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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended April 20, 2014

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-34851

RED ROBIN GOURMET BURGERS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**84-1573084**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6312 S. Fiddler's Green Circle, Suite 200 N	
Greenwood Village, CO	**80111**
(Address of principal executive offices)	(Zip Code)

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

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
(Do not check if a smaller reporting company)	

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐
No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 20, 2014
Common Stock, $0.001 par value per share	14,291,221

RED ROBIN GOURMET BURGERS, INC.

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PART I — FINANCIAL INFORMATION

ITEM 1. Financial Statements (unaudited)

RED ROBIN GOURMET BURGERS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except per share data)

(Unaudited)

	April 20, 2014	December 29, 2013
Assets:		
Current assets:		
Cash and cash equivalents	$ 14,635	$ 17,108
Accounts receivable, net	14,326	22,568
Inventories	21,922	21,992
Prepaid expenses and other current assets	9,191	15,766
Deferred tax asset and other	2,959	3,212
Total current assets	63,033	80,646
Property and equipment, net	451,834	444,727
Goodwill	64,608	62,525
Intangible assets, net	38,862	36,800
Other assets, net	11,165	9,947
Total assets	$ 629,502	$ 634,645
Liabilities and stockholders' equity:		
Current liabilities:		
Trade accounts payable	$ 17,376	$ 19,117
Construction related payables	14,105	14,682
Accrued payroll and payroll-related liabilities	38,701	45,919
Unearned revenue	27,037	35,740
Accrued liabilities and other	26,999	24,454
Total current liabilities	124,218	139,912
Deferred rent	54,597	51,985
Long-term debt	78,375	79,375
Long-term portion of capital lease obligations	8,317	8,513
Other non-current liabilities	9,147	7,457
Total liabilities	274,654	287,242
Stockholders' equity:		
Common stock; $0.001 par value: 30,000 shares authorized; 17,845 and 17,851 shares issued; 14,298 and 14,350 shares outstanding	18	18
Preferred stock, $0.001 par value: 3,000 shares authorized; no shares issued and outstanding	—	—
Treasury stock 3,547 and 3,501 shares, at cost	(116,005)	(110,486)
Paid-in capital	198,190	197,145
Accumulated other comprehensive loss, net of tax	(50)	(25)
Retained earnings	272,695	260,751
Total stockholders' equity	354,848	347,403
Total liabilities and stockholders' equity	$ 629,502	$ 634,645

See Notes to Condensed Consolidated Financial Statements.

RED ROBIN GOURMET BURGERS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data)

(Unaudited)

	Sixteen Weeks Ended	
	April 20, 2014	April 21, 2013
Revenues:		
Restaurant revenue	$ 334,995	$ 301,313
Franchise royalties, fees and other revenues	5,489	5,036
Total revenues	340,484	306,349
Costs and expenses:		
Restaurant operating costs (excluding depreciation and amortization shown separately below):		
Cost of sales	84,220	74,982
Labor	110,921	101,882
Other operating	40,597	37,090
Occupancy	24,282	22,573
Depreciation and amortization	18,886	17,834
Selling, general and administrative expenses	42,423	37,608
Pre-opening and acquisition costs	2,113	834
Total costs and expenses	323,442	292,803
Income from operations	17,042	13,546
Other expense:		
Interest expense, net and other	674	1,089
Income before income taxes	16,368	12,457
Provision for income taxes	4,424	2,977
Net income	$ 11,944	$ 9,480
Earnings per share:		
Basic	$ 0.83	$ 0.67
Diluted	$ 0.82	$ 0.66
Weighted average shares outstanding:		
Basic	14,352	14,062
Diluted	14,592	14,341

See Notes to Condensed Consolidated Financial Statements.

RED ROBIN GOURMET BURGERS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

(Unaudited)

	Sixteen Weeks Ended	
	April 20, 2014	**April 21, 2013**
Net income	$ 11,944	$ 9,480
Cash flow hedges:		
Net change in fair value of interest rate swap	(70)	(80)
Net loss reclassified into interest expense	29	20
Total change in unrealized loss related to cash flow hedges	(41)	(60)
Income tax benefit related to items of other comprehensive income	16	24
Other comprehensive loss, net of tax	(25)	(36)
Total comprehensive income	$ 11,919	$ 9,444

See Notes to Condensed Consolidated Financial Statements.

