
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM 8-K
CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): **August 8, 2016**

RED ROBIN GOURMET BURGERS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34851
(Commission
File Number)

84-1573084
(IRS Employer
Identification Number)

**6312 S. Fiddler's Green Circle, Suite 200N
Greenwood Village, Colorado**
(Address of principal executive offices) (zip code)

(303) 846-6000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On August 8, 2016, Red Robin Gourmet Burgers, Inc. (the “Company”) issued a press release describing selected financial results for the second fiscal quarter ended July 10, 2016. A copy of this press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. A copy of the supplemental financial information for the second fiscal quarter ended July 10, 2016 that will be referred to during the investor conference call and webcast that is scheduled to take place on August 9, 2016 is being furnished as Exhibit 99.2 to this Form 8-K.

The information in this Item 2.02, including the information set forth in Exhibits 99.1 and 99.2, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Resignation of Stephen Carley

On August 8, 2016, the Company announced that Stephen Carley resigned from his position as the Company’s Chief Executive Officer and as a member of the board of directors of the Company (the “Board”), effective August 8, 2016. Mr. Carley’s decision to resign was not due to any disagreement with the Company on any matter relating to the Company’s operations, policies (including accounting or financial policies) or practices. Mr. Carley will remain a non-executive employee of the Company through his anticipated retirement on December 25, 2016 (the “Retirement Date”), with such duties as may be reasonably assigned to him by the Board and the new Chief Executive Officer of the Company.

In connection with Mr. Carley’s resignation, the Company and Mr. Carley entered into an agreement, dated August 8, 2016 (the “Carley Amendment”), that amends and supplements Mr. Carley’s employment agreement with the Company, dated August 11, 2010 (the “2010 Employment Agreement,” and with the Carley Amendment the “Amended Employment Agreement”). Mr. Carley’s current compensation, including rate of base salary, bonus opportunity (continued eligibility for an annual bonus in respect of fiscal 2016 performance), long-term incentives, and eligibility to participate in benefit programs generally available to other senior executives of the Company, remains unchanged by the Carley Amendment. Mr. Carley will provide transition services as a Senior Advisor to the Company (reporting to the new Chief Executive Officer of the Company). In exchange for the foregoing compensation, Mr. Carley executed a waiver and release of claims in favor of the Company and its affiliates, and agreed to execute a second waiver and release promptly following the last day of his employment with the Company. Mr. Carley also waived any rights to receive severance or separation pay whether his employment terminates prior to or on the Retirement Date. Mr. Carley’s departure from the Company on the Retirement Date will be treated as a retirement from employment and, accordingly, his equity awards will be treated in accordance with the retirement provisions of the Company’s Amended and Restated 2007 Performance Incentive Plan and any related award agreements between the Company and Mr. Carley. Mr. Carley acknowledged that he will remain bound by the post-employment restrictive covenants in the Amended Employment Agreement and any other agreement between him and the Company or any of its affiliates.

The foregoing is a summary description of the Amended Employment Agreement and does not purport to be complete and is subject to, and qualified in its entirety by the full text of the Carley Amendment and the 2010 Employment Agreement. The 2010 Employment Agreement has been previously filed with the Securities and Exchange Commission (“SEC”) as Exhibit 10.1 to the Company’s Annual Report on Form 10-K for the fiscal year ended December 27, 2015 and is incorporated herein by reference. The Carley Amendment is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Appointment of Denny Marie Post

On August 8, 2016, Denny Marie Post was appointed to the position of Chief Executive Officer of the Company, effective August 8, 2016.

Ms. Post, age 59, has served as President of the Company since February 2016. Prior to that, Ms. Post served as Executive Vice President and Chief Concept Officer of the Company since March 2015. Ms. Post joined the Company in August 2011 as Senior Vice President and Chief Marketing Officer. Before joining the Company, Ms. Post was the Managing Member of mm&i Consulting LLC, a marketing consulting firm, from June 2010 to July 2011. She served as Senior Vice President, Chief Marketing Officer of T-Mobile USA from July 2008 to May 2010, as Senior Vice President, Global Beverage, Food, and Quality at Starbucks Corporation from February 2007 to June 2008, as Senior Vice President, Chief Concept Officer of Burger King Corp. from April 2004 to January 2007, and prior to that, in various marketing executive roles at YUM! Brands, Inc.

In connection with her appointment as Chief Executive Officer and as a member of the Board, the Company and Ms. Post entered into an amended and restated employment agreement, dated August 8, 2016, that amends certain provisions of Ms. Post's employment agreement, dated August 1, 2011, with the Company (as amended and restated, the "Post Employment Agreement"). The Post Employment Agreement provides for the following compensation: (i) an annual base salary of \$700,000; (ii) eligibility to receive an annual bonus with a target of 120% of her base salary (with such target applicable for the full fiscal year in 2016 based on her actual salary for all of 2016); and (iii) sign-on equity awards consisting of (x) a stock option with a Black-Scholes grant date fair value of \$160,400, (y) restricted stock units ("RSUs") with a grant date fair value of \$80,200, and (z) performance stock units ("PSUs") with a grant date fair value (at target) of \$1,050,000 (such PSU grant will be subject to approval of the Company's new equity incentive plan at the shareholder meeting in fiscal year 2017). The stock option and RSUs will be granted on October 3, 2016, and each award will vest over four years in substantially equal annual installments on the anniversaries of the date of grant, subject to continued employment through each such vesting date. The PSUs will be granted in the first quarter of fiscal year 2017 and will cliff-vest at the end of a three-year performance cycle, generally subject to Ms. Post's continued employment through the applicable vesting date, with the number of awards to be issued to be determined based on achievement of three-year cumulative EBITDA and average ROIC threshold, target or maximum objectives (with linear interpolation for achievements between these objectives). Specific EBITDA and ROIC targets will be approved by the compensation committee of the Board in the first quarter of fiscal year 2017.

Beginning in fiscal year 2017, Ms. Post will also be eligible to participate in the Company's long term incentive plan ("LTIP"), which will have a target value equal to 250% of her base salary and is anticipated to consist of the following types of awards (i) service-based vesting stock options (40%), (ii) service-based vesting RSUs (20%), and (iii) PSUs (40%). However, for fiscal year 2017, Ms. Post's PSU award will represent 60% of the target value of the fiscal year 2017 LTIP award (target value of \$1,050,000) as contemplated by her sign-on equity awards which represents the award of PSUs for fiscal year 2017 and an additional amount of PSUs for period she served as Chief Executive Officer of the Company for fiscal year 2016.

Ms. Post may also participate in the Company's standard benefit plans, as may be amended from time to time, in which other senior executives are eligible to participate. Additionally, she is entitled to a car allowance of \$15,000 per year, reimbursement of legal and financial advisory fees for the first 12 months of her employment as Chief Executive Officer (not to exceed \$30,000), and holidays and paid time off in accordance with the Company's paid time off policies applicable to executive officers as in effect from time to time.

Upon the termination of Ms. Post's employment for any reason, she will be entitled to receive any accrued but unpaid base salary, reimbursable expenses, accrued but unused vacation time, any compensation previously deferred by Ms. Post payable pursuant to, and at such times as provided for by, such deferred compensation plan, program or policy, and any payments, benefits or fringe benefits to which Ms. Post is entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant, payable in accordance with the terms of such plan, program or grant (the "accrued obligations"). In the event Ms. Post's employment terminates due to her death or disability, in addition to the

accrued obligations, she will also be entitled to receive (i) any earned but unpaid annual bonus for the year preceding the year of termination and (ii) a prorated bonus for the year of termination (based on actual performance, prorated for the number of days employed during the applicable fiscal year).

Upon Ms. Post's termination of employment by the Company without "cause" or due to her resignation for "good reason," she will be entitled to receive as severance benefits, (i) any earned but unpaid annual bonus for the year preceding the year of termination, (ii) 24 months of salary continuation, (iii) a prorated bonus for the year of termination (based on actual performance, prorated for the number of days employed during the applicable fiscal year), and (iv) subject to her timely election of continued healthcare coverage under COBRA, monthly payments (or reimbursement) of the cost of COBRA coverage for 18 months. If Ms. Post's employment is terminated by the Company without "cause" or she resigns for "good reason" on or within 24 months following a change in control, she will be entitled to the same severance benefits described in the preceding sentence, except that instead of salary continuation for 24 months, she will receive, severance in an amount equal to equal to two times the sum of her annual base salary and the highest annual bonus she earned in the last three completed years prior to the change in control, payable in substantially equal installments over the 24 month period immediately following the date such employment termination. Ms. Post's receipt of the severance benefits mentioned in this paragraph is subject to her execution of a waiver and release of claims in favor of the Company and its affiliates, and adherence to post-employment restrictive covenant obligations.

Ms. Post will be subject to customary restrictive covenants in the Post Employment Agreement, including nondisclosure of confidential information, return of Company property, and, during employment and for the 24 months following her termination of employment, non-competition and non-solicitation of employees, suppliers and business relations of the Company.

The foregoing is a summary description of the Post Employment Agreement and does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Post Employment Agreement, a copy of which is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

Appointment of Board Members

On August 8, 2016, in connection with her appointment as Chief Executive Officer, the Board appointed Ms. Post as a member of the Board, effective immediately. Ms. Post's appointment filled an existing vacancy created by the resignation of Mr. Carley and she will serve as a director until the 2017 annual meeting of stockholders or until her successor has been duly elected and qualified, or until the earlier of her death, resignation, or removal. Ms. Post will not serve on any committees of the Board.

On August 8, 2016, the Company increased the size of the Board from eight to ten members and appointed Kalen F. Holmes and Steven K. Lumpkin to fill the resulting vacancies. Each of Ms. Holmes and Mr. Lumpkin will serve as a director until the 2017 annual meeting of stockholders or until their respective successor has been duly elected and qualified, or until the earlier of their respective death, resignation, or removal. Ms. Holmes was appointed to the Compensation and Nominating and Governance Committees of the Board. Mr. Lumpkin was appointed to the Finance Committee of the Board.

Ms. Holmes, age 49, served as an Executive Vice President of Partner Resources (Human Resources) at Starbucks Corporation from November 2009 until her retirement in February 2013. Prior to her employment with Starbucks, Ms. Holmes held a variety of leadership roles with HR responsibility for Microsoft Corporation from September 2003 through November 2009. Prior to joining Microsoft, Ms. Holmes served in a variety of industries, including high-tech, energy, pharmaceuticals and global consumer sales. Ms. Holmes serves on the board of directors of Zumiez Inc., a publicly traded, Nasdaq-listed company. She also serves as the Chairperson of the Board of Directors for the YWCA King and Snohomish counties and on the Board of Trustees for the Pacific Northwest Ballet. Ms. Holmes holds a Bachelor of Arts in Psychology from the University of Texas and a Master of Arts and a Ph.D. in Industrial/Organization Psychology from the University of Houston.

Mr. Lumpkin, age 61, currently serves as Principal of Rolling Hills Capital Partners, a consulting firm. Mr. Lumpkin served as Executive Vice President, Chief Financial Officer, and a director of Applebee's International, Inc., where he served in various executive positions from 1995 until his retirement in 2007. Prior to joining Applebee's, he was Executive Vice President and director at Kimberly Quality Care Inc. Mr. Lumpkin is a CPA, with a bachelor in Accounting from the University of Missouri – Columbia.

Each of Ms. Holmes and Mr. Lumpkin will receive compensation in accordance with the Company's standard non-employee director compensation policies, which are currently described in the Company's Definitive Proxy Statement on Schedule 14A for the 2016 Annual Meeting of Stockholders filed with the SEC on April 5, 2016.

As of the date of these appointments, there are no transactions between the Company and Ms. Post, Ms. Holmes or Mr. Lumpkin, respectively, that would be reportable under Item 404(a) of Regulation S-K. None of Ms. Post, Ms. Holmes or Mr. Lumpkin was selected pursuant to any arrangement or understanding between themselves and any other person.

The Company issued a press release on August 8, 2016 announcing these executive officer changes and director appointments. A copy of the press release is attached as Exhibit 99.3 to this report and incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	First Amendment to Employment Agreement, dated August 8, 2016, by and between Stephen E. Carley and Red Robin Gourmet Burgers, Inc.
10.2	Amended and Restated Employment Agreement, dated August 8, 2016, by and between Denny Marie Post and Red Robin Gourmet Burgers, Inc.
99.1	Red Robin Gourmet Burgers, Inc. Press Release dated August 8, 2016 (second fiscal quarter results).
99.2	Supplemental Financial Information dated August 8, 2016, provided by Red Robin Gourmet Burgers, Inc.
99.3	Red Robin Gourmet Burgers, Inc. Press Release dated August 8, 2016 (executive officer changes and director appointments).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each of the registrants has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 8, 2016

RED ROBIN GOURMET BURGERS, INC.

By: /s/ Michael L. Kaplan

Michael L. Kaplan

Senior Vice President and Chief Legal Officer

EXHIBIT INDEX

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**FIRST AMENDMENT TO EMPLOYMENT AGREEMENT
(Stephen E. Carley)**

THIS FIRST AMENDMENT TO EMPLOYMENT AGREEMENT (“**Amendment**”), between Red Robin Gourmet Burgers, Inc., a Delaware corporation (together with any successor thereto, the “**Company**”) and Stephen E. Carley (“**Executive**”), is entered into on August 8, 2016. Reference is made to that certain Employment Agreement by and between the Company and Executive effective as of August 11, 2010 (the “**Employment Agreement**”). All capitalized terms not defined herein shall have the meanings assigned to such terms in the Employment Agreement. The Company and Executive are referred to in this Amendment collectively as the “**Parties**.”

RECITALS:

WHEREAS, Executive is currently employed as Chief Executive Officer of the Company (the “**Chief Executive Officer**”) and an employee of the Company, and serves as a Director of the Company; and

WHEREAS, the Company and Executive are parties to the Employment Agreement; and

WHEREAS, the Parties have agreed that Executive shall resign from his position as Chief Executive Officer and Director effective as of August 8, 2016 (the “**Transition Date**”) and Executive will assist in the smooth transition of his duties and responsibilities from Transition Date through December 25, 2016 (the “**Retirement Date**”) as directed by the Board of Directors of the Company (the “**Board**”) and the new Chief Executive Officer; and

WHEREAS, the Company desires to retain Executive as an employee during the period commencing as of the Transition Date and ending on the Retirement Date (the “**Transition Term**”), and Executive desires to accept such continued employment; and

WHEREAS, the Parties have agreed to amend and modify certain terms of the Employment Agreement in connection with Executive’s resignation from his position as Chief Executive Officer and transition of his duties and responsibilities to the new Chief Executive Officer, with the understanding that all other provisions of the Employment Agreement shall remain unchanged.

WHEREAS, effective as of the Retirement Date, the Parties have mutually agreed that Executive shall retire from employment and accordingly Executive’s employment with the Company and its subsidiaries and affiliates shall automatically terminate without further action.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and other good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Amendment to Section 1. The second sentence of Section 1 of the Employment Agreement shall be deleted in its entirety and replaced with the following:

“The term of Executive’s employment hereunder shall be deemed to have commenced on September 13, 2010, unless executive commences employment on an earlier date to be mutually agreed upon (the “**Effective Date**”), and shall continue until December 25, 2016 (the “**Retirement Date**), subject to earlier termination as provided herein (such term being referred to herein as the “**Employment Period**”).”

2. Amendment to Section 2. Section 2 of the Employment Agreement shall be replaced in its entirety by the language set forth below:
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“2. Position and Duties. During the period commencing as of August 8, 2016 (the “**Transition Date**”) and ending on the Retirement Date (the “**Transition Term**”), Executive shall be employed as and hold the title of Senior Advisor to the Company, and in that capacity shall report to the Chief Executive Officer of the Company. During the Transition Term, (i) Executive shall not quit and shall cooperate and assist in the smooth transition of his previous duties and responsibilities as Chief Executive Officer of the Company to the new Chief Executive Officer and (ii) shall assist in the creation of the Company’s leadership program. Executive acknowledges and agrees that his employment with the Company shall terminate on the Retirement Date. On the Retirement Date, Executive’s employment by the Company and any of its subsidiaries and affiliates shall cease and Executive shall be deemed to have resigned from any and all titles, positions and appointments Executive holds with the Company and each of their respective subsidiaries and affiliates, whether as an officer, director, employee, consultant or otherwise. Executive acknowledges and agrees that he has resigned from the Board effective as of the Transition Date. Executive agrees to promptly execute such documents to effect such resignations as reasonably required by the Company. During the Transition Term, Executive shall be available as requested by the Company, but in no event more than an average of 3 days per week working on behalf of the Company and its affiliates.”

3. 2016 Annual Bonus. The Parties hereby agree that Executive shall be eligible to earn an Annual Bonus in respect of fiscal 2016 performance. The actual amount of any Annual Bonus in respect of fiscal 2016 shall depend on the level of achievement of the applicable performance criteria established with respect to the Annual Bonus by the Board and the Compensation Committee in their good faith discretion and shall be paid during the first complete calendar year immediately following fiscal year 2016.

4. Termination of Employment. Notwithstanding anything to the contrary in the Employment Agreement:

(a) Termination by Company. The Parties agree that Executive’s employment shall terminate upon the Retirement Date. Notwithstanding the preceding sentence, following the Transition Date, the Company or the Board may terminate Executive’s employment for Cause (as such term is defined in the Employment Agreement) at any time upon notice to Executive setting forth in reasonable detail the nature of such Cause. Additionally, in the event Executive timely rescinds the Initial Release (as defined below) in accordance with its terms, Executive expressly acknowledges and agrees that upon such rescission, the Company shall have the right to terminate Executive’s employment prior to the Retirement Date. Upon the giving of notice of termination of Executive’s employment for Cause, the Company shall have no further obligation to Executive, other than the Accrued Obligations.

