.5% of their restaurant revenue in fiscal year 2008. The 2008 advertising campaign began on February 4, 2008, and will run for 24 weeks ending in mid November 2008.