RED ROBIN GOURMET BURGERS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Sixteen Weeks Ended	
	April 20, 2014	April 21, 2013
Cash flows from operating activities:		
Net income	$ 11,944	$ 9,480
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	18,886	17,834
Stock-based compensation expense	1,009	1,192
Other, net	(659)	(285)
Changes in operating assets and liabilities:		
Accounts receivable	8,167	7,187
Trade accounts payable and accrued liabilities	(3,246)	6,476
Unearned revenue	(8,305)	(7,101)
Other operating assets and liabilities, net	8,239	5,584
Net cash provided by operating activities	36,035	40,367
Cash flows from investing activities:		
Purchases of property, equipment and intangible assets	(24,314)	(13,640)
Acquisition of franchise restaurants, net of cash acquired	(7,958)	—
Other investing activities	(71)	—
Net cash used in investing activities	(32,343)	(13,640)
Cash flows from financing activities:		
Borrowings of long-term debt	39,000	30,000
Payments of long-term debt and capital leases	(40,206)	(64,749)
Purchase of treasury stock	(7,500)	—
Tax benefit from exercise of stock options	927	—
Proceeds from exercise of stock options and employee stock purchase plan	1,614	2,957
Net cash used in financing activities	(6,165)	(31,792)
Net decrease in cash and cash equivalents	(2,473)	(5,065)
Cash and cash equivalents, beginning of year	17,108	22,440
Cash and cash equivalents, end of year	$ 14,635	$ 17,375
Supplemental of cash flow information		
Income taxes paid	$ 2,026	$ 1,521
Interest paid, net of amounts capitalized	$ 797	$ 948

See Notes to Condensed Consolidated Financial Statements.

RED ROBIN GOURMET BURGERS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. Basis of Presentation and Recent Accounting Pronouncements

Red Robin Gourmet Burgers, Inc., a Delaware corporation, together with its subsidiaries ("Red Robin" or the "Company"), develops and operates casual-dining restaurants. As of April 20, 2014, the Company owned and operated 367 restaurants located in 35 states. The Company also sells franchises, of which there were 129 restaurants, in 19 states and two Canadian provinces as of April 20, 2014. The Company operates its business as one operating and one reportable segment.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of Red Robin and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Some of the more significant estimates included in the preparation of these financial statements pertain to recoverability of long-lived assets, recoverability of goodwill, estimated useful lives of other intangible assets, variable compensation accruals, lease accounting, estimated fair value, self-insurance liabilities, stock-based compensation expense, estimated breakage on unredeemed gift cards and deferred revenue related to our customer loyalty program, legal contingencies, and income taxes. Actual results could differ from those estimates. The results of operations for any interim period are not necessarily indicative of results for the full year.

The accompanying condensed consolidated financial statements of Red Robin have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Certain information and footnote disclosures normally included in the Company's annual consolidated financial statements on Form 10-K have been condensed or omitted. The condensed consolidated balance sheet as of December 29, 2013, has been derived from the audited consolidated financial statements as of that date, but does not include all disclosures required by generally accepted accounting principles. For further information, please refer to and read these interim condensed consolidated financial statements in conjunction with the Company's audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2013, filed with the SEC on February 24, 2014.

The Company's quarter that ended April 20, 2014 is referred to as first quarter 2014, or the sixteen weeks ended April 20, 2014; the first quarter ended April 21, 2013 is referred to as first quarter 2013, or the sixteen weeks ended April 21, 2013.

Recently Issued Accounting Standards

In January 2013, the Financial Accounting Standards Board ("FASB") issued *Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities.* This guidance clarifies the scope of transactions that are subject to the disclosures about offsetting and will require disclosure of information about the effect or potential effect of financial instrument netting arrangements on financial position. The guidance became effective for us at the beginning of our first quarter of fiscal year 2014 and did not have a material impact on our financial statements.

In July 2013, the FASB issued *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists.* This guidance requires entities to present its unrecognized tax benefits net of its deferred tax assets when settlement in this manner is available under the tax law, which would be based on facts and circumstances as of the balance sheet reporting date and would not consider future events. Gross presentation in the notes to the financial statements will still be required. The guidance became effective for us at the beginning of our first quarter of fiscal year 2014 and did not have a material impact on our financial statements.