(b) Termination by Executive. For the avoidance of doubt, notwithstanding Section 4(d) of the Employment Agreement, Executive may not voluntarily terminate his employment prior to the Retirement Date without the consent of the Company and further provided that, Good Reason (as defined in the Employment Agreement) shall no longer be applicable as of the Transition Date and for any period of time thereafter and Executive expressly waives any rights that he may otherwise have to assert Good Reason and quit. Notwithstanding anything to the contrary in the Employment Agreement or herein, Executive shall not be entitled to severance or separation pay (whether pursuant to Section 4(f)(iii) of the Employment Agreement or otherwise) in connection with his termination of employment and/or resignation from the Board (regardless of whether his employment terminates prior to or on the Retirement Date).

(c) Acknowledgements. The Parties acknowledge and agree that subject to Executive’s continued employment through the Transition Term, Executive shall be deemed to have retired as of the Retirement Date for purposes of the Company’s compensation and benefit plans programs, and agreements, including but not limited to the treatment of Executive’s outstanding equity awards under the Company’s Amended and Restated 2007 Performance incentive Plan and any related award agreements.

5. Releases of Claims. The Parties hereby agree that Executive shall execute and deliver (i) a waiver and release of claims in favor of the Company and its affiliates, in the form of the general release agreement attached hereto as Exhibit A, simultaneously with the execution of this Amendment (the "Initial Release"), and (ii) a waiver and release of claims in favor of the Company and its affiliates, in the form of the general release agreement attached as Exhibit B to this Amendment, on or within 21 days following last day of the Transition Term.

6. Restrictive Covenants. Executive acknowledges and agrees Executive will continue to be bound by the post-employment restrictive covenants and obligations contained in Section 5, 6, 7, and of the Employment Agreement, which include covenants pertaining to confidentiality, noncompetition, nonsolicitation, and return of property and any other similar obligations contained in any other agreement between Executive and the Company or any of its affiliates (collectively, the "Restrictive Covenants").

7. No Other Changes. Except as specifically modified or supplemented herein, all remaining provisions, terms and conditions of the Employment Agreement shall remain unchanged and in full force and effect.

8. Further Assurances. Executive and the Company hereby agree, at the request of any other party, to execute and deliver all such other and additional instruments and documents and to do such other acts and things as may be reasonably necessary or appropriate to carry out the intent and purposes of this Amendment.

9. Miscellaneous.

(a) Governing Law. This Amendment and the legal relations hereby created between the parties hereto shall be governed by and construed under and in accordance with the internal laws of the State of Colorado, without regard to conflicts of laws principles thereof. Each Party shall submit to the venue and personal jurisdiction of the Colorado state and federal courts concerning any dispute arising from or relating to this Amendment; however the Company is not limited in seeking relief in those courts.

(b) Binding Effect. This Amendment is intended to bind and inure to the benefit of and be enforceable by Executive, the Company and their respective heirs, successors and assigns, except that Executive may not assign his rights or delegate his obligations hereunder without the prior written consent of the Company.

(c) Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(d) Savings Clause. If any provision of this Amendment or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of this Amendment or the Employment Agreement which can be given effect without the invalid provisions or applications and to this end the provisions of this Amendment and the Employment Agreement are declared to be severable. Subject to the foregoing, upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Amendment so as to effect the original intent of the Parties as closely as possible in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent reasonably practicable.

* * *

IN WITNESS WHEREOF, the Parties hereto have duly executed this Amendment, or caused this Amendment to be duly executed on their respective behalf by their respective duly authorized officers, all effective as of the date and year first written above.

RED ROBIN GOURMET BURGERS, INC.

By: /s/ Michael L. Kaplan
Name: Michael L. Kaplan
Title: Senior Vice President and Chief Legal Officer

EXECUTIVE

/s/ Stephen E. Carley
Stephen E. Carley

[Signature Page to First Amendment to Employment Agreement]

GENERAL RELEASE

1. **Definitions.**

I intend all words used by this Release to have their plain meanings in ordinary English. These terms shall have the following meanings:

- A. *I, me, my and Releasor* mean me and anyone who has or obtains any legal rights or claims through me.
- B. *Employer* means: (i) Red Robin Gourmet Burgers, Inc. and Red Robin International, Inc. (collectively, the “Company”), (ii) any company related to the Company in the past or present, (iii) limited to their capacities related to the Company, the past and present officers, directors, employees, shareholders, attorneys, agents and representatives of the Company, (iv) any present or past employee benefit plan sponsored by the Company and/or officers, directors, trustees, administrators, employees, attorneys, agents and representatives of such plan, (v) and any person (limited to his or her capacity related to the Company) who acted on behalf of the Company on instruction from the Company.
- C. *Employment Agreement* means that certain Employment Agreement dated as of August 11, 2010, between me and the Company, as amended by that certain First Amendment to Employment Agreement dated as of August 8, 2016, between me and the Company (collectively, the “Employment Agreement”).
- D. *My claims* means all of my rights to any relief of any kind from the Employer, including but not limited to:
 - 1. All claims I now have, whether or not I now know about such claims, including all claims arising out of or relating to my past employment with Employer, the termination of that employment or statements or actions of the Employer including, but not limited to: breach of contract; defamation; infliction of emotional distress; wrongful discharge; workers’ compensation retaliation; violation of the Age Discrimination in Employment Act of 1967; Fair Labor Standards Act; Title VII of the Civil Rights Act of 1964; the Civil Rights Acts of 1866 and 1871; the Civil Rights Act of 1991; the Family and Medical Leave Act; the National Labor Relations Act; The Americans with Disabilities Act; COBRA; ERISA; the anti-discrimination laws of the state in which I reside and of any other state; the Wage Claim Act or corresponding statute of the state in which I reside; and/or any other federal, state or local statute, law, ordinance, regulation, order or principle of common law;
 - 2. All claims I have now, whether or not I know about the claims, for any type of relief from the Employer, including, but not limited to, all claims for back pay, front pay, lost benefits, reinstatement, liquidated damages, punitive damages, and damages for any alleged breach of contract, any tort claim and any alleged personal injury or emotional injury or damage; and

3. All claims for attorneys' fees (except as provided below) but excluding (i) my rights to indemnification (including advancement of attorneys' fees) and directors and officers liability insurance; (ii) my rights as a stockholder of the Company; (iii) my rights to any payment or benefit under any employee benefit plan, program or policy or equity incentive plan; and (iv) my rights to any vesting and exercise of any equity grant pursuant to the terms of such equity grant; and (v) any payment or reimbursement as provided for in the Employment Agreement.

2. Agreement to Release My Claims.

In exchange for my right to receive payments and other benefits under my Employment Agreement and for other good and valuable consideration the receipt and sufficiency is hereby acknowledged, including, without limitation, my continued receipt of full compensation during the Transition Term (as defined in my Employment Agreement), I agree to give up all My Claims against the Employer and give up all other actions, causes of action, claims or administrative complaints that I have against the Employer. I expressly release all claims (including, without limitation, for severance or severance pay) in connection with (i) my resignation as a member of the Board of Directors of the Company and/or my resignation as the Chief Executive Officer of the Company as of the Transition Date and (ii) with respect to my termination of employment as of the Retirement Date (as defined in the Employment Agreement). I will not bring any lawsuits or administrative claims against the Employer relating to the claims that I have released nor will I allow any lawsuits or claims to be brought or continued on my behalf or in my name. The money and other consideration I receive pursuant to my Employment Agreement is a full and fair payment for the release of My Claims and the Employer does not owe me anything further for My Claims.

I further agree to reimburse the Employer for any cost; loss; expense, including reasonable attorneys' fees; awards or judgments resulting from my failure to perform my obligations under this Release or from any misstatement or omission I have made in this Release.

3. Additional Agreement and Understandings.

Even though the Employer will pay me to settle and release My Claims, the Employer does not admit that it is legally obligated to me, and the Employer denies that it is responsible or legally obligated for My Claims or that it has engaged in any improper conduct or wrongdoing against me.

I have read this Release carefully and understand its terms. I am hereby being advised by the Employer to consult with an attorney prior to signing this Release. My decision to sign or not to sign this Release is my own voluntary decision made with full knowledge that the Employer has advised me to consult with an attorney. In agreeing to sign this Release, I have not relied on any statement or explanation of my rights or obligations made by the Employer or its attorneys.

I am old enough to sign this Release and to be legally bound by the agreements that I am making. I represent that I have not filed for personal bankruptcy or been involved in any personal bankruptcy proceeding between the time any of My Claims accrued and date of my signature below. I am legally able and entitled to receive the entire sum of money being paid to me by the Employer in settlement of My Claims. I have not assigned or pledged any of My Claims or any portion of them to any third person. I am a resident of the State of Colorado and have executed this Release within the State of Colorado. I understand and agree that this Release contains all the agreements between the Employer and me relating

to this settlement, and that it supersedes all prior negotiations and agreements relating to the subject matter hereof.

4. Twenty-One Day Period to Consider the Release.

I understand that I have twenty-one (21) days from the day that I receive this Release, not counting the day upon which I receive it, to consider whether I wish to sign this Release. If I cannot make up my mind in that time, the Employer may or may not allow more time. I acknowledge that if I sign this Release before the end of the twenty-one (21) day period, it will be my personal, voluntary decision to do so.

5. Seven Day Period to Rescind the Release.

I understand that I may rescind (that is, cancel) this Release for any reason within seven (7) calendar days after I sign and deliver it to the Employer. I acknowledge and agree that if I timely rescind this Release that my resignation as a member of the Board of Directors of the Company shall remain effective as of the Transition Date, that my resignation as the Chief Executive Officer of the Company shall remain effective as of the Transition Date, and that I shall not be entitled to any severance or separation pay in connection with such resignations. I understand that my notice rescinding this agreement must be in writing and hand-delivered or mailed to the Employer. If mailed, my notice rescinding this agreement must be:

A. Postmarked within seven (7) days after I sign and deliver this agreement to the Employer;

B. Properly addressed to: Red Robin Gourmet Burgers, Inc.
Red Robin International, Inc.
6312 South Fiddler's Green Circle, Suite 200 North
Greenwood Village, CO 80111
Attention: Chief Legal Officer

and

C. Sent by certified mail, return receipt requested, postage pre-paid.

6. Mutual Non-Disparagement.

During my employment and for three (3) years following my termination of employment, (i) I agree that I will not, directly or indirectly, make or ratify any statement, public or private, oral or written, to any person that is intended to disparage, either professionally or personally, the Company or its parents, subsidiaries and affiliates, past and present, and each of them, as well as its and their trustees, directors and officers, agents, attorneys, and employees and (ii) the Company agrees that the Company and its subsidiaries and its directors and senior executives will not, directly or indirectly, make or ratify any statement, public or private, oral or written, to any person that is intended to disparage, either professionally or personally, me or my professional reputation. Nothing herein shall prohibit any party (1) from disclosing that I am no longer employed by the Company; (2) from responding truthfully to any governmental investigation, legal process or inquiry related thereto, (3) from making traditional competitive statements in the course of promoting a competing business (other than in violation of Sections 5 or 6 of the Employment Agreement); or (4) from making a good faith rebuttal of the other party's untrue or misleading statement.

7. Choice of Law.

This Release shall be deemed to have been executed and delivered within the State of Colorado, and my rights and obligations and the rights and obligations of the Employer hereunder shall be construed and enforced in accordance with, and governed by, the laws of the State of Colorado without regard to principles of conflict of laws.

8. Arbitration.

Any dispute or controversy arising out of interpretation or enforcement of this Release shall be resolved pursuant to the terms set forth in Section 15 of the Employment Agreement.

9. Severability.

If any provision of this Release is declared by any court of competent jurisdiction to be invalid for any reason, such invalidity shall not affect the remaining provisions. On the contrary, such remaining provisions shall be fully severable, and this Release shall be construed and enforced as if such invalid provisions never had been inserted in the Release.

RELEASOR

Stephen E. Carley

Date: _____

STATE OF)
COUNTY OF)ss:

Subscribed and sworn to me a Notary Public in and for the state of by this 8th day of August, 2016.

Notary Public in and for the State of
My commission expires:

AGREED AND ACCEPTED FOR EMPLOYER:

RED ROBIN GOURMET BURGERS, INC.
RED ROBIN INTERNATIONAL, INC.

By: _____
Title: _____
Date: _____

GENERAL RELEASE

1. **Definitions.**

I intend all words used by this Release to have their plain meanings in ordinary English. These terms shall have the following meanings:

- A. *I, me, my and Releasor* mean me and anyone who has or obtains any legal rights or claims through me.
- B. *Employer* means: (i) Red Robin Gourmet Burgers, Inc. and Red Robin International, Inc. (collectively, the “Company”), (ii) any company related to the Company in the past or present, (iii) limited to their capacities related to the Company, the past and present officers, directors, employees, shareholders, attorneys, agents and representatives of the Company, (iv) any present or past employee benefit plan sponsored by the Company and/or officers, directors, trustees, administrators, employees, attorneys, agents and representatives of such plan, (v) and any person (limited to his or her capacity related to the Company) who acted on behalf of the Company on instruction from the Company.
- C. *Employment Agreement* means that certain Employment Agreement dated as of August 11, 2010, between me and the Company, as amended by that certain First Amendment to Employment Agreement dated as of August 8, 2016, between me and the Company (collectively, the “**Employment Agreement**”).
- D. *My claims* means all of my rights to any relief of any kind from the Employer, including but not limited to:
1. All claims I now have, whether or not I now know about such claims, including all claims arising out of or relating to my past employment with Employer, the termination of that employment or statements or actions of the Employer including, but not limited to: breach of contract; defamation; infliction of emotional distress; wrongful discharge; workers’ compensation retaliation; violation of the Age Discrimination in Employment Act of 1967; Fair Labor Standards Act; Title VII of the Civil Rights Act of 1964; the Civil Rights Acts of 1866 and 1871; the Civil Rights Act of 1991; the Family and Medical Leave Act; the National Labor Relations Act; The Americans with Disabilities Act; COBRA; ERISA; the anti-discrimination laws of the state in which I reside and of any other state; the Wage Claim Act or corresponding statute of the state in which I reside; and/or any other federal, state or local statute, law, ordinance, regulation, order or principle of common law;
 2. All claims I have now, whether or not I know about the claims, for any type of relief from the Employer, including, but not limited to, all claims for back pay, front pay, lost benefits, reinstatement, liquidated damages, punitive damages, and damages for any alleged breach of contract, any tort claim and any alleged personal injury or emotional injury or damage; and

3. All claims for attorneys' fees (except as provided below) but excluding (i) my rights to indemnification (including advancement of attorneys' fees) and directors and officers liability insurance; (ii) my rights as a stockholder of the Company; (iii) my rights to any payment or benefit under any employee benefit plan, program or policy or equity incentive plan; and (iv) my rights to any vesting and exercise of any equity grant pursuant to the terms of such equity grant; and (v) any payment or reimbursement as provided for in the Employment Agreement.

2. Agreement to Release My Claims.

In exchange for my right to receive payments and other benefits under my Employment Agreement and for other good and valuable consideration the receipt and sufficiency is hereby acknowledged, including, without limitation, my continued receipt of full compensation during the Transition Term (as defined in my Employment Agreement), I agree to give up all My Claims against the Employer and give up all other actions, causes of action, claims or administrative complaints that I have against the Employer. I expressly release all claims (including, without limitation, for severance or severance pay) in connection with (i) my resignation as a member of the Board of Directors of the Company and/or my resignation as the Chief Executive Officer of the Company as of the Transition Date and (ii) with respect to my termination of employment as of the Retirement Date (as defined in the Employment Agreement). I will not bring any lawsuits or administrative claims against the Employer relating to the claims that I have released nor will I allow any lawsuits or claims to be brought or continued on my behalf or in my name. The money and other consideration I receive pursuant to my Employment Agreement is a full and fair payment for the release of My Claims and the Employer does not owe me anything further for My Claims. Separate from this agreement, I will also receive the Accrued Obligations (as defined in my Employment Agreement). My rights to receive the other payments and benefits due under my Employment Agreement shall be effective only after receipt by the Employer of this Release, signed by me and properly notarized, and after the expiration of the seven (7) day revocation period mentioned in Section 5, below. I understand that I will not receive any payments due me under my Employment Agreement (other than payment of the Accrued Obligations) if I revoke or rescind this Release, and in any event, until after the seven (7) day revocation period has expired.

I further agree to reimburse the Employer for any cost; loss; expense, including reasonable attorneys' fees; awards or judgments resulting from my failure to perform my obligations under this Release or from any misstatement or omission I have made in this Release.

3. Additional Agreement and Understandings.

Even though the Employer will pay me to settle and release My Claims, the Employer does not admit that it is legally obligated to me, and the Employer denies that it is responsible or legally obligated for My Claims or that it has engaged in any improper conduct or wrongdoing against me.

I have read this Release carefully and understand its terms. I am hereby being advised by the Employer to consult with an attorney prior to signing this Release. My decision to sign or not to sign this Release is my own voluntary decision made with full knowledge that the Employer has advised me to consult with an attorney. In agreeing to sign this Release, I have not relied on any statement or explanation of my rights or obligations made by the Employer or its attorneys.

I am old enough to sign this Release and to be legally bound by the agreements that I am making. I represent that I have not filed for personal bankruptcy or been involved in any personal bankruptcy

proceeding between the time any of My Claims accrued and date of my signature below. I am legally able and entitled to receive the entire sum of money being paid to me by the Employer in settlement of My Claims. I have not assigned or pledged any of My Claims or any portion of them to any third person. I am a resident of the State of Colorado and have executed this Release within the State of Colorado. I understand and agree that this Release contains all the agreements between the Employer and me relating to this settlement, and that it supersedes all prior negotiations and agreements relating to the subject matter hereof.