2. Goodwill and Intangible Assets

The following table presents goodwill as of April 20, 2014, and December 29, 2013, (in thousands):

Balance, December 30, 2012	$	62,525
Acquisition		—
Balance, December 29, 2013	$	62,525
Acquisition		2,083
Balance, April 20, 2014	$	64,608

The Company has had no goodwill impairment losses in the periods presented in the above table or any prior periods. Refer to Note 5 *Acquisition of Red Robin Franchised Restaurant* for details of the acquisition.

The following table presents intangible assets as of April 20, 2014, and December 29, 2013, (in thousands):

	April 20, 2014			December 29, 2013		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets subject to amortization:						
Franchise rights	$ 46,611	$ (18,537)	$ 28,074	$ 43,330	$ (17,622)	$ 25,708
Leasehold interests	12,656	(5,272)	7,384	12,476	(4,875)	7,601
Liquor licenses	9,937	(9,378)	559	9,924	(9,278)	646
	$ 69,204	$ (33,187)	$ 36,017	$ 65,730	$ (31,775)	$ 33,955
Indefinite-lived intangible assets:						
Liquor licenses	$ 2,845	$ —	$ 2,845	$ 2,845	$ —	$ 2,845
Intangible assets, net	$ 72,049	$ (33,187)	$ 38,862	$ 68,575	$ (31,775)	$ 36,800

There were no impairments to intangible assets during the sixteen weeks ended April 20, 2014, and April 21, 2013. The aggregate amortization expense related to intangible assets subject to amortization for the sixteen weeks ended April 20, 2014 and April 21, 2013 was $1.1 million and $1.4 million.

The estimated aggregate future amortization expense as of April 20, 2014 is as follows, (in thousands):

Remainder of 2014	$	2,289
2015		3,195
2016		3,118
2017		3,089
2018		3,017
Thereafter		21,309
	$	36,017

3. Stock Incentive Plans

Under the Company's Second Amended and Restated 2007 Performance Incentive Plan (the "2007 Stock Plan"), various stock options and stock awards may be granted to employees of the Company and any of the Company's subsidiaries, directors of the Company, certain consultants and advisors to the Company or any of its subsidiaries.

Stock options are granted with an exercise price equal to the fair market value of shares of the Company's common stock at the grant date. We account for stock-based compensation in accordance with fair value recognition provisions, calculated using the Black-Scholes option pricing model ("the pricing model"). The weighted-average fair value of non-qualified stock options and the related assumptions used in the pricing model were as follows:

	Sixteen Weeks Ended	
	April 20, 2014	April 21, 2013
Risk-free interest rate	1.7 %	0.7 %
Expected years until exercise	5.8	4.1
Expected stock volatility	44.7 %	44.3 %
Dividend yield	— %	— %
Weighted average Black-Scholes fair value per share at date of grant	$ 31.53	$ 14.84

The following table presents a summary of the Company's stock-based compensation activity for the sixteen weeks endedApril 20, 2014 (in thousands):

	Stock Options	Restricted Stock Units
Outstanding, December 29, 2013	491	139
Granted	67	19
Forfeited/ expired	(6)	(4)
Exercised/ vested	(42)	(22)
Outstanding, April 20, 2014	510	132

We recognized expense from stock-based compensation for sixteen weeks endedApril 20, 2014 as follows (in thousands):

	Sixteen Weeks Ended	
	April 20, 2014	April 21, 2013
Labor related	$ 31	$ 69
Selling, general and administrative related	978	1,123
Total stock-based compensation	$ 1,009	$ 1,192

4. Earnings Per Share

Basic earnings per share amounts are calculated by dividing net income by the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share amounts are calculated based upon the weighted-average number of shares of common stock and potentially dilutive shares of common stock outstanding during the period. Potentially dilutive shares are excluded from the computation in periods in which they have an anti-dilutive effect. Diluted earnings per share reflect the potential dilution that could occur if holders of options exercised their options into common stock. During the sixteen weeks ended April 20, 2014 and April 21, 2013, weighted average stock options outstanding of $36.0 thousand and $114.0 thousand were not included in the computation of diluted earnings per share because to do so would have been anti-dilutive for the periods presented. The Company uses the treasury stock method to calculate the effect of outstanding stock options. The computations for basic and diluted earnings per share are as follows (in thousands, except per share data):

	Sixteen Weeks Ended	
	4/20/2014	4/21/2013
Net income	$ 11,944	$ 9,480
Basic weighted average shares outstanding	14,352	14,062
Dilutive effect of stock options and awards	240	279
Diluted weighted average shares outstanding	14,592	14,341
Earnings per share:		
Basic	$ 0.83	$ 0.67
Diluted	$ 0.82	$ 0.66

5. Acquisition of Red Robin® Franchised Restaurants

On March 24, 2014, the Company acquired four restaurants from one of its franchisees as a part of its overall expansion strategy. The purchase price was $8.0 million in cash and the Company incurred acquisition costs of $0.1 million for sixteen weeks ended April 20, 2014. See Note 12, *Subsequent Events* for more information regarding acquisition costs incurred in the first quarter of 2014. The condensed consolidated statements of income include the results of operations for the restaurants from the date of acquisition. The pro forma impact of the acquisition is not presented, as the impact was not material to reported results.

The acquisition of the four restaurants was accounted for using the purchase method as defined in ASC 805, *Business Combination.* The goodwill generated by the acquisition is not amortizable for book purposes but is amortizable and deductible for tax purposes. The Company preliminary allocated the purchase price to the fair value of the assets acquired and liabilities assumed on the closing date as follows (in thousands):

	Fair Value at 3/24/2014
Property, plant and equipment	3,785
Intangible assets	3,132
Goodwill	2,083
Other current and non-current assets	276
Gift card liabilities	(59)
Unfavorable market leases	(1,256)
Total purchase price	$ 7,961

Of the $3.1 million of intangible assets, $2.6 million related to reacquired franchise rights, which will be amortized on a straight-line basis over a period of approximately 14 years, and $0.5 million related to a leasehold interest and will be amortized on a straight-line basis over a life of 9 years. The unfavorable market leases, which were included in Deferred rent in the accompany condensed consolidated balance sheets, will be amortized on a straight-line basis over a period of approximately 14 years. The fair value measurement of tangible and intangible assets and liabilities as of the acquisition date is based on significant inputs not observed in the market and thus represents a level 3 measurement that is subject to change.

6. Restaurant Impairment and Restaurant Closures

The Company closed two restaurants during the first quarter 2014. Both restaurants had been impaired in fiscal year 2013 and no impairments were recorded during the first quarter 2014. The Company closed no restaurants during the first quarter 2013, and no impairments to restaurants were recorded during the first quarter 2013.

The Company evaluates restaurants that are closed and allocates goodwill based on the relative fair value of the disposal restaurants to the Company's reporting unit. Since restaurant operations are typically valued based on cash flow from operations, the Company compares the historical cash flow from the closed restaurants to the cash flow from the reporting unit to determine the relative value. No goodwill was allocated to the restaurants closed during first quarter 2014, because both restaurants had projected negative cash flow and consequently did not have positive fair value.

7. Advertising Costs

Costs incurred in connection with the advertising and marketing of the Company are included in selling, general and administrative expenses. Advertising and marketing includes salaries and benefits of marketing personnel, advertising, media and marketing materials. Advertising production costs are expensed in the period when the advertising first takes place. Other advertising and marketing costs are expensed as incurred. Advertising and marketing costs were $12.3 million and $11.1 million for the sixteen weeks ended April 20, 2014 and April 21, 2013, which included $10.3 million and $8.6 million related to selling expense.

8. Derivative and Other Comprehensive Income

The Company enters into derivative instruments for risk management purposes only, including a derivative designated as a cash flow hedge under guidance for derivative instruments and hedging activities. The Company uses interest rate-related derivative instruments to manage the exposure to fluctuations in interest rates. By using these instruments, the Company exposes itself, from time to time, to both credit and market risk. Credit risk is the failure of either party to the contract to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes the Company, creating credit risk for the Company. The Company minimizes credit risk by entering into transactions with high-quality counterparties whose credit ratings are evaluated on a quarterly basis. Market risk, as it relates to the Company's interest-rate derivative, is the adverse effect on the value of a financial instrument resulting from changes in interest rates. The Company minimizes market risk by establishing and monitoring parameters that limit the types and degree of market risk that the Company accepts.