4. Twenty-One Day Period to Consider the Release.

I understand that I have twenty-one (21) days from the day that I receive this Release, not counting the day upon which I receive it, to consider whether I wish to sign this Release. If I cannot make up my mind in that time, the Employer may or may not allow more time. I acknowledge that if I sign this Release before the end of the twenty-one (21) day period, it will be my personal, voluntary decision to do so.

5. Seven Day Period to Rescind the Release.

I understand that I may rescind (that is, cancel) this Release for any reason within seven (7) calendar days after I sign and deliver it to the Employer. I understand that my notice rescinding this agreement must be in writing and hand-delivered or mailed to the Employer. If mailed, my notice rescinding this agreement must be:

A. Postmarked within seven (7) days after I sign and deliver this agreement to the Employer;

B. Properly addressed to: Red Robin Gourmet Burgers, Inc.
Red Robin International, Inc.
6312 South Fiddler's Green Circle, Suite 200 North
Greenwood Village, CO 80111
Attention: Chief Legal Officer

and

C. Sent by certified mail, return receipt requested, postage pre-paid.

6. Mutual Non-Disparagement.

For three (3) years following my termination of employment, (i) I agree that I will not, directly or indirectly, make or ratify any statement, public or private, oral or written, to any person that is intended to disparage, either professionally or personally, the Company or its parents, subsidiaries and affiliates, past and present, and each of them, as well as its and their trustees, directors and officers, agents, attorneys, and employees and (ii) the Company agrees that the Company and its subsidiaries and its directors and senior executives will not, directly or indirectly, make or ratify any statement, public or private, oral or written, to any person that is intended to disparage, either professionally or personally, me or my professional reputation. Nothing herein shall prohibit any party (1) from disclosing that I am no longer employed by the Company; (2) from responding truthfully to any governmental investigation, legal process or inquiry related thereto, (3) from making traditional competitive statements in the course of promoting a competing business (other than in violation of Sections 5 or 6 of the Employment Agreement); or (4) from making a good faith rebuttal of the other party's untrue or misleading statement.

7. Survival of Certain Provisions of Employment Agreement.

Sections 5 through 22 (excluding Sections 12 and 13) of the Employment Agreement shall survive the termination of my employment and are incorporated herein by reference as if fully set forth.

8. Choice of Law.

This Release shall be deemed to have been executed and delivered within the State of Colorado, and my rights and obligations and the rights and obligations of the Employer hereunder shall be construed and enforced in accordance with, and governed by, the laws of the State of Colorado without regard to principles of conflict of laws.

9. Arbitration.

Any dispute or controversy arising out of interpretation or enforcement of this Release shall be resolved pursuant to the terms set forth in Section 15 of the Employment Agreement.

10. Severability.

If any provision of this Release is declared by any court of competent jurisdiction to be invalid for any reason, such invalidity shall not affect the remaining provisions. On the contrary, such remaining provisions shall be fully severable, and this Release shall be construed and enforced as if such invalid provisions never had been inserted in the Release.

RELEASOR

Stephen E. Carley
Date: _____

STATE OF _____)
COUNTY OF _____)ss:

Subscribed and sworn to me a Notary Public in and for the state of by this ___ day of _____, 20__.

Notary Public in and for the State of _____
My commission expires: _____

AGREED AND ACCEPTED FOR EMPLOYER:

RED ROBIN GOURMET BURGERS, INC.
RED ROBIN INTERNATIONAL, INC.

By: _____
Title: _____
Date: _____

AMENDED & RESTATED EMPLOYMENT AGREEMENT

This AMENDED & RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is made as of this 8th day of August, 2016, by and between RED ROBIN GOURMET BURGERS, INC., a Delaware corporation (the "Company"), and Denny M. Post ("Executive").

RECITAL

WHEREAS, the parties desire to enter into this Agreement setting forth the terms and conditions for the employment relationship between Executive and the Company.

NOW, THEREFORE, in consideration of the promises and mutual covenants and agreements herein contained and intending to be legally bound hereby, the Company and Executive hereby agree as follows:

AGREEMENT

1. Employment Period. The Company, through its wholly-owned subsidiary, Red Robin International, Inc., a Nevada corporation ("RRI"), hereby employs Executive, and Executive hereby accepts such employment, upon the terms and conditions hereinafter set forth. The term of Executive's employment hereunder shall be deemed to have commenced on August 8, 2016 (the "Effective Date"), and shall continue indefinitely, subject to termination as provided herein (such term being referred to herein as the "Employment Period"). Executive and the Company acknowledge that, except as may otherwise be provided by this Agreement or under any other written agreement between Executive and the Company, the employment of Executive by the Company and RRI is "at will" and Executive's employment may be terminated by either Executive or the Company at any time for any reason, or no reason. RRI shall be the "employer" for tax, legal reporting, payroll processing and similar purposes.

2. Position and Duties.

(a) During the Employment Period, Executive shall be employed as and hold the titles of President and Chief Executive Officer of the Company, with such duties, authorities and responsibilities that are customary for public company chief executive officer positions. Executive will be the principal executive officer of the Company, and shall report to the Company's Board of Directors, which will include interfacing with the Chair of the Company's Board of Directors, and certain committees of the Board of Directors and their respective chairpersons from time to time (collectively, the "Board"). The Board may assign Executive such other duties, authorities and responsibilities that are not substantially inconsistent with her positions as Chief Executive Officer of the Company. Executive shall also become a member of the Board as of the Effective Date. Thereafter, during the Employment Period, the Board shall nominate Executive for re-election as a member of the Board at the expiration of the then current term, provided that the foregoing shall not be required to the extent prohibited by legal or regulatory requirements, or the current provisions of Section 6E of the Company's Certificate of Incorporation as in effect at any time or from time to time. During the Employment Period, Executive shall report only to the Board and all employees of the Company, RRI and the Company's subsidiaries shall report to Executive or her designee. For the avoidance of doubt,

the company may appoint another individual to serve as President of the Company and upon such appointment Executive shall (automatically and without further action) no longer serve as President of the Company and Executive acknowledges and agrees that she shall not have Good Reason with respect thereto.

(b) During the Employment Period, Executive shall devote substantially all of her skill, knowledge and working time to the business and affairs of the Company and its subsidiaries; provided that in no event shall this sentence prohibit Executive from (i) performing personal, charitable, civic, educational, professional, community or industry activities (ii) serving on the boards of directors of non-profit organizations and, with the prior written approval of the Board, other for profit companies, and (iii) managing Executive's passive personal investments, so long as such activities do not materially and adversely interfere with Executive's duties for the Company or otherwise violate the terms and conditions of this Agreement or the Company's policies in effect from time to time applicable to executive officers of the Company. Executive shall perform her services at the Company's headquarters, presently located in Greenwood Village, Colorado, subject to reasonably required travel in connection with the performance of her services hereunder or as reasonably requested by the Board. Executive shall use her best efforts to carry out her responsibilities under this Agreement faithfully and efficiently.

(c) In her position as Chief Executive Officer of the Company, Executive shall, subject to the oversight of the Board and the "Authorization Limits" established from time to time by the Board, have full authority and responsibility to manage the operation of the Company's restaurants and franchise system, including the hiring and discharge of employees of the Company and its subsidiaries, closing, selling, developing and opening restaurants as contemplated by the annual budget approved by the Board (the "Annual Plan"), establishing and administering the Company's marketing plan, making improvements in and refurbishing the Company's restaurants consistent with the capital expenditure budget in the Annual Plan, administering and managing the day-to-day operation of the restaurants, granting new franchises and administering and managing the franchise operations consistent with the Annual Plan.

3. Compensation.

(a) Base Salary. During the Employment Period, Executive shall receive from the Company an annual base salary ("Annual Base Salary") at the rate of \$700,000.00, with such salary to be adjusted at such times, if any, and in such amounts as determined by the Board and approved by the Compensation Committee of the Board of Directors of the Company (the "Compensation Committee"), provided, however, that Executive's Annual Base Salary shall not be decreased without Executive's prior written consent unless the annual salaries of all other Executive Officers are proportionately decreased, but in no event shall the Annual Base Salary be decreased by more than ten percent (10%) of Executive's Annual Base Salary then in effect. Executive's Annual Base Salary shall be subject to annual review by the Board during the Employment Term. The Company shall pay the Annual Base Salary to Executive in accordance with the Company's and RRI's normal payroll policy.

(b) Annual Incentive Compensation. In addition to the Annual Base Salary, Executive is eligible to receive an annual cash bonus each fiscal year during the Employment

Period as determined in accordance with the Company's annual incentive plan and as approved by the Compensation Committee (the "Annual Bonus"). For fiscal year 2016, Executive's target bonus shall be 120% of Executive's annual base salary (with such target applicable for the full fiscal year regardless of the Effective Date of this Agreement). Thus, for the avoidance of doubt, for the period commencing December 28, 2015 until the Effective Date, the Executive's target bonus shall be 120% of Executive's annual base salary prior to the Effective Date prorated by the number of days from December 28, 2015 until the Effective Date, and, for the period commencing on the Effective Date through December 25, 2016, the Executive's target bonus shall be 120% of Executive's Annual Base Salary on and following the Effective Date prorated by the number of days from the Effective Date through December 25, 2016. Through the 2017 fiscal year, the Annual Bonus shall be targeted at 120% of Executive's Annual Base Salary. Such target will be subject to adjustment by the Compensation Committee in fiscal year 2018 and later. The actual amount of any Annual Bonus shall depend on the level of achievement of the applicable performance criteria established with respect to the Annual Bonus by the Board and the Compensation Committee in their sole discretion.

(c) Long-Term Incentive Awards

(i) Sign-On Equity Awards. Executive will receive equity awards pursuant to the Company's Second Amended and Restated 2007 Performance Incentive Plan (the "2007 Plan") or the Company's new equity incentive award plan (subject to approval of such plan at the shareholder meeting in fiscal year 2017), as applicable, as follows (the "Sign-On Equity Awards"): (x) on October 3, 2016, a non-qualified stock option having a Black-Scholes grant date fair value of \$160,400, of which 25% shall vest on each of the first, second, third and fourth anniversaries of the date of grant, subject to continued employment through each such vesting date; (y) on October 3, 2016, time-vested restricted stock units having a grant date fair value of \$80,200, of which 25% shall vest on each of the first, second, third and fourth anniversaries of the date of grant, subject to continued employment through each such vesting date; and (z) during the first quarter of fiscal 2017, performance share units with a grant date fair value (at target) of \$1,050,000 (such PSU grant shall be subject to approval of the Company's new equity incentive award plan at the shareholder meeting in fiscal year 2017). The PSU award will cliff-vest at the end of a three-year performance cycle, generally subject to Executive's continued employment through the applicable vesting date, with the number of PSUs earned and issued to be determined based on achievement of three-year cumulative EBITDA and three-year average ROIC threshold, target or maximum performance objectives (with linear interpolation for performance achieved between these objectives). Specific EBITDA and ROIC targets will be approved by the Compensation Committee in the first quarter of fiscal year 2017, with the threshold, target, and maximum number of shares eligible for issuance under the PSU award to be consistent with past practice. The Sign-On Equity Awards shall be subject to the terms and conditions set forth in the Company's standard award agreement for the applicable type of award and shall be subject to the terms of the 2007 or the new equity incentive award plan, as applicable.

(ii) Generally. Beginning in fiscal year 2017, Executive shall have the opportunity to participate in the Company's long term incentive plan ("LTIP"), which will have a target value equal to 250% of Base Salary. It is expected that the annual LTIP grant will be comprised of the following types of awards: (i) service-based vesting stock options (40%), (ii)

service-based vesting RSUs (20%), and (iii) PSUs (40%). Notwithstanding anything to the contrary herein, for fiscal year 2017, the PSU award shall represent 60% of the target value of the fiscal year 2017 LTIP award (target value of \$1,050,000) as contemplated in Section 3(c)(i)(z) of this Agreement which represents the award of PSUs for fiscal year 2017 and an additional amount of PSUs for the fiscal year 2016 stub period. During the Employment Period, Executive shall be entitled to participate in such annual long term incentive awards as may be approved by the Board or the Compensation Committee from time to time in accordance with the Company's compensation plans.

(iii) For the avoidance of doubt, Executive's cash-based long-term incentive awards granted and outstanding as of the Effective Date will remain outstanding and will be paid in accordance with their existing terms.

(d) Other Benefits.

(i) Welfare and Benefit Plans. During the Employment Period: (A) Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs of the Company and RRI to the same extent as other senior executive employees, including, among other things, participation in the Company's Non-Qualified Deferred Compensation Plan; and (B) Executive and/or Executive's family, as the case may be, shall be eligible to participate in, and shall receive all benefits under, all welfare benefit plans, practices, policies and programs provided by the Company and RRI (including, to the extent provided, without limitation, medical, prescription, dental, disability, salary continuance, employee life insurance, group life insurance, accidental death and travel accident insurance plans and programs) to the same extent as other senior executive employees.

(ii) Expenses. During the Employment Period, Executive shall be entitled to receive prompt reimbursement for all reasonable travel and other expenses incurred by Executive in carrying out Executive's duties under this Agreement, provided that Executive complies with the policies, practices and procedures of the Company and RRI for submission of expense reports, receipts or similar documentation of the incurrence and purpose of such expenses (collectively referred to herein as "Expense Policies").

(iii) Paid Time Off. Executive shall be entitled to holidays and four (4) weeks of paid time off per calendar year in accordance with the Company's holiday and paid time off policies applicable to executive officers as in effect from time to time.

(iv) Car Allowance. During the Employment Period, Executive shall be paid a monthly car allowance in the gross amount of \$1,250.00.

(v) Payment of Legal and Financial Advisory Services Fees. Commencing as of the Effective Date through the one (1) year anniversary of the Effective Date, the Company shall pay or Executive shall be reimbursed for her reasonable legal and financial advisory services fees incurred during such period up to a maximum of \$30,000.

(e) Reservation of Rights. The Company reserves the right to modify, suspend or discontinue any and all of the employee benefit plans, practices, policies and programs referenced in subsections (d)(i), (ii) and (iii) above at any time without recourse by

Executive so long as such action is taken with respect to senior executives generally and does not single out Executive.

4. Termination.

(a) Death or Disability. Executive's employment and all associated rights and benefits shall terminate automatically upon Executive's death. If the Company determines in good faith that the Disability of Executive has occurred, it may give to Executive written notice of its intention to terminate Executive's employment. In such event, Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by Executive, provided that, within the 30 days after such receipt, Executive shall not have returned to full-time performance of her duties.

(b) Cause. The Company may terminate Executive's employment at any time for Cause.

(c) By the Company without Cause. The Company may terminate Executive's employment at any time without Cause.

(d) By Executive for Good Reason. Executive may terminate her employment at any time for Good Reason subject to the notice and cure provisions set forth in the definition thereof.

(e) Change in Control Event. Executive's employment may be terminated within twenty-four (24) months following the occurrence of a Change in Control Event by the Company without Cause or by Executive for Good Reason.

(f) Obligations of the Company Upon Termination.

(i) Death or Disability. If Executive's employment is terminated by reason of Executive's Death or Disability, this Agreement shall terminate without further obligations to Executive or her legal representatives under this Agreement, other than for (A) payment of (1) Executive's Annual Base Salary and any accrued but unused vacation through the date of termination to the extent not theretofore paid and reimbursement for any unreimbursed business expenses incurred through the date of termination, payable within 30 days of the effective date of termination; (2) any compensation previously deferred by Executive (together with any accrued interest or earnings thereon) payable pursuant to, and at such times as provided for by, such deferred compensation plan, program or policy; and (3) any payments, benefits or fringe benefits to which Executive shall be entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant or this Agreement, payable at such times as provided for by such plan, program or grant (the payments and benefits described clauses (1), (2) and (3) shall be hereinafter referred to as the "Accrued Obligations"); (B) any Annual Bonus earned but unpaid with respect to the fiscal year ending on or preceding the date of termination, payable at the time such Annual Bonus would have been paid if Executive was still employed with the Company; and (C) payment on the next Annual Bonus payment date immediately following the end of the fiscal year of the effective date of termination, payable at the time such Annual Bonus would have been paid if Executive was still employed with the Company, of a pro rata share (determined on the basis of the number of days

during which Executive was employed by the Company during the applicable fiscal year prior to the effective date of termination) of the Annual Bonus that would otherwise have been earned based on actual performance and be payable pursuant to Section 3(b) hereof had Executive continued to be employed by the Company on such Annual Bonus payment date.

(ii) Cause or Resignation other than with Good Reason. If Executive's employment is terminated by the Company for Cause or Executive resigns from her position as Chief Executive Officer of the Company without Good Reason, this Agreement shall terminate without further obligations to Executive other than for the payment of Accrued Obligations at the time or times described therefor in Section 4(f)(i). If it is subsequently determined that the Company did not have Cause for termination hereof or that Executive had Good Reason for termination, then the decision to terminate shall be deemed to have been made under Section 4(c) or Section 4(d) hereof, respectively, and the amounts payable under Section 4(f)(iii) hereof shall be the only amounts Executive may receive on account of her termination.

(iii) Termination upon or following a Change in Control Event, by the Company without Cause or by Executive for Good Reason. If Executive's employment terminates pursuant to Section 4(e) of this Agreement upon or following the occurrence of a Change in Control Event, the Company terminates Executive's employment for any reason other than for Cause (but not including death or Disability) or Executive terminates her employment for Good Reason, this Agreement shall terminate without further obligations to Executive other than:

(A) payment of (1) Accrued Obligations at the time or times described therefor in Section 4(f)(i) and (2) any Annual Bonus earned but unpaid with respect to the fiscal year ending on or preceding the date of termination, payable at the time such Annual Bonus would have been paid if Executive was still employed with the Company;

(B) (1) upon a Change in Control Event, a severance payment equal to two (2) times the sum of (x) Executive's Annual Base Salary and (y) the highest Annual Bonus amount earned by Executive for performance in the last three completed calendar years prior to the Change in Control Event for which bonuses have been paid or are payable (which Annual Bonus may be in the aggregate if Executive has earned more than one bonus payment for such calendar year), payable in substantially equal installments (such payments to be made in accordance with the Company's normal payroll practices) for the twenty-four (24) month period following the effective date of termination; or (2) upon a termination by Executive for Good Reason or by the Company other than for Cause (and that is not a Change in Control Event), continued payment of Executive's Annual Base Salary as in effect immediately prior to the date of termination (such payments to be made in accordance with the Company's normal payroll practices) for the twenty-four (24) month period following the effective date of termination;

(C) on the next Annual Bonus payment date immediately following the end of the fiscal year of the effective date of termination, payable at the time such Annual Bonus would have been paid if Executive was still employed with the Company, of the pro rata share (determined on the basis on the number of days during

which Executive served the Company during the applicable fiscal year prior to the effective date of termination) of the Annual Bonus that would otherwise have been earned and be payable had Executive continued to be employed by the Company on such Annual Bonus payment date, subject in each case to standard withholdings and other authorized deductions; and

(D) monthly payments (or reimbursement to Executive) of the cost of continuing coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") or otherwise, if COBRA does not apply, for Executive and her spouse under the Company's and RRI's then existing medical, dental and prescription insurance plans for a period of eighteen (18) months, provided that Executive elects such continuing coverage in accordance with the requirements of each such plan (provided that during any period when Executive is eligible to receive such benefits under any employer-provided plan or through any government-sponsored program such as Medicare, the benefits provided under this clause (D) may be made secondary to those provided under such other plan);

provided, however, that as conditions precedent to receiving the payments and benefits provided for in this Section 4(f)(iii) (other than payment of the Accrued Obligations), Executive shall first execute and deliver to the Company and RRI a general release agreement in a form that is satisfactory to the Company and RRI, and all rights of Executive thereunder or under applicable law to rescind or revoke the release shall have expired no later than the 60 days after the date of termination (the "Release Condition"). For the avoidance of doubt, the severance contemplated by Section 4(f)(iii)(B) shall be paid, subject to the satisfaction of the Release Condition, in substantially equal installments on regularly scheduled payroll dates beginning on the first regular payroll date that is sixty (60) days after Executive experiences a "separation from service" within the meaning of Section 409A(a)(2)(A)(i) of the Internal Revenue Code of 1986, as amended (the "Code"); provided, that such first payment shall be a lump sum payment equal to the amount of all payments due from the date of such termination through the date of such first payment. If Executive fails to timely execute the general release, all payments and benefits set forth in this Section 4(f)(iii) (other than the payment of the Accrued Obligations) shall be forfeited.

(iv) Exclusive Remedy. Executive agrees that the payments contemplated by this Section 4(f) shall constitute the exclusive and sole remedy for any termination of her employment, and Executive covenants not to assert or pursue any other remedies, at law or in equity, with respect to any termination of employment; provided, however, that nothing contained in this Section 4(f)(iv) shall prevent Executive from otherwise challenging in a subsequent arbitration proceeding a determination by the Company that it was entitled to terminate Executive's employment hereunder for Cause.

(v) Termination of Payments. Anything in this Agreement to the contrary notwithstanding, the Company shall have the right to terminate all payments and benefits owing to Executive pursuant to this Section 4(f) upon the Company's discovery of any breach or threatened breach by Executive of her obligations under the general release or Sections 5, 6, 7 and 8 of this Agreement.

(vi) Resignation as Officer or Director Upon Termination. Upon termination of Executive's employment with the Company for any reason whatsoever, Executive shall thereupon be deemed to have immediately resigned from any positions with the Company and all of its subsidiaries and affiliates, whether as an officer, director, employee, fiduciary or otherwise. In such event, Executive shall, at the request of the Company, execute any documents reasonably required to evidence such resignations.

(g) Survival of Certain Obligations Following Termination. Notwithstanding any other provision contained in this Agreement, the provisions in Sections 5 through 11 and 14 through 21 of this Agreement shall survive any termination of Executive's employment hereunder (but shall be subject to Executive's right to receive the payments and benefits provided under this Section 4).

5. Confidential Information. Except in the good-faith performance of her duties hereunder, Executive shall not disclose to any person or entity or use, any information not in the public domain, in any form, acquired by Executive while she was employed or associated with the Company or RRI or, if acquired following the termination of such association, such information which, to Executive's knowledge, has been acquired, directly or indirectly, from any person or entity owing a duty of confidentiality to the Company or RRI, relating to the Company or its business. Executive agrees and acknowledges that all of such information, in any form, and copies and extracts thereof are and shall remain the sole and exclusive property of the Company, and Executive shall on request return to the Company the originals and all copies of any such information provided to or acquired by Executive in connection with her association with the Company or RRI, and shall return to the Company all files, correspondence and/or other communications received, maintained and/or originated by Executive during the course of such association.

6. Covenant Not to Compete. Executive agrees that, for the period commencing on the Effective Date and ending twenty-four (24) months after the date of termination of Executive's employment with the Company (the "Restrictive Period"), Executive shall not directly or indirectly, either for herself or for, with or through any other Person, own, manage, operate, control, be employed by, participate in, loan money to or be connected in any manner with, or permit her name to be used by, either (i) any business that, in the reasonable judgment of the Board, competes with the Company and its subsidiaries in the burger focused restaurant business in (x) the United States, (y) the Canadian provinces of Alberta and British Columbia, or (z) any other country, province or territory in which the Company conducts business as of the date Executive's employment terminates, or (ii) the following casual dining and brew-centric restaurant concepts (and their successors): Chili's, Applebee's, Ruby Tuesday, TGIFridays, Texas Roadhouse, BJ's, Yardhouse, Millers Ale House and Brickhouse ("Competitive Activity"). In making its judgment as to whether any business is engaged in a burger focused Competitive Activity, the Board shall act in good faith, and shall first provide Executive with a reasonable opportunity to present such information as Executive may desire for the Board's consideration. For purposes of this Agreement, the term "participate" includes any direct or indirect interest, whether as an officer, director, employee, partner, sole proprietor, trustee, beneficiary, agent, representative, independent contractor, consultant, advisor, provider of personal services, creditor, owner (other than by ownership of less than five percent of the stock

of a publicly-held corporation whose stock is traded on a national securities exchange (a "Public Company").

7. No Interference. During the Restrictive Period, Executive shall not, without the prior written approval of the Company, directly or indirectly through any other Person (a) induce or attempt to induce any employee of the Company or RRI at the level of Assistant Store Manager or higher in restaurant operations or the level of Director or higher at the Company's home office to leave the employ of the Company or RRI, or in any way interfere with the relationship between the Company or RRI and any employee thereof, (b) hire any Person who was an employee of the Company or RRI at the level of Assistant Store Manager or higher in restaurant operations or the level of Director or higher at the Company's home office within twelve months after such Person's employment with the Company or RRI was terminated for any reason or (c) induce or attempt to induce any supplier or other business relation of the Company or RRI to cease doing business with the Company or RRI, or in any way interfere with the relationship between any such supplier or business relation and the Company or RRI.

8. Return of Documents. In the event of the termination of Executive's employment for any reason, Executive shall deliver to the Company all of (a) the property of the Company or any of its subsidiaries, and (b) non-personal documents and data of any nature and in whatever medium of the Company or any of its subsidiaries, and she shall not take with her any such property, documents or data or any reproduction thereof, or any documents containing or pertaining to any Confidential Information.

9. Reasonableness of Restrictions. Executive agrees that the covenants set forth in Sections 5, 6, 7 and 8 are reasonable with respect to their duration, geographical area and scope. In the event that any of the provisions of Sections 5, 6, 7 and 8 relating to the geographic or temporal scope of the covenants contained therein or the nature of the business or activities restricted thereby shall be declared by a court of competent jurisdiction to exceed the maximum restrictiveness such court deems enforceable, such provision shall be deemed to be replaced herein by the maximum restriction deemed enforceable by such court.

10. Injunctive Relief. The parties hereto agree that the Company would suffer irreparable harm from a breach by Executive of any of the covenants or agreements contained herein, for which there is no adequate remedy at law. Therefore, in the event of the actual or threatened breach by Executive of any of the provisions of this Agreement, the Company, or its respective successors or assigns, may, in addition and supplementary to other rights and remedies existing in their favor, apply to any court of law or equity of competent jurisdiction for specific performance, injunctive or other relief (without the necessity of posting bond or security) in order to enforce compliance with, or prevent any violation of, the provisions hereof; and that, in the event of such a breach or threat thereof, the Company shall be entitled to obtain a temporary restraining order and/or a preliminary or permanent injunction restraining Executive from engaging in activities prohibited hereby or such other relief as may be required to specifically enforce any of the covenants contained herein.

11. Extension of Restricted Periods. In addition to the remedies the Company may seek and obtain pursuant to this Agreement, the restricted periods set forth herein shall be

extended by any and all periods during which Executive shall be found by a court to have been in violation of the covenants contained herein.

12. Stock Ownership Requirement. While employed by the Company, Executive shall be expected to maintain ownership of common stock or stock equivalents in such amounts and on such terms and conditions as are set forth in the Company's Executive Stock Ownership Guidelines established by the Compensation Committee and in effect from time to time (the "Ownership Guidelines"). Executive is expected to meet the ownership requirements set forth in the Ownership Guidelines within the time period stated in the Ownership Guidelines. In the event Executive is unable to meet her ownership requirements within the defined time period, Executive shall retain all net after tax profit shares following option exercise and/or the vesting of restricted stock units until Executive has satisfied the requirements set forth in this Section 12. No additional liability shall apply to Executive if Executive fails to satisfy the stock ownership requirements set forth in this Section 12.

13. Definitions. As used herein, unless the context otherwise requires, the following terms have the following respective meanings:

"Cause" means with respect to the termination by the Company of Executive as an employee of the Company:

- (i) Executive's continual or deliberate neglect in the performance of her material duties;
- (ii) Executive's failure to devote substantially all of her working time to the business of the Company and its subsidiaries (other than as expressly permitted in this Agreement);
- (iii) Executive's failure to follow the lawful directives of the Board in any material respect;
- (iv) Executive's engaging in misconduct in connection with the performance of any of her duties, including, without limitation, falsifying or attempting to falsify documents, books or records of the Company or its subsidiaries, misappropriating or attempting to misappropriate funds or other property, or securing or attempting to secure any personal profit in connection with any transaction entered into on behalf of the Company or its subsidiaries;
- (v) the violation by Executive, in any material respect, of any policy or of any code or standard of behavior or conduct generally applicable to employees of the Company or its subsidiaries;
- (vi) Executive's breach of the material provisions of this Agreement or any other non-competition, non-interference, non-disclosure, confidentiality or other similar agreement executed by Executive with the Company or any of its subsidiaries or other act of disloyalty to the Company or any of its subsidiaries (including, without limitation, aiding a competitor or unauthorized disclosure of confidential information); or

(vii) Executive's engaging in conduct which is reasonably likely to result in material injury to the reputation of the Company or any of its subsidiaries, including, without limitation, commission of a felony, fraud, embezzlement or other crime involving moral turpitude;

provided, that a termination for Cause by the Company of any of the events described in clauses (i), (ii), (iv) and (v) above shall only be effective on 10 days advance written notification, providing Executive the opportunity to cure, if reasonably capable of cure within said 10-day period; provided, however, that no such notification is required if the Cause event is not reasonably capable of cure or the Board determines that its fiduciary obligation requires it to effect a termination of Executive for Cause immediately. Notwithstanding the preceding sentence, the Board may suspend Executive while it conducts a good faith inquiry of whether grounds for Cause exist.

“Change in Control Event” means:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (a “Person”)) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50% or more of either (1) the then-outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (2) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that, for purposes of this definition, the following acquisitions shall not constitute a Change in Control Event; (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any affiliate of the Company or a successor, or (D) any acquisition by any entity pursuant to a transaction that complies with subsections (iii)(A), (B) and (C) below;

(ii) In the event the Board is a classified board, a majority of the individuals who serve in the same class of directors that constitute the Board as of the Effective Date (the “Incumbent Board”) cease for any reason to constitute at least a majority of that class of directors, or in the event the Board is not a classified board, members of the Incumbent Board cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board (including for these purposes, the new members whose election or nomination was so approved, without counting the member and her predecessor twice) shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(iii) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the Company or any of its

Subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its Subsidiaries (each, a "Business Combination"), in each case unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets directly or through one or more subsidiaries (a "Parent")) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any entity resulting from such Business Combination or a Parent or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination or Parent) beneficially owns, directly or indirectly, more than 50% of, respectively, the then-outstanding shares of common stock of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that the ownership in excess of more than 50% existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors or trustees of the entity resulting from such Business Combination or a Parent were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company;

provided, however, that any of the foregoing events shall constitute a Change in Control Event only if Executive's employment with the Company as Chief Executive Officer of the Company is terminated by the Company without Cause or Executive voluntarily terminates for Good Reason on or within twenty-four (24) months following such Change of Control Event.

"Disability" means a physical or mental impairment which substantially limits a major life activity of Executive and which renders Executive unable to perform the essential functions of her position, even with reasonable accommodation which does not impose an undue hardship on the Company. The Company reserves the right, in good faith, to make the determination of disability under this Agreement based upon information supplied by Executive and/or her medical personnel, as well as information from medical personnel (or others) selected by the Company or its insurers.

"Good Reason" shall mean the occurrence, without Executive's express written consent, of: (i) a reduction in Executive's compensation other than as permitted pursuant to Section 3 hereof; (ii) a relocation of the Company's headquarters to a location more than twenty (20) miles from the location of the Company's headquarters prior to such relocation; (iii) any willful breach by the Company of any material provision of this Agreement; or (iv) a significant reduction in the then-effective responsibilities of the Chief Executive Officer of the Company; provided that Executive gives written notice to the Company of the existence of such a condition

within ninety (90) days of the initial existence of the condition, the Company has at least 30 days from the date when such notice is provided to cure the condition without being required to make payments due to termination by the Company for Good Reason (the "Cure Period"), and the Executive actually terminates her employment for Good Reason within thirty (30) days after the expiration of the Cure Period. For the avoidance of doubt, in the event the Board appoints someone to succeed Executive as President of the Company, Executive acknowledges and agrees that any such appointment shall not constitute "Good Reason" so long as Executive remains the Chief Executive Officer of the Company.

14. Arbitration. Except as otherwise provided herein, any controversy arising out of or relating to this Agreement, its enforcement or interpretation, or because of an alleged breach, default, or misrepresentation in connection with any of its provisions, or any other controversy arising out of Executive's employment, including, but not limited to, any state or federal statutory or common law claims, shall be submitted to arbitration in Denver, Colorado, before a sole arbitrator selected from Judicial Arbitrator Group, Inc., Denver, Colorado, or its successor ("JAG"), or if JAG is no longer able to supply the arbitrator, such arbitrator shall be selected from the Judicial Arbitration and Mediation Services, Inc. ("JAMS"), or other mutually agreed upon arbitration provider, as the exclusive forum for the resolution of such dispute. Provisional injunctive relief may, but need not, be sought by either party to this Agreement in a court of law while arbitration proceedings are pending, and any provisional injunctive relief granted by such court shall remain effective until the matter is finally determined by the Arbitrator. Final resolution of any dispute through arbitration may include any remedy or relief which the Arbitrator deems just and equitable, including any and all remedies provided by applicable state or federal statutes. At the conclusion of the arbitration, the Arbitrator shall issue a written decision that sets forth the essential findings and conclusions upon which the Arbitrator's award or decision is based. Any award or relief granted by the Arbitrator hereunder shall be final and binding on the parties hereto and may be enforced by any court of competent jurisdiction. The parties acknowledge and agree that they are hereby waiving any rights to trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other in connection with any matter whatsoever arising out of or in any way connected with this Agreement or Executive's employment, and under no circumstances shall class claims be processed or participated in by Executive. The parties agree that Company shall be responsible for payment of the forum costs of any arbitration hereunder, including the Arbitrator's fee. Executive and the Company further agree that in any proceeding to enforce the terms of this Agreement, the prevailing party shall be entitled to its or her reasonable attorneys' fees and costs incurred by it or her in connection with resolution of the dispute in addition to any other relief granted.

15. Governing Law. This Agreement and the legal relations hereby created between the parties hereto shall be governed by and construed under and in accordance with the internal laws of the State of Colorado, without regard to conflicts of laws principles thereof. Each Participant shall submit to the venue and personal jurisdiction of the Colorado state and federal courts concerning any dispute for which judicial redress is permitted pursuant to this Agreement; however the Company is not limited in seeking relief in those courts.

16. Taxes.

(a) Except as otherwise provided in Section 20, and to the extent specifically provided in Section 17, Executive shall be solely liable for Executive's tax consequences of compensation and benefits payable under this Agreement, including any consequences of the application of Section 409A of the Code.

(b) In order to comply with all applicable federal or state income tax laws or regulations, the Company may withhold from any payments made under this Agreement all applicable federal, state, city or other applicable taxes.

17. Section 409A Savings Clause.

(a) It is the intention of the parties that compensation or benefits payable under this Agreement not be subject to the additional tax imposed pursuant to Section 409A of the Code, and this Agreement shall be interpreted accordingly. To the extent such potential payments or benefits could become subject to additional tax under such Section, the parties shall cooperate to amend this Agreement with the goal of giving Executive the economic benefits described herein in a manner that does not result in such tax being imposed.

(b) Each payment or benefit made pursuant to Section 4(f) of this Agreement shall be deemed to be a separate payment for purposes of 409A. In addition, payments or benefits pursuant to Section 4(f) shall be exempt from the requirements of Code Section 409A to the maximum extent possible as "short-term deferrals" pursuant to Treasury Regulation Section 1.409A-1(b)(4), as involuntary separation pay pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii), and/or under any other exemption that may be applicable, and this Agreement shall be construed accordingly.

(c) For purposes of this Agreement, phrases such as "termination of employment" shall be deemed to mean "separation from service," as defined in Section 409A of the Code and the Treasury Regulations thereunder.

(d) If Executive is a specified employee within the meaning of Section 409A(a)(2)(B)(i) of the Code and would receive any payment sooner than 6 months after Executive's "separation from service" that, absent the application of this Section 17(d), would be subject to additional tax imposed pursuant to Section 409A of the Code as a result of such status as a specified employee, then such payment shall instead be payable on the date that is the earliest of (i) 6 months after Executive's "separation from service," or (ii) Executive's death.

18. Entire Agreement. This Agreement (including Exhibits) constitutes and contains the entire agreement and final understanding concerning Executive's employment with the Company and the other subject matters addressed herein between the parties. It is intended by the parties as a complete and exclusive statement of the terms of their agreement. It supersedes and replaces all prior negotiations and all agreements proposed or otherwise, whether written or oral, concerning the subject matter hereof. Any representation, promise or agreement not specifically included in this Agreement shall not be binding upon or enforceable against either party. This is a fully integrated agreement.

19. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Board (or a person expressly authorized thereby) and Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

20. Excise Tax Payment

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (a "Payment") including, by example and not by way of limitation, acceleration (by the Company or otherwise) of the date of vesting or payment under any plan, program, arrangement or agreement of the Company, would be subject to the excise tax imposed by Code Section 4999 or any interest or penalties with respect to such excise tax (such excise tax together with any such interest and penalties, shall be referred to as the "Excise Tax"), then there shall be made a calculation under which such Payments provided to Executive are reduced to the extent necessary so that no portion thereof shall be subject to the Excise Tax (the "4999 Limit"). A comparison shall then be made between (A) Executive's Net After-Tax Benefit (as defined below) assuming application of the 4999 Limit; and (B) Executive's Net After-Tax Benefit without application of the 4999 Limit. If (B) exceeds (A) by \$100,000 or more, then no limit on the Payments received by Executive under this Agreement shall be imposed by this Section 21. Otherwise, the amount payable to Executive pursuant to this Agreement shall be reduced so that no such Payment is subject to the Excise Tax. "Net After-Tax Benefit" shall mean the sum of (x) all payments that Executive receives or is entitled to receive from the Company that are contingent on a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company within the meaning of Section 280G(b)(2) of the Code (either, a "Section 280G Transaction"), less (y) the amount of federal, state, local and employment taxes and Excise Tax (if any) imposed with respect to such payments.

(b) All determinations required to be made under this Section 20, including whether and when a Payment is cut back pursuant to Section 20(a) and the amount of such cut-back, and the assumptions to be utilized in arriving at such determination, shall be made by a professional services firm designated by the Board that is experienced in performing calculations under Section 280G (the "Professional Services Firm") which shall provide detailed supporting calculations both to the Company and Executive. If the Professional Services Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control Event, the Board shall appoint another qualified professional services firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Professional Services Firm hereunder). All fees and expenses of the Professional Services Firm shall be borne solely by the Company.

(c) In the event that a reduction in Payments is required pursuant to this Section, then, except as provided below with respect to Payments that consist of health and welfare benefits, the reduction in Payments shall be implemented by determining the "Parachute Payment Ratio" (as defined below) for each Payment and then reducing the Payments in order beginning with the Payment with the highest Parachute Payment Ratio. For Payments with the same Parachute Payment Ratio, such Payments shall be reduced based on the time of payment of

such Payments, with amounts being paid furthest in the future being reduced first. For Payments with the same Parachute Payment Ratio and the same time of payment, such Payments shall be reduced on a pro-rata basis (but not below zero) prior to reducing Payments next in order for reduction. For purposes of this Section, "Parachute Payment Ratio" shall mean a fraction, the numerator of which is the value of the applicable Payment as determined for purposes of Code Section 280G, and the denominator of which is the financial present value of such Parachute Payment, determined at the date such payment is treated as made for purposes of Code Section 280G (the "Valuation Date"). In determining the denominator for purposes of the preceding sentence (1) present values shall be determined using the same discount rate that applies for purposes of discounting payments under Code Section 280G; (2) the financial value of payments shall be determined generally under Q&A 12, 13 and 14 of Treasury Regulation 1.280G-1; and (3) other reasonable valuation assumptions as determined by the Company shall be used. Notwithstanding the foregoing, Payments that consist of health and welfare benefits shall be reduced after all other Payments, with health and welfare Payments being made furthest in the future being reduced first. Upon any assertion by the Internal Revenue Service that any such Payment is subject to the Excise Tax, Executive shall be obligated to return to the Company any portion of the Payment determined by the Professional Services Firm to be necessary to appropriately reduce the Payment so as to avoid any such Excise Tax.

21. Clawback. Executive acknowledges that any incentive compensation contemplated under this Agreement shall be subject to the Company's clawback policies, including without limitation any policy adopted to the extent required by applicable law or written company policy adopted to implement the requirements of such law (including without limitation Section 304 of the Sarbanes Oxley Act and Section 954 of the Dodd Frank Act.

22. Miscellaneous.

(a) Binding Effect. This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive, the Company and their respective heirs, successors and assigns, except that Executive may not assign her rights or delegate her obligations hereunder without the prior written consent of the Company.

(b) Notices. All notices required to be given hereunder shall be in writing and shall be deemed to have been given if (i) delivered personally or by documented courier or delivery service, (ii) transmitted by facsimile during normal business hours or (iii) mailed by registered or certified mail (return receipt requested and postage prepaid) to the following listed persons at the addresses and facsimile numbers specified below, or to such other persons, addresses or facsimile numbers as a party entitled to notice shall give, in the manner hereinabove described, to the others entitled to notice:

If to the Company, to:

Red Robin Gourmet Burgers, Inc.
6312 South Fiddler's Green Circle, Suite 200N
Greenwood Village, CO 80111
Attention: Chair of the Board of Directors and Chief Legal Officer
Facsimile No.: 303-846-6048

with a copy to:

Robert C. Fleder, Esq.
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019-6064
Facsimile No.: 212-757-3990

If to Executive, to:

To Executive's last known address as reflected in the Company's records, or to such other address as Executive shall designate by written notice to the Company.

with a copy to:

Dennis D. Murrell, Esq.
Middleton Reutlinger, PSC
401 South Fourth Street, Suite 2600
Louisville, KY 40202
Facsimile No.: 502-588-1918

If given personally or by documented courier or delivery service, or transmitted by facsimile, a notice shall be deemed to have been given when it is received. If given by mail, it shall be deemed to have been given on the third business day following the day on which it was posted.

(c) Headings. The section and other headings contained in this Agreement are for the convenience of the parties only and are not intended to be a part hereof or to affect the meaning or interpretation hereof.

(d) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(e) Construction. Each party has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any party on the basis that the party was the drafter.

(f) Savings Clause. If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the Agreement which can be given effect without the invalid provisions or applications and to this end the provisions of this Agreement are declared to be severable. Subject to the foregoing, upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect

the original intent of the parties as closely as possible in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent reasonably practicable.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

RED ROBIN GOURMET BURGERS, INC.

By: /s/ Michael L. Kaplan
Name: Michael L. Kaplan
Title: Senior Vice President and Chief Legal
Officer

EXECUTIVE:

By: /s/ Denny Marie Post
Name: Denny Marie Post

[Signature Page to Amended and Restated Employment Agreement]

Red Robin Gourmet Burgers Reports Results for the Fiscal Second Quarter Ended July 10, 2016

Investor Conference Call Moved Up To 8:30 a.m. Eastern Time on August 9

Greenwood Village, CO – August 8, 2016 – Red Robin Gourmet Burgers, Inc., (NASDAQ: RRGB), a casual dining restaurant chain serving an innovative selection of high-quality gourmet burgers in a family-friendly atmosphere, today reported financial results for the quarter ended July 10, 2016.

Second Quarter 2016 Financial Highlights Compared to Second Quarter 2015

- Total revenues were \$305.5 million, an increase of 4.3%
- Comparable restaurant revenue decreased 3.2% (using constant currency rates)
- Restaurant-level operating profit margin was 20.9% compared to 22.5% (see Schedule II)
- Adjusted EBITDA was \$34.5 million compared to \$35.0 million (see Schedule III)
- Net income was \$7.6 million compared to \$11.2 million. Adjusted net income was \$10.3 million (see Schedule I)
- GAAP earnings per diluted share were \$0.55 compared to \$0.78. Adjusted earnings per diluted share were \$0.75 (see Schedule I)
- The Company repurchased \$20 million of its common stock

Net income for the second quarter ended July 10, 2016, was \$7.6 million compared to \$11.2 million for the same period a year ago. Earnings per diluted share for the second quarter 2016 were \$0.55 compared to \$0.78 in second quarter 2015. Year to date net income for the twenty-eight weeks ended July 10, 2016, was \$21.8 million compared to \$27.7 million for the same period a year ago. Year to date earnings per diluted share for the twenty-eight weeks ended July 10, 2016, were \$1.59 compared to \$1.94 a year ago.

Excluding the impact of a charge of \$0.20 per diluted share for restaurant impairment, adjusted earnings per diluted share for the second quarter ended July 10, 2016, were \$0.75 compared to \$0.78 for the same period a year ago. Year to date adjusted net income for the twenty-eight weeks ended July 10, 2016, was \$27.9 million, an increase of 3.9% from \$26.8 million for the same period a year ago. See Schedule I for a reconciliation of adjusted net income and adjusted earnings per share (each, a non-GAAP financial measure) to net income and earnings per share, respectively.

“While Red Robin’s overall results during the second quarter fell short of our expectations, we anticipate that our relative performance will improve by the fourth quarter of this year and we will regain market share,” said Steve Carley, Red Robin Gourmet Burgers, Inc. chief executive officer. “Given the challenges facing our industry, we are addressing immediate opportunities by focusing on things we can control. These include increasing speed of service, accentuating everyday value, and fostering more ‘top of mind’ awareness through local marketing initiatives and a new media campaign that will launch in the fourth quarter with incremental spending in select, high penetration markets. We will also remain disciplined in allocating capital, investing in initiatives to improve performance and open new restaurants while returning excess cash to shareholders via stock repurchases.”

Operating Results

Total Company revenues, which primarily include Company-owned restaurant revenue and franchise royalties, increased 4.3% to \$305.5 million in the second quarter of 2016 from \$293.0 million in the second quarter of 2015. Restaurant revenues increased \$23.7 million due to new restaurant openings and acquired restaurants, partially offset by a \$9.5 million, or 3.4%, decrease in comparable restaurant revenue, which included a \$0.5 million, or 0.2%, unfavorable foreign exchange impact, and \$0.8 million from closed restaurants. Franchise and other revenue decreased \$0.8 million, primarily driven by a decrease the number of franchisees from the same period a year ago.

System-wide restaurant revenue (including franchised units) for the second quarter of 2016 totaled \$366.0 million, compared to \$363.2 million for the second quarter in 2015.

Using constant currency rates, comparable revenue decreased 3.2% in the second quarter of 2016 compared to the same period a year ago, driven by a 3.9% decrease in guest counts, which was partially offset by a 0.7% increase in average guest check. Comparable restaurants are those Company-owned restaurants that have operated five full quarters during the period presented, and such restaurants are only included in the comparable metrics if they are comparable for the entirety of both periods presented.

Restaurant-level operating profit margin (a non-GAAP financial measure) was 20.9% in the second quarter of 2016 compared to 22.5% in the same period a year ago. The 160 basis point margin decrease in the second quarter of 2016 resulted from a 160 basis point increase in labor costs, a 110 basis point increase in other restaurant operating expenses, and a 30 basis point increase in occupancy costs, partially offset by a 140 basis point decrease in cost of sales. Schedule II of this earnings release defines restaurant-level operating profit, discusses why it is a useful metric for investors, and reconciles this metric to income from operations and net income.

Restaurant Revenue Performance ⁽¹⁾

	<u>Q2 2016</u>	<u>Q2 2015</u>
Average weekly sales per unit:		
Company-owned – Total ⁽²⁾	\$ 55,912	\$ 58,208
Company-owned – Comparable ⁽²⁾	\$ 56,373	\$ 58,171
Franchised units – Comparable	\$ 61,866	\$ 63,750
Total operating weeks:		
Company-owned units	5,372	4,916
Franchised units	1,032	1,188

(1) Excludes Red Robin Burger Works[®] fast casual restaurants, which had 132 and 120 total operating weeks in the second quarter of 2016 and 2015.

(2) Calculated using constant currency rates. Using historical currency rates, the average weekly sales per unit in the second quarter of 2015 for Company-owned – Total and Company-owned – Comparable was \$58,321 and \$58,285.

Other Results

Depreciation and amortization costs increased to \$19.2 million in the second quarter of 2016 from \$17.3 million in the second quarter of 2015. The increased depreciation was primarily related to new restaurants opened and acquired since the second quarter 2015 and restaurants remodeled under the Brand Transformation Initiative.

General and administrative costs were \$20.0 million, or 6.5% of total revenues, in the second quarter of 2016, compared to \$23.0 million, or 7.9% of total revenues in the same period a year ago. The decrease of \$3.0 million resulted primarily from decreased incentive compensation and professional services.

Selling expenses were \$11.0 million, or 3.6% of total revenues, in the second quarter of 2016, compared to \$11.1 million, or 3.8%, of total revenues during the same period in the prior year.

Pre-opening costs were \$2.2 million in the second quarter of 2016, compared to \$1.4 million in the same period a year ago. The increase was primarily due to timing of restaurant openings.

The Company had an effective tax rate of 15.4% in the second quarter of fiscal year 2016, compared to a 28.3% effective tax rate in the same period a year ago.

Restaurant Development and Acquisitions

As of the end of the second quarter of 2016, there were 449 Company-owned Red Robin[®] restaurants, 11 Red Robin Burger Works[®], and 86 franchised Red Robin restaurants, for a total of 546 restaurants. During the second quarter, the Company opened seven Red Robin restaurants and relocated one Red Robin restaurant.

Under the Brand Transformation Initiative, the Company completed 30 restaurant remodels during the second quarter 2016. The Company has over 390 restaurants conforming to its new brand standards, including new restaurant openings, and will substantially complete the remodeling of Company-owned restaurants by the end of 2016.

Balance Sheet and Liquidity

On June 30, 2016, the Company replaced its existing credit facility with a new Credit Agreement that provides a \$400 million revolving line of credit.

During the second quarter of 2016, the Company purchased 388,913 shares of the Company's common stock for \$20.0 million. As of July 10, 2016, there was approximately \$80.0 million remaining under the current board authorization for stock repurchases.

As of July 10, 2016, the Company had cash and cash equivalents of \$25.9 million and total debt of \$305.1 million, including \$11.7 million of capital lease liabilities. The Company funded the share repurchases, restaurant remodels, construction of new restaurants, and other capital expenditures with cash flow from operations and incremental borrowings of \$39.0 million on its credit facility during the second quarter 2016. As of July 10, 2016, the Company had outstanding borrowings under its credit facility of \$292.5 million, in addition to amounts issued under letters of credit of \$8.5 million, which reduce the amount available under its credit facility but were not recorded as debt.

Outlook for 2016

Red Robin's 2016 fiscal year consists of 52 weeks, which will end on December 25, 2016 ("2016").

The Company expects total revenues to grow around 5.0% in 2016, driven by increased operating weeks associated with locations opened and acquired in 2015 and 2016, partially offset by lower comparable restaurant revenue of almost 2.0%. The Company plans to open approximately 24 new Red Robins and three Burger Works in 2016.

Restaurant-level operating profit margin in fiscal year 2016 is expected to be around 21.0%.

General and administrative costs are expected to be between \$94 million and \$96 million, while selling expenses are expected to be approximately 3.2% of total revenues. Pre-opening and acquisition costs are expected to total near \$8.5 million in fiscal year 2016.

Depreciation and amortization is projected to be between \$83 million and \$85 million.

Interest expense is expected to be approximately \$7 million, while the income tax rate in fiscal year 2016 is expected to be between 20.0% and 21.0%.

Adjusted earnings before interest, taxes and depreciation (EBITDA) is expected to range between \$145 million and \$150 million in 2016. EBITDA is a non-GAAP number and defined in Schedule III.

The Company expects capital investments between \$190 million and \$195 million, which includes the 13 restaurants acquired in the first quarter. In addition to new restaurant openings, the Company expects to remodel around 70 locations as part of its Brand Transformation Initiative, with 62 locations completed as of the end of the second quarter.

The sensitivity of the Company's earnings per diluted share to a 1% change in guest counts for fiscal year 2016 is estimated to be \$0.40 on an annualized basis. Additionally, a 10 basis point change in restaurant-level operating profit margin is expected to impact earnings per diluted share by approximately \$0.10, and a change of approximately \$135,000 in pre-tax income or expense is equivalent to approximately \$0.01 per diluted share.

Investor Conference Call and Webcast

Red Robin will host an investor conference call to discuss its second quarter 2016 results on August 9, 2016 at 8:30 a.m. ET. The conference call number is (888) 205-6705, or for international callers (913) 312-1378. The financial information that the Company intends to discuss during the conference call is included in this press release and will be available in the "Company" section of the Company's website at www.redrobin.com by selecting the "Investor Relations" link, then the "News Releases" link. Prior to the conference call, the Company will post supplemental financial information that will be discussed during the call and live webcast.

To access the supplemental financial information and webcast, please visit www.redrobin.com and select the "Investors" link from the menu. A replay of the live conference call will be available from two hours after the call until midnight on Tuesday, August 16, 2016. The replay can be accessed by dialing (877) 870-5176, or (858) 384-5517 for international callers. The conference ID is 2474834.

About Red Robin Gourmet Burgers, Inc. (NASDAQ: RRGB)

Red Robin Gourmet Burgers, Inc. (www.redrobin.com), a casual dining restaurant chain founded in 1969 that operates through its wholly-owned subsidiary, Red Robin International, Inc., and under the trade name Red Robin Gourmet Burgers and Brews, is the Gourmet Burger Authority™, famous for serving more than two dozen craveable, high-quality burgers with Bottomless Steak Fries® in a fun environment welcoming to guests of all ages. Whether a family dining with kids, adults grabbing a drink at the bar, or teens enjoying a meal, Red Robin offers an unparalleled experience for its guests. In addition to its many burger offerings, Red Robin serves a wide variety of salads, soups, appetizers, entrees, desserts, and signature beverages. Red Robin offers a variety of options behind the bar, including its extensive selection of local and regional beers, and innovative adult beer shakes and cocktails, earning the restaurant a VIBE Vista Award for Best Beer Program in a Multi-Unit Chain Restaurant. There are more than 540 Red

Robin restaurants across the United States and Canada, including Red Robin Burger Works® locations and those operating under franchise agreements. Red Robin... YUMMM®! Connect with Red Robin on [Facebook](#), [Instagram](#), and [Twitter](#).

Forward-Looking Statements

Forward-looking statements in this press release regarding our strategic initiatives, future performance, revenues, EBITDA, capital investments, anticipated number and timing of new restaurant openings (including Red Robin Burger Works) and operating weeks, the anticipated number and timing of restaurant remodels under the Brand Transformation Initiative, anticipated costs, expenses including depreciation, amortization, and interest expense, tax rate, sensitivity of earnings per share and other projected financial measures, statements under the heading "Outlook for 2016", and all other statements that are not historical facts, are made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on assumptions believed by the Company to be reasonable and speak only as of the date on which such statements are made. Without limiting the generality of the foregoing, words such as "expect," "believe," "anticipate," "intend," "plan," "project," "will" or "estimate," or the negative or other variations thereof or comparable terminology are intended to identify forward-looking statements. We undertake no obligation to update such statements to reflect events or circumstances arising after such date, and we caution investors not to place undue reliance on any such forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those described in the statements based on a number of factors, including but not limited to the following: the effectiveness of our business improvement initiatives; the ability to fulfill planned expansion and restaurant remodeling; the effectiveness of our marketing strategies and initiatives to achieve restaurant sales growth; the cost and availability of key food products, labor, and energy; our ability to achieve anticipated revenue and cost savings from our anticipated new technology systems and tools in the restaurants and other initiatives; availability of capital or credit facility borrowings; our ability to increase our to-go and other offerings; the adequacy of cash flows or available debt resources to fund operations and growth opportunities; federal, state, and local regulation of our business; and other risk factors described from time to time in the Company's Form 10-K, Form 10-Q and Form 8-K reports (including all amendments to those reports) filed with the U.S. Securities and Exchange Commission.

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For investor relations questions contact:

Terry Harryman, Chief Accounting Officer and Interim Chief Financial Officer
(303) 846-6000

RED ROBIN GOURMET BURGERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	<u>Twelve Weeks Ended</u>		<u>Twenty-eight Weeks Ended</u>	
	<u>July 10, 2016</u>	<u>July 12, 2015</u>	<u>July 10, 2016</u>	<u>July 12, 2015</u>
Revenues:				
Restaurant revenue	\$ 302,117	\$ 288,704	\$ 698,887	\$ 677,213
Franchise royalties, fees and other revenue	3,432	4,275	8,788	10,667
Total revenues	305,549	292,979	707,675	687,880
Costs and expenses:				
Restaurant operating costs (exclusive of depreciation and amortization shown separately below):				
Cost of sales	70,831	71,665	163,156	169,615
Labor	102,847	93,513	235,831	217,869
Other operating	40,275	35,356	89,983	81,940
Occupancy	24,905	23,210	57,403	53,357
Depreciation and amortization	19,159	17,260	43,110	40,263
General and administrative	19,972	23,044	55,852	58,039
Selling	11,047	11,082	22,455	24,148
Pre-opening costs and acquisition costs	2,238	1,369	4,610	2,324
Asset impairment	3,860	—	4,685	—
Total costs and expenses	295,134	276,499	677,085	647,555
Income from operations	10,415	16,480	30,590	40,325
Other expense:				
Interest expense, net and other	1,486	904	3,124	1,964
Income before income taxes	8,929	15,576	27,466	38,361
Provision for income taxes	1,377	4,410	5,689	10,630
Net income	\$ 7,552	\$ 11,166	\$ 21,777	\$ 27,731
Earnings per share:				
Basic	\$ 0.56	\$ 0.79	\$ 1.60	\$ 1.96
Diluted	\$ 0.55	\$ 0.78	\$ 1.59	\$ 1.94
Weighted average shares outstanding:				
Basic	13,511	14,142	13,582	14,134
Diluted	13,644	14,311	13,724	14,322

RED ROBIN GOURMET BURGERS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)

	<u>(Unaudited)</u> <u>July 10, 2016</u>	<u>December 27,</u> <u>2015</u>
Assets:		
Current Assets:		
Cash and cash equivalents	\$ 25,942	\$ 22,705
Accounts receivable, net	15,630	27,760
Inventories	28,674	28,223
Prepaid expenses and other current assets	17,684	18,052
Total current assets	87,930	96,740
Property and equipment, net	673,063	603,686
Goodwill	97,118	81,957
Intangible assets, net	43,897	39,573
Other assets, net	24,516	18,023
Total assets	\$ 926,524	\$ 839,979
Liabilities and Stockholders' Equity:		
Current Liabilities:		
Trade accounts payable	\$ 19,408	\$ 23,392
Construction related payables	26,211	28,692
Accrued payroll and payroll related liabilities	37,363	47,587
Unearned revenue	33,480	48,392
Accrued liabilities and other	37,870	29,610
Total current liabilities	154,332	177,673
Deferred rent	69,973	66,470
Long-term debt	293,375	202,875
Long-term portion of capital lease obligations	11,092	7,441
Other non-current liabilities	16,845	11,209
Total liabilities	545,617	465,668
Stockholders' Equity:		
Common stock; \$0.001 par value: 45,000 shares authorized; 17,851 and 17,851 shares issued; 13,292 and 13,628 shares outstanding	18	18
Preferred stock, \$0.001 par value: 3,000 shares authorized; no shares issued and outstanding	—	—
Treasury stock 4,559 and 4,223 shares, at cost	(185,228)	(167,339)
Paid-in capital	207,565	205,995
Accumulated other loss, net of tax	(4,241)	(5,379)
Retained earnings	362,793	341,016
Total stockholders' equity	380,907	374,311
Total liabilities and stockholders' equity	\$ 926,524	\$ 839,979

Reconciliation of Non-GAAP Results to GAAP Results
(In thousands, except per share data)

In addition to the results provided in accordance with Generally Accepted Accounting Principles (“GAAP”) throughout this press release, the Company has provided non-GAAP measurements which present the 12 and 28 weeks ended July 10, 2016 and July 12, 2015, net income and basic and diluted earnings per share, excluding the effects of litigation contingencies, asset impairment charges, and a change in accounting estimate for gift card breakage. The Company believes that the presentation of net income and earnings per share exclusive of the identified item gives the reader additional insight into the ongoing operational results of the Company. This supplemental information will assist with comparisons of past and future financial results against the present financial results presented herein. Income tax expense related to the change in accounting estimate was calculated based on the change in the total tax provision calculation after adjusting for the identified item. The non-GAAP measurements are intended to supplement the presentation of the Company’s financial results in accordance with GAAP.

	Twelve Weeks Ended		Twenty-eight Weeks Ended	
	July 10, 2016	July 12, 2015	July 10, 2016	July 12, 2015
Net income as reported	\$ 7,552	\$ 11,166	\$ 21,777	\$ 27,731
Litigation contingencies	—	—	3,900	—
Asset impairment	3,860	—	4,685	—
Change in estimate for gift card breakage	—	—	—	(1,369)
Income tax benefit (expense)	(1,153)	—	(2,509)	439
Adjusted net income	<u>\$ 10,259</u>	<u>\$ 11,166</u>	<u>\$ 27,853</u>	<u>\$ 26,801</u>
Basic net income per share:				
Net income as reported	\$ 0.56	\$ 0.79	\$ 1.60	\$ 1.96
Litigation contingencies	—	—	0.29	—
Asset impairment	0.29	—	0.34	—
Change in estimate for gift card breakage	—	—	—	(0.10)
Income tax benefit (expense)	(0.09)	—	(0.18)	0.03
Adjusted earnings per share - basic	<u>\$ 0.76</u>	<u>\$ 0.79</u>	<u>\$ 2.05</u>	<u>\$ 1.89</u>
Diluted net income per share:				
Net income as reported	\$ 0.55	\$ 0.78	\$ 1.59	\$ 1.94
Litigation contingencies	—	—	0.28	—
Asset impairment	0.28	—	0.34	—
Change in estimate for gift card breakage	—	—	—	(0.09)
Income tax benefit (expense)	(0.08)	—	(0.18)	0.03
Adjusted earnings per share - diluted	<u>\$ 0.75</u>	<u>\$ 0.78</u>	<u>\$ 2.03</u>	<u>\$ 1.88</u>
Weighted average shares outstanding				
Basic	13,511	14,142	13,582	14,134
Diluted	13,644	14,311	13,724	14,322

**Reconciliation of Non-GAAP Restaurant-Level Operating Profit to Income
from Operations and Net Income
(In thousands)**

The Company believes that restaurant-level operating profit is an important measure for management and investors because it is widely regarded in the restaurant industry as a useful metric by which to evaluate restaurant-level operating efficiency and performance. The Company defines restaurant-level operating profit to be restaurant revenue minus restaurant-level operating costs, excluding restaurant impairment and closure costs. The measure includes restaurant-level occupancy costs, which include fixed rents, percentage rents, common area maintenance charges, real estate and personal property taxes, general liability insurance, and other property costs, but excludes depreciation related to restaurant buildings and leasehold improvements. The measure excludes depreciation and amortization expense, substantially all of which is related to restaurant-level assets, because such expenses represent historical sunk costs which do not reflect current cash outlay for the restaurants. The measure also excludes selling, general, and administrative costs, and therefore excludes occupancy costs associated with selling, general, and administrative functions, and pre-opening costs. The Company excludes restaurant closure costs as they do not represent a component of the efficiency of continuing operations. Restaurant impairment costs are excluded, because, similar to depreciation and amortization, they represent a non-cash charge for the Company's investment in its restaurants and not a component of the efficiency of restaurant operations. Restaurant-level operating profit is not a measurement determined in accordance with GAAP and should not be considered in isolation, or as an alternative, to income from operations or net income as indicators of financial performance. Restaurant-level operating profit as presented may not be comparable to other similarly titled measures of other companies in our industry. The table below sets forth certain unaudited information for the 12 and 28 weeks ended July 10, 2016 and July 12, 2015, expressed as a percentage of total revenues, except for the components of restaurant-level operating profit, which are expressed as a percentage of restaurant revenue.

	Twelve Weeks Ended				Twenty-eight Weeks Ended			
	July 10, 2016		July 12, 2015		July 10, 2016		July 12, 2015	
Restaurant revenue	\$ 302,117	98.9%	\$ 288,704	98.5%	\$ 698,887	98.8%	\$ 677,213	98.4%
Restaurant operating costs ⁽¹⁾ :								
Cost of sales	70,831	23.4%	71,665	24.8%	163,156	23.3%	169,615	25.0%
Labor	102,847	34.0%	93,513	32.4%	235,831	33.7%	217,869	32.2%
Other operating	40,275	13.4%	35,356	12.3%	89,983	13.0%	81,940	12.1%
Occupancy	24,905	8.3%	23,210	8.0%	57,403	8.2%	53,357	7.9%
Restaurant-level operating profit	63,259	20.9%	64,960	22.5%	152,514	21.8%	154,432	22.8%
Add – Franchise royalties, fees and other revenue	3,432	1.1%	4,275	1.5%	8,788	1.2%	10,667	1.6%
Deduct – other operating:								
Depreciation and amortization	19,159	6.3%	17,260	5.9%	43,110	6.1%	40,263	5.9%
General and administrative expenses	19,972	6.5%	23,044	7.9%	55,852	7.9%	58,039	8.4%
Selling	11,047	3.6%	11,082	3.8%	22,455	3.2%	24,148	3.5%
Pre-opening & acquisition costs	2,238	0.7%	1,369	0.5%	4,610	0.7%	2,324	0.3%
Asset impairment	3,860	1.3%	—	0.0%	4,685	0.7%	—	0.0%
Total other operating	56,276	18.4%	52,755	18.0%	130,712	18.6%	124,774	18.1%
Income from operations	10,415	3.4%	16,480	5.6%	30,590	4.3%	40,325	5.9%
Interest expense, net and other	1,486	0.5%	904	0.3%	3,124	0.4%	1,964	0.3%
Income tax expense	1,377	0.4%	4,410	1.5%	5,689	0.8%	10,630	1.6%
Total other	2,863	0.9%	5,314	1.8%	8,813	1.2%	12,594	1.9%
Net income	\$ 7,552	2.5%	\$ 11,166	3.8%	21,777	3.1%	27,731	4.0%

(1) Excluding depreciation and amortization which is shown separately

Certain percentage amounts in the table above do not total due to rounding as well as the fact that components of restaurant-level operating profit are expressed as a percentage of restaurant revenue and not total revenues.

We have not provided a reconciliation of our restaurant-level operating profit outlook to the most comparable GAAP measure of net income. Providing net income guidance is potentially misleading and not practical given the difficulty of projecting event driven transactional and other non-core operating items that are included in net income, including asset impairments and income tax valuation adjustments. The reconciliation restaurant-level operating profit to income from operations and net income for the historical periods presented above are indicative of the reconciliations that will be prepared upon completion of the periods covered by the non-GAAP guidance.

Reconciliation of Net Income to EBITDA and Adjusted EBITDA
(In thousands, unaudited)

The Company defines EBITDA as net income before interest expense, provision for income taxes, depreciation and amortization, and non-cash stock based compensation. EBITDA and adjusted EBITDA are presented because the Company believes that investors' understanding of our performance is enhanced by including these non-GAAP financial measures as a reasonable basis for evaluating our ongoing results of operations without the effect of non-cash charges such as depreciation and amortization expenses and asset disposals, stock-based compensation, and asset impairment charges. EBITDA and adjusted EBITDA are supplemental measures of operating performance that do not represent and should not be considered as alternatives to net income or cash flow from operations, as determined by GAAP, and our calculation thereof may not be comparable to that reported by other companies in our industry or otherwise. Adjusted EBITDA further adjusts EBITDA to reflect the additions and eliminations shown in the table below. The use of adjusted EBITDA as a performance measure permits a comparative assessment of our operating performance relative to our performance based on our GAAP results, while isolating the effects of some items that vary from period to period without any correlation to core operating performance. Adjusted EBITDA as presented may not be comparable to other similarly-titled measures of other companies, and our presentation of adjusted EBITDA should not be construed as an inference that our future results will be unaffected by excluded or unusual items. We have not provided a reconciliation of our adjusted EBITDA outlook to the most comparable GAAP measure of net income. Providing net income guidance is potentially misleading and not practical given the difficulty of projecting event driven transactional and other non-core operating items that are included in net income, including asset impairments and income tax valuation adjustments. The reconciliations of adjusted EBITDA to net income for the historical periods presented below are indicative of the reconciliations that will be prepared upon completion of the periods covered by the non-GAAP guidance.

	<u>Twelve Weeks Ended</u>		<u>Twenty-eight Weeks Ended</u>	
	<u>July 10, 2016</u>	<u>July 12, 2015</u>	<u>July 10, 2016</u>	<u>July 12, 2015</u>
Net income as reported	\$ 7,552	\$ 11,166	\$ 21,777	\$ 27,731
Interest expense, net	1,555	805	3,210	1,893
Provision for income taxes	1,377	4,410	5,689	10,630
Depreciation and amortization	19,159	17,260	43,110	40,263
Non-cash stock based compensation	989	1,403	3,079	2,849
EBITDA	<u>30,632</u>	<u>35,044</u>	<u>76,865</u>	<u>83,366</u>
Litigation contingencies	—	—	3,900	—
Asset impairment	3,860	—	4,685	—
Change in estimate for gift card breakage	—	—	—	(1,369)
Adjusted EBITDA	<u>\$ 34,492</u>	<u>\$ 35,044</u>	<u>\$ 85,450</u>	<u>\$ 81,997</u>

August 8, 2016

Second Quarter 2016 Results



Forward-Looking Statements

Forward-looking statements in this presentation regarding our strategic initiatives, future performance, revenues, EBITDA, capital investments, anticipated number and timing of new restaurant openings (including Red Robin Burger Works), the anticipated number and timing of restaurant remodels under the Brand Transformation Initiative, anticipated costs, expenses including depreciation, amortization, and interest expense, tax rate, statements under the heading "Outlook for 2016" and all other statements that are not historical facts, are made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on assumptions believed by the Company to be reasonable and speak only as of the date on which such statements are made. Without limiting the generality of the foregoing, words such as "expect," "anticipate," "intend," "plan," "project" or "estimate," or the negative or other variations thereof or comparable terminology are intended to identify forward-looking statements. We undertake no obligation to update such statements to reflect events or circumstances arising after such date, and we caution investors not to place undue reliance on any such forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those described in the statements based on a number of factors, including but not limited to the following: the effectiveness of our business improvement initiatives; ability to fulfill planned expansion and restaurant remodeling; the effectiveness of our marketing strategies and initiatives to achieve restaurant sales growth; the cost and availability of key food products, labor, and energy; our ability to achieve anticipated revenue and cost savings from our new technology systems and tools in the restaurants and other initiatives; our ability to increase our to-go and other offerings; availability of capital or credit facility borrowings; the adequacy of cash flows or available debt resources to fund operations and growth opportunities; federal, state, and local regulation of our business; and other risk factors described from time to time in the Company's Form 10-K, Form 10-Q, and Form 8-K reports (including all amendments to those reports) filed with the U.S. Securities and Exchange Commission.

This presentation may also contain non-GAAP financial information. Management uses this information in its internal analysis of results and believes that this information may be informative to investors in gauging the quality of our financial performance, identifying trends in our results, and providing meaningful period-to-period comparisons. For a reconciliation of non-GAAP measures presented in this document, see the Appendix of this presentation or the Schedules to the Q2 press release posted on redrobin.com.



We are the Burger Authority!



Areas for Improvement

Faster Experience

- Improving speed-to-table, total dine time
- Implementing KDS and table management

Better Value

- Quality, quantity and price
- Highlighting everyday value
- Special offers for Red Robin Royalty members

Increase Top of Mind

- Making marketing investments work harder
- Drive top-of-mind awareness



Foundation Set – Moving Forward!

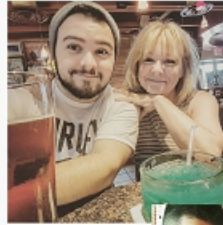




Financial Update

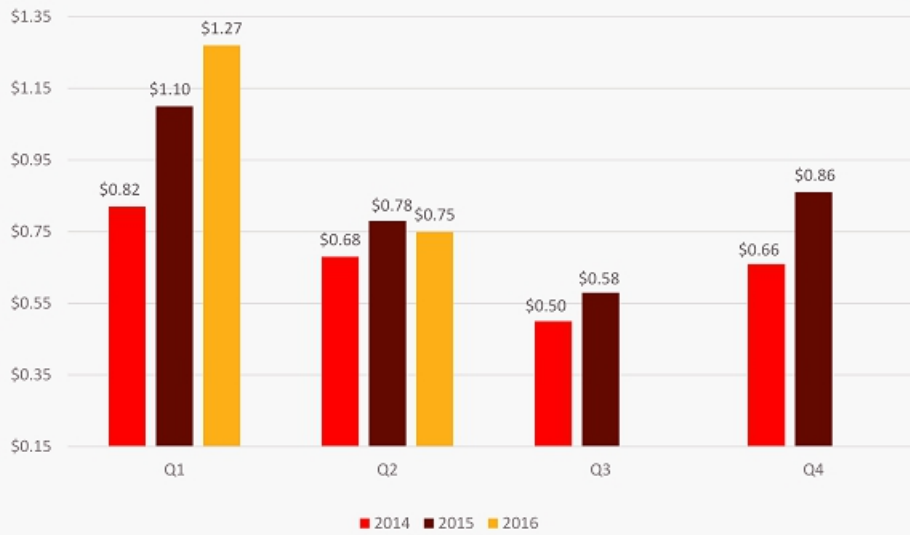
Red Robin Q2-2016 Results

- Total revenues increased 4.3%
- Comparable restaurant revenue was down 3.2%, at constant currency rates
- Restaurant-level operating⁽¹⁾ profit was 20.9% compared to 22.5% in prior year
- Adjusted EBITDA⁽¹⁾ was \$34.5 million, a decrease of 1.6% from prior year
- Net income was \$7.6 million compared to \$11.2 million in 2015. Adjusted net income⁽¹⁾ was \$10.3 million
- Diluted EPS was \$0.55 compared to \$0.78 in Q2 2015. Adjusted diluted EPS⁽¹⁾ was \$0.75, a decrease of 3.8% from prior year
- Repurchased \$20 million of common stock



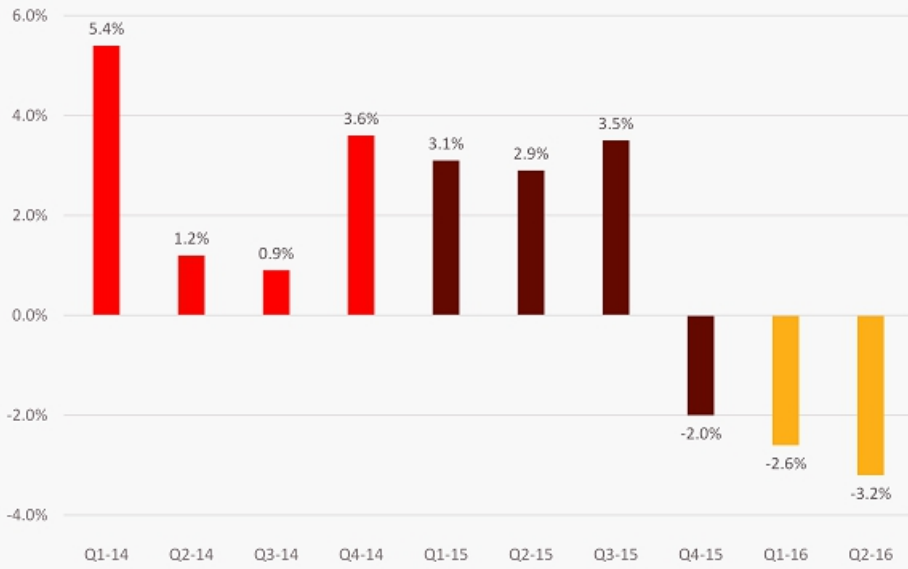
(1) See reconciliation of non-GAAP financial measures to the most comparable GAAP financial measures in Appendix.

Adjusted Earnings Per Diluted Share⁽¹⁾



(1) See appendix for reconciliation of non-GAAP Adjusted Earnings Per Diluted Share to Earnings Per Diluted share

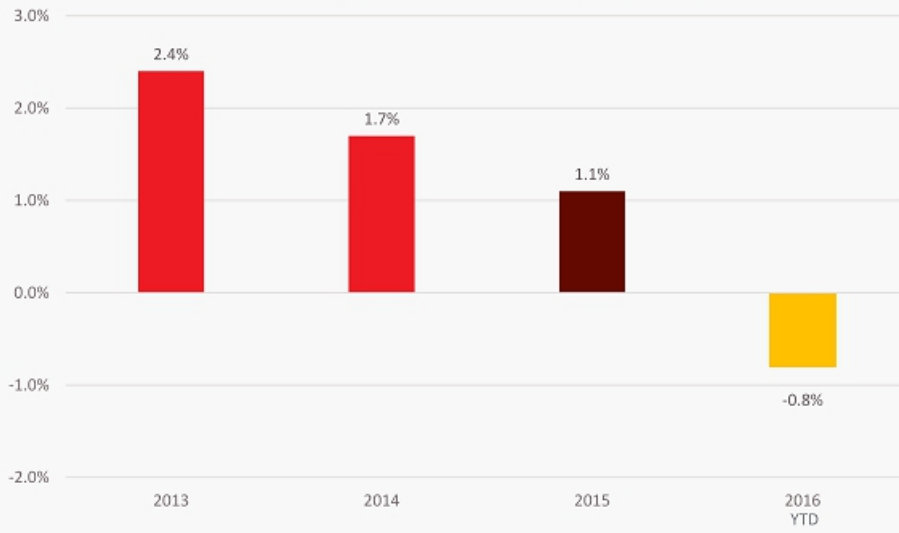
Comparable Restaurant Revenue Trend⁽¹⁾



(1) Calculated at constant currency rates.

Market Share – Year Over Year

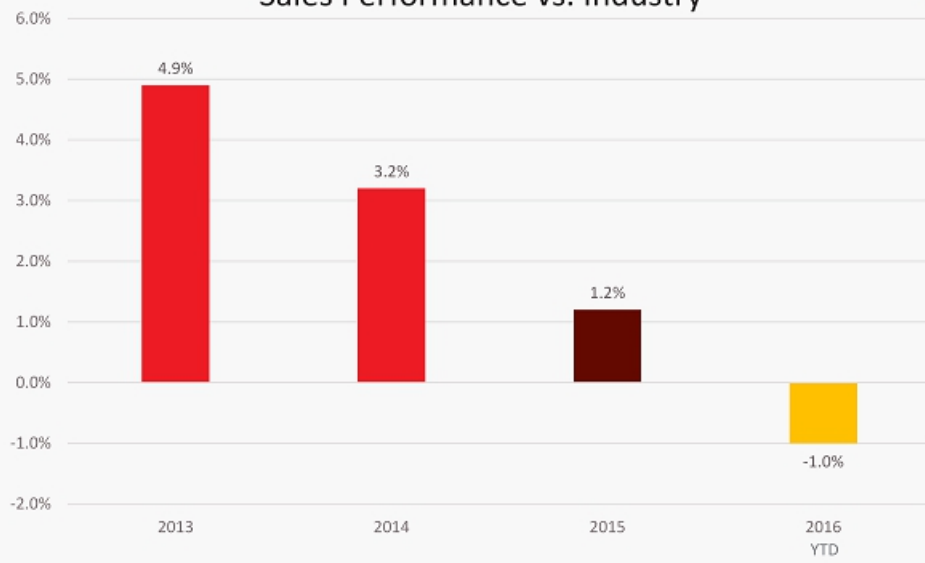
Traffic Performance vs. Industry



Source: Based on Black Box Intelligence Casual Dining (All Cuisine) peers as of July 10, 2016

Market Share – Year Over Year

Sales Performance vs. Industry



Source: Based on Black Box Intelligence Casual Dining (All Cuisine) peers as of July 10, 2016

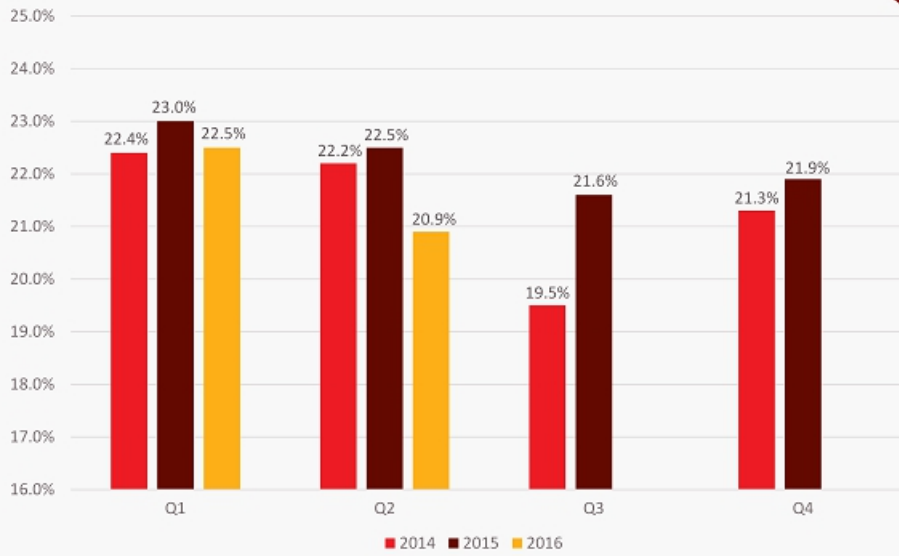
Q2-16 Sales Highlights

	Q2-16 (12 Weeks)	Q2-15 (12 Weeks)	Change	Q2-16 YTD (28 Weeks)	Q2-15 YTD (28 Weeks)	Change
Restaurant revenue	\$302.1 million	\$288.7 million	4.6%	\$698.9 million	\$677.2 million	3.2%
Total company revenues	\$305.5 million	\$293.0 million	4.3%	\$707.7 million	\$687.9 million	2.9%
Company-owned comp revenue ⁽²⁾	-3.2%	2.9%		-2.7%	3.1%	
Price/Mix	0.7%	2.4%		1.3%	2.2%	
Guest counts	-3.9%	0.5%		-4.0%	0.9%	
Franchised comp revenue	-3.0%	6.6%		-1.2%	6.9%	
Company avg. weekly revenue/unit ⁽¹⁾⁽²⁾ – total	\$55,912	\$58,208	-3.9%	\$56,497	\$58,677	-3.7%
Company avg. weekly revenue/unit ⁽¹⁾⁽²⁾ – comp	\$56,373	\$58,171	-3.1%	\$57,107	\$58,686	-2.7%
Avg. weekly restaurant level operating profit/unit ⁽¹⁾⁽²⁾ – comp	\$12,143	\$13,302	-8.7%	\$12,829	\$13,566	-5.4%
Red Robin operating weeks ⁽¹⁾	5,372	4,916	9.3%	12,303	11,442	7.5%
Burger Works operating weeks	132	120	10.0%	289	254	13.8%
Net sales/sq. ft (TTM)	\$458	\$467	-1.9%			

(1) Excludes Red Robin Burger Works® fast casual restaurants

(2) Based on constant currency rates

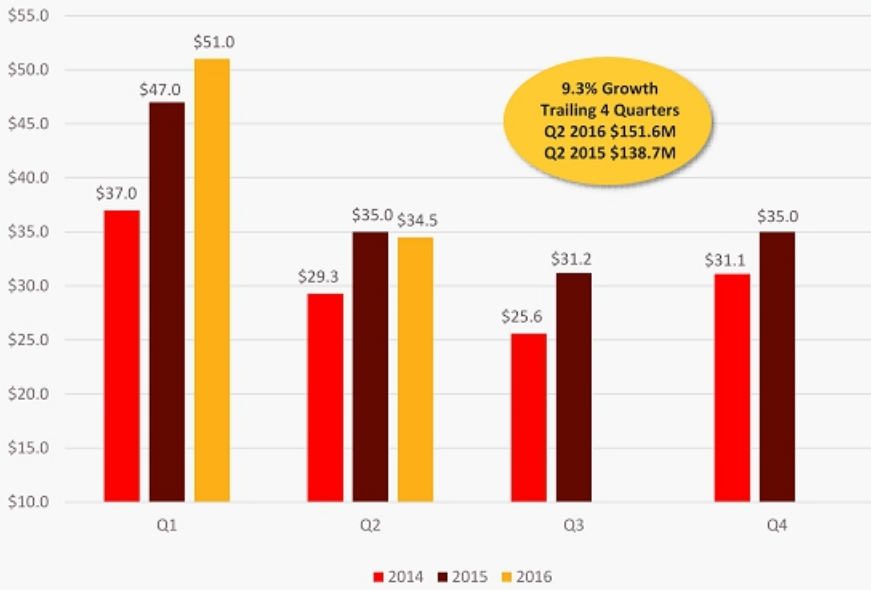
Restaurant Level Operating Profit⁽¹⁾ Margins



(1) See reconciliation of non-GAAP restaurant-level operating profit to income from operations and net income in Appendix

Adjusted EBITDA ⁽¹⁾

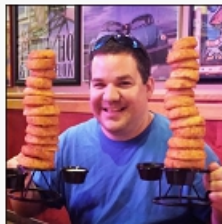
(\$ in millions)



(1) See appendix for reconciliation of non-GAAP Adjusted EBITDA to Net Income

2016 Outlook

- Total revenue growth around 5.0%
- Comparable restaurant revenue growth down approximately 2.0%
- Restaurant-level operating profit margin in fiscal 2016 expected to be around 21.0%
- General and administrative costs expected to be between \$94 million and \$96 million, selling expenses expected to be approximately 3.2% of total revenues
- Depreciation and amortization projected to be between \$83 and \$85 million
- Interest expense expected to be approximately \$7 million and income tax rate expected to be in range of 20.0% to 21.0%
- Adjusted EBITDA is expected to range between \$145 million and \$150 million
- Open approximately 24 new Red Robin restaurants, 3 Red Robin Burger Works, complete around 70 remodels
- Capital investments expected to be \$190 million to \$195 million including 13 restaurants acquired in first quarter





Immediate Changes

New Tavern Menu Offerings

INTRODUCING OUR NEW **\$6.99 Cheese lover's lineup**

MELTY GOODNESS THAT'LL MAKE YOU SAY THREE CHEERS FOR CHEESE!

BUZZ MAC 'N' CHEESE TAVERN DOUBLE

Two perfectly seasoned, fire-grilled patties piled high with creamy Buzz Mac 'N' Cheese, Pepper-Jack cheese and spicy Buzz ranch sauce on a sesame seed bun. It's Tavern Double awesomeness served with Bottomless Siesk Fries®. **6.99**
The big Buzz Mac 'N' Cheese 8.99

FOUR CHEESE MELT

Our tasty upgrade to the American classic! Swiss, Provolone, Cheddar and Parmesan piled high and melted between two slices of Parmesan and Cheddar cheese-crust bread and served with Bottomless Siesk Fries®. **6.99**
Add sliced turkey breast 1.00 Add bacon 1.59
Substitute a cup of soup for 1.59

TAVERN MAC 'N' CHEESE™

You'll melt over this ½-lb. pot of gold. Pasta coated in a deliciously creamy five-cheese sauce and topped with perfectly toasted crouton crumbs, Parmesan cheese and fresh parsley. Served with a side salad. **6.99**
Add bacon 1.59



Happy Hour

**GIVE US AN HOUR
WE'LL GIVE YOU
HAPPY**



HAPPY HOUR *Specials* 3-6 AND 8-CLOSE (MONDAY-FRIDAY)

DRINKS

\$2.50 Select Domestic Beers

\$3.50 Featured Red and White Wines

\$4.50 Margarita or Sangria

OR, \$1.00 off all adult beverages!

APPETIZERS

\$3.50 Creamy Artichoke Spinach Dip

\$4.50

- Nacho.M.G.[™]
- Bar Wings 'n' Yukon Chips (Full Order)
- Red's Bold Boneless Wings (Full Order)



Red Robin
COURTESY BURGERS & BEERS

Red Robin Royalty



REGISTER FOR REWARDS [REGISTER NOW](#) ALREADY A MEMBER? [SIGN IN NOW](#)

FEELING SOCIAL? LOGIN OR JOIN US THROUGH [f](#) [t](#)

- FREE BIRTHDAY BUNGER**
- EVERY 10TH ITEM FREE**
- \$20 TOWARDS YOUR 6TH VISIT**
- BURGERS FOR BETTER SCHOOLS**
- SPECIAL MILITARY OFFERS**
Our mission is to serve those who have served or proudly are. Only.
- EXCLUSIVE SURPRISES**

[PARTICIPATING LOCATIONS](#) [TERMS AND CONDITIONS](#) [FREQUENTLY ASKED QUESTIONS](#)

5.8 million members and growing!

BOTTOMLESS

THANK-YOUs

IN APPRECIATION OF YOUR SERVICE, GET **15% OFF***

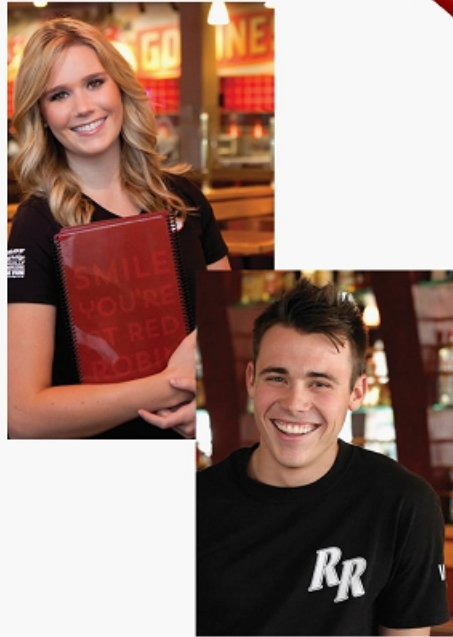
Enjoy your discount!
NOW THROUGH THE END OF THE MONTH

Renewed Focus on *Bottomless*




Improving Red Robin Service


- Making investments in incremental labor
- Improving peak-hour performance on high-volume weekend days
- Already seeing improvements in Guest Voice ratings and peak-hour volumes
- KDS rollout complete end of August



Improved Marketing

Red Robin Gourmet Burgers  Published by Robin Robin (7) · July 14 at 8:00am · 🌐


Gotta catch the yummm! Receive \$3 off \$10* when you present your Pokédex to your server! #PokemonGo



*Offer available at participating locations only. Offer begins 7/14 and ends 7/17.

1,091,195 people reached Boost Post

👍 Like 💬 Comment ➦ Share

 Malisha Thor, Makaylynn Gilbert and 20K others Top Comments

9,826 shares 3.6K Comments

Regaining Our Winning Edge



Thank you entire Red Robin Team!





Appendix



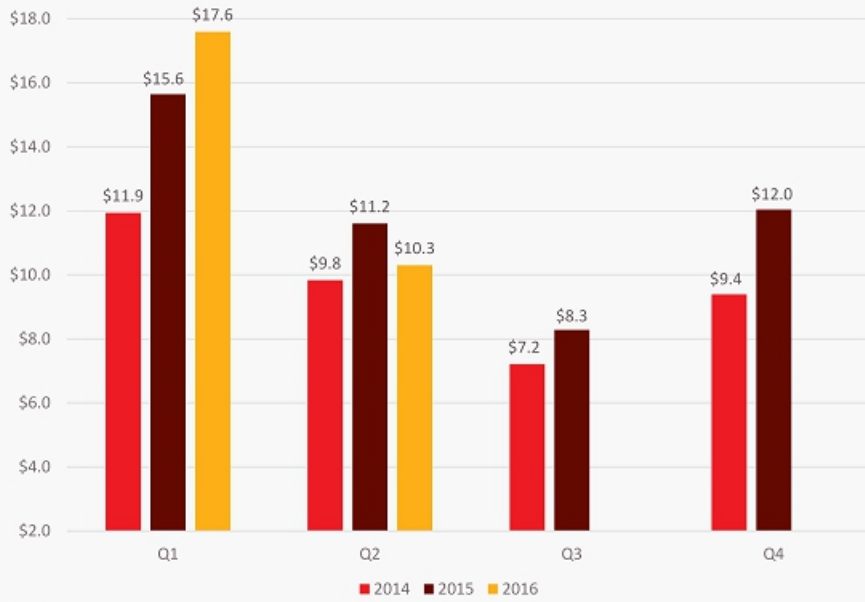
Q2-16 Restaurant Results

	% of Restaurant Revenue Q2-16	% of Restaurant Revenue Q2-15	Favorable (Unfavorable)
Cost of sales	23.4%	24.8%	140 bps
Labor	34.0%	32.4%	(160 bps)
Other operating	13.4%	12.3%	(110 bps)
Occupancy	8.3%	8.0%	(30 bps)
Restaurant Level Operating Profit ⁽¹⁾	20.9%	22.5%	(160 bps)

(1) See reconciliation of non-GAAP restaurant-level operating profit to income from operations and net income on slide 32 in Appendix

Adjusted Net Income⁽¹⁾

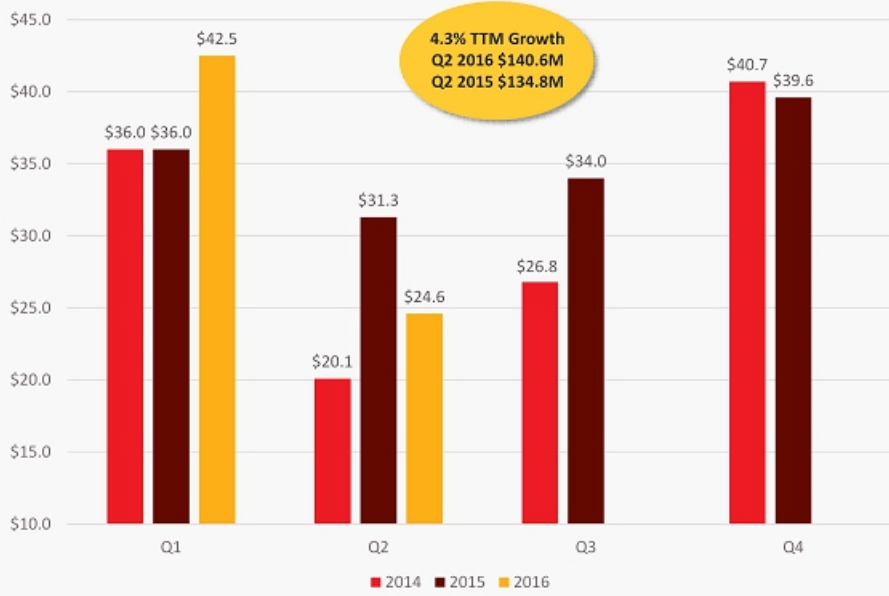
(\$ in millions)



(1) See reconciliation of non-GAAP Adjusted Net Income to Net Income on slide 31 in Appendix

Cash Flow from Operations

(\$ in millions)



Q2-16 Commodity Update

	% of Total COGS in Q2-16	Market vs. Contract
Ground beef	15.7%	Market
Poultry	11.3%	100% covered through 12/16
Steak fries	10.0%	Contract through 10/16
Produce	7.2%	90% covered through 10/16
Meat	7.1%	Bacon 60% contracted through 9/16; Prime rib 100% contracted through 12/16
Bread	6.2%	Contract through 12/16
Seafood	3.0%	Cod through 12/16; Shrimp through 12/16
Fry oil	1.7%	Contract through 3/17

Reconciliation of Adjusted Net Income to Net Income and Adjusted Earnings Per Diluted Share to Earnings Per Diluted Share

(\$ in thousands, except per share data)

	2014				2015				2016	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Net income as reported	\$ 11,944	\$ 9,470	\$ 7,208	\$ 3,939	\$ 16,565	\$ 11,166	\$ 8,282	\$ 11,691	\$ 14,225	\$ 7,552
Adjustments to net income:										
Litigation reserves	-	-	-	-	-	-	-	-	-	3,900
Impairment and closure charges	-	-	-	8,833	-	-	-	581	825	3,860
Change in estimate for gift card breakage	-	-	-	-	(1,369)	-	-	-	-	-
Executive transition & severance	-	544	-	-	-	-	-	-	-	-
Income tax expense of adjustments	-	(183)	-	(3,379)	439	-	-	(227)	(1,356)	(1,153)
Adjusted net income	\$ 11,944	\$ 9,831	\$ 7,208	\$ 9,393	\$ 15,635	\$ 11,166	\$ 8,282	\$ 12,045	\$ 17,594	\$ 10,259
Diluted net income per share:										
Net income as reported	\$ 0.82	\$ 0.65	\$ 0.50	\$ 0.28	\$ 1.16	\$ 0.78	\$ 0.58	\$ 0.84	\$ 1.03	\$ 0.55
Adjustments to net income:										
Litigation reserves	-	-	-	-	-	-	-	-	0.28	-
Impairment and closure charges	-	-	-	0.62	-	-	-	0.04	0.06	0.28
Change in estimate for gift card breakage	-	-	-	-	(0.09)	-	-	-	-	-
Executive transition & severance	-	0.04	-	-	-	-	-	-	-	-
Income tax expense of adjustments	-	(0.01)	-	(0.24)	0.03	-	-	(0.02)	(0.10)	(0.08)
Adjusted EPS – diluted	\$ 0.82	\$ 0.68	\$ 0.50	\$ 0.66	\$ 1.10	\$ 0.78	\$ 0.58	\$ 0.86	\$ 1.27	\$ 0.75

Restaurant Level Operating Profit Reconciliation to Income from Operations and Net Income

(\$ in thousands)

	2014				2015				2016	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Restaurant revenue	\$334,995	\$251,818	\$263,883	\$278,439	\$388,509	\$288,704	\$279,496	\$282,189	\$396,770	\$302,117
Restaurant operating costs ⁽¹⁾ :										
Cost of sales	84,220	63,689	68,241	71,071	97,950	71,665	68,197	66,825	92,325	70,831
Labor	110,921	82,572	88,918	90,246	124,356	93,513	92,097	93,551	132,984	102,847
Other operating	40,597	31,022	34,124	35,229	46,584	35,356	36,144	36,260	49,708	40,275
Occupancy	24,282	18,618	21,222	22,612	30,147	23,210	22,804	23,846	32,496	24,905
Restaurant-level operating profit	74,975	55,917	51,378	59,281	89,472	64,960	60,254	61,707	89,255	63,259
Add – Franchise royalties, fees and other revenue	5,489	4,315	3,493	3,670	6,392	4,275	3,916	4,111	5,356	3,432
Deduct – Other operating:										
Depreciation and amortization	18,886	14,120	15,209	16,364	23,003	17,260	18,618	18,493	23,951	19,159
General and administrative expenses	32,100	20,442	20,106	22,103	34,995	23,044	23,709	21,257	35,880	19,972
Selling	10,323	9,878	7,725	9,481	13,066	11,082	7,899	8,027	11,408	11,047
Pre-opening and acquisition costs	2,113	2,326	2,605	1,220	955	1,369	2,239	2,445	2,372	2,238
Asset impairment	-	-	-	8,833	-	-	-	581	825	3,860
Total other operating	63,422	46,766	45,645	58,001	72,019	52,755	52,465	50,803	74,436	56,276
Income from operations	17,042	13,466	9,226	4,960	23,845	16,480	11,705	15,015	20,175	10,415
Interest expense, net and other	674	475	996	690	1,060	904	1,098	747	1,638	1,486
Income tax expense	4,424	3,521	1,032	321	6,220	4,410	2,325	2,577	4,312	1,377
Total other	5,098	3,996	2,018	1,011	7,280	5,314	3,423	3,324	5,950	2,863
Net income	\$11,944	\$9,470	\$7,208	\$3,939	\$16,565	\$11,166	\$8,282	\$11,691	\$14,225	\$7,552

(1) Excluding depreciation and amortization which is shown separately

EBITDA and Adjusted EBITDA Reconciliation to Net Income

(\$ in thousands)

	2014				2015				2016	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Net income as reported	\$11,944	\$9,470	\$7,208	\$3,939	\$16,565	\$11,166	\$8,282	\$11,691	\$14,225	\$7,552
Adjustments to net income:										
Income tax expense	4,424	3,521	1,032	321	6,220	4,410	2,325	2,577	4,312	1,377
Interest expense, net	689	619	927	720	1,088	805	777	959	1,655	1,555
Depreciation and amortization	18,886	14,120	15,209	16,364	23,003	17,260	18,618	18,493	23,951	19,159
Non-cash stock-based compensation	1,009	1,021	1,178	959	1,446	1,403	1,194	681	2,090	989
EBITDA	\$36,952	\$28,751	\$25,554	\$22,303	\$48,322	\$35,044	\$31,196	\$34,401	\$46,233	\$30,632
Litigation reserves	-	-	-	-	-	-	-	-	3,900	-
Impairment and closure charges	-	-	-	8,833	-	-	-	581	825	3,860
Change in estimate for gift card breakage	-	-	-	-	(1,369)	-	-	-	-	-
Executive transition costs	-	544	-	-	-	-	-	-	-	-
Adjusted EBITDA	\$36,952	\$29,295	\$25,554	\$31,136	\$46,953	\$35,044	\$31,196	\$34,982	\$50,958	\$34,492

Denny Post Appointed Chief Executive Officer*Kalen Holmes and Steve Lumpkin Named to Board of Directors*

Greenwood Village, Colo. – August 8, 2016 – 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 announced that Denny Marie Post has been appointed as Chief Executive Officer and to the board of directors, effective August 8, 2016. Ms. Post, who currently serves as President, will succeed Steve Carley, who is retiring from the role he has held since September 2010. The Company also announced the appointment of Kalen F. Holmes and Steven K. Lumpkin to the Board of Directors.

"The board is pleased that Denny will be assuming this new role and joining the board. Denny has proven to be an innovative and transformative leader and we believe she is the right person to lead Red Robin and position the brand for long-term growth," said Pattye Moore, Board Chair.

"I am honored to have this opportunity and greatly appreciate the thoughtful way Steve and the board planned the succession," said Denny Post. "As a team, we have a tremendous legacy to build on - a strong and inspiring culture, talented leadership from our restaurants to our home office, and a collective commitment to deliver a superior guest experience. As much as we have accomplished so far, we have many more 'best years' to come."

Ms. Post joined the Company as Senior Vice President and Chief Marketing Officer in August 2011, was promoted to Executive Vice President and Chief Concept Officer in March 2015, and promoted to President in February 2016. Before joining Red Robin, she held many positions in the consumer industry including senior vice president, chief marketing officer of T-Mobile USA; senior vice president, Global Beverage, Food, and Quality at Starbucks Corporation; and as senior vice president, and chief concept officer of Burger King Corporation.

"I would also like to welcome Kalen Holmes and Steve Lumpkin to the Red Robin board," continued Moore. "Their strategic, leadership, and financial expertise will be a valuable asset to the Company."

Ms. Holmes most recently served as an Executive Vice President of Partner Resources (Human Resources) at Starbucks Corporation from November 2009 until her retirement in February 2013. Prior to joining Starbucks, Ms. Holmes held a variety of leadership roles with HR responsibility for Microsoft Corporation from September 2003 through November 2009. Ms. Holmes holds a Bachelor of Arts in Psychology from the University of Texas and a Master of Arts and a Ph.D. in Industrial/Organization Psychology from the University of Houston. She is currently on the Board of Zumiez.

Mr. Lumpkin most recently served as Executive Vice President, Chief Financial Officer and a director of Applebee's International, Inc., where he served in various executive positions from 1995 until his retirement in 2007. Prior to joining Applebee's, he was Executive Vice President and director at Kimberly Quality Care Inc. Mr. Lumpkin is a CPA, with a bachelor in Accounting from the University of Missouri – Columbia.

"On behalf of the board, I would also like to thank Steve Carley for his tremendous contributions and leadership over the past six years and wish him well in his retirement," concluded Moore.

During his tenure as chief executive, Mr. Carley led the growth of Red Robin to more than 540 restaurants in North America, strengthened the Company's financial performance and transformed the brand to increase Guest engagement and loyalty. He assembled a talented leadership team from within and outside the restaurant industry and worked closely with the board on implementing his own succession plan with the appointment of Denny Post to CEO. He will continue to serve as an advisor to Red Robin through 2016.

"I'm grateful for my time at Red Robin and after working in the restaurant industry for more than 30 years I am looking forward to relaxing and enjoying my family. It's been a real pleasure working with the many team members and I'm proud of what we've achieved together," said Steve Carley. "Denny has a true passion for Red Robin. She has proven herself as a leader and she's well-suited to guide the Company's next phase of growth."

About Red Robin Gourmet Burgers, Inc. (NASDAQ: RRGB)

Red Robin Gourmet Burgers, Inc. (www.redrobin.com), a casual dining restaurant chain founded in 1969 that operates through its wholly-owned subsidiary, Red Robin International, Inc., and under the trade name Red Robin Gourmet Burgers and Brews, is the Gourmet Burger Authority™, famous for serving more than two dozen craveable, high-quality burgers with Bottomless Steak Fries® in a fun environment welcoming to guests of all ages. Whether a family dining with kids, adults grabbing a drink at the bar, or teens enjoying a meal, Red Robin offers an unparalleled experience for its guests. In addition to its many burger offerings, Red Robin serves a wide variety of salads, soups, appetizers, entrees, desserts and signature beverages. Red Robin offers a variety of options behind the bar, including its extensive selection of local and regional beers, and innovative adult beer shakes and cocktails, earning the restaurant a VIBE Vista Award for Best Beer Program in a Multi-Unit Chain Restaurant. There are more than 540 Red Robin restaurants across the United States and Canada, including Red Robin Burger Works® locations and those operating under franchise agreements. Red Robin... YUMMM®! Connect with Red Robin on [Facebook](#), [Instagram](#), and [Twitter](#).

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