The Company had one interest rate swap at April 20, 2014 and December 29, 2013 and its counterparty is Rabobank International, Utrecht ("Rabobank"). The Company entered into this variable-to-fixed interest rate swap agreement with Rabobank in August 2011 to hedge the floating interest rate on a portion of the term loan under the Company's credit facility. The interest rate swap was effective August 5, 2011 with an initial notional amount of $74.1 million. In accordance with its original terms, the notional amount of the interest rate swap amortizes over time from $74.1 million at inception to $50.6 million at its maturity on June 30, 2015. The remaining notional amount as of April 20, 2014 and December 29, 2013 was $60.0 million and $61.9 million. Under the terms of the interest rate swap, the quarterly cash payment or receipt is equal to the net of (1) the fixed interest rate of 1.135% paid by the Company and (2) the 3 month LIBOR rate for the applicable interest period received by the Company multiplied by the remaining notional amount as of the payment date. Concurrent with the December 14, 2012 refinancing of the previous facility, the Company de-designated the original hedging relationship and consequently re-designated the interest rate swap on the new credit facility's $225.0 million revolving line.

Changes in fair value of the interest rate swap are recorded, net of tax, as a component of accumulated other comprehensive income, in the accompanying consolidated balance sheets. The Company reclassifies the effective gain or loss from accumulated other comprehensive income, net of tax, to interest expense on the Company's consolidated statements of income as the interest expense is recognized on the related debt. The ineffective portion of the change in fair value of the interest rate swap, if any, is recognized directly in earnings in interest expense. Ineffectiveness from the Company's interest rate swap occurs because the fair value was not equal to zero when it was re-designated in December 2012. The following table presents the impact of the interest rate swap designated as a cash flow hedge as of April 20, 2014 (in thousands):

Derivative in cash flow hedging relationship	Amount of loss recognized in OCI on derivative (effective portion)	Location of loss reclassified from AOCI into income (effective portion)	Amount of loss reclassified from AOCI into income (effective portion)	Location of loss recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of loss recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)
Interest rate swap	$ (70)	Interest expense, net and other	$ (29)	Interest expense, net and other	$ —

The following table summarizes the fair value and presentation of the interest rate swap in the accompanying consolidated balance sheets as hedging instruments as of April 20, 2014 and December 29, 2013 (in thousands):

	Derivative Liability	
Balance Sheet Location	**Fair Value at April 20, 2014**	**Fair Value at December 29, 2013**
Accrued liabilities	$ 492	$ 516
Other non-current liabilities	92	271
Total derivatives	$ 584	$ 787

The components of accumulated other comprehensive income related to the interest rate swap being used to hedge cash flows as ofApril 20, 2014 and December 29, 2013 were as follows (in thousands):

	April 20, 2014	December 29, 2013
Unrealized loss related to cash flow hedges, pretax	$ (41)	$ (43)
Tax benefit	16	13
Accumulated other comprehensive loss, net	$ (25)	$ (30)

The interest rate swap was highly effective during the sixteen weeks endedApril 20, 2014. Amounts reclassified from accumulated other comprehensive loss into interest expense represent payments made to the counterparty for the effective portion of the interest rate swap. The Company expects the swap to continue to be highly effective during the next twelve months. Approximately $76.0 thousand of the deferred losses included in accumulated other comprehensive loss on the accompanying consolidated balance sheets at April 20, 2014 is expected to be reclassified into earnings during the next twelve months. Additionally, the Company had no obligations as ofApril 20, 2014 to post collateral under the terms of the interest rate swap agreements. If the Company had breached any of its provisions at April 20, 2014, it could have been required to settle its obligations on the interest rate swap at a termination value of $0.6 million.

9. Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The carrying amounts of the Company's cash and cash equivalents, accounts receivables and accounts payables approximate fair value due to the short term nature or maturity of the instruments.

The Company maintains a rabbi trust to fund obligations under a deferred compensation plan. Amounts in the rabbi trust are invested in mutual funds, which are designated as trading securities and carried at fair value, and are included in Other assets, net in the accompanying condensed consolidated balance sheets. Fair market value of mutual funds is measured using level 1 inputs (quoted prices for identical assets in active markets). The fair value of the investments in the rabbi trust was $5.1 million and $3.8 million as of April 20, 2014 and December 29, 2013. The value of the deferred compensation plan liability is dependent upon the fair values of the assets held in the rabbi trust and therefore is not measured at fair value.

The derivative liability associated with the interest rate swap is considered to be a level 2 instrument. The interest rate swap is a standard cash flow hedge whose fair value is estimated using industry-standard valuation models. Such models project future cash flows and discount the future amounts to a present value using market-based observable inputs, including interest rate curves. See Note 8, *Derivative and Other Comprehensive Income*, for the discussion of the derivative liability.

Other than disclosed in Note 5, *Acquisition of Red Robin Franchised Restaurants*, as of April 20, 2014 and December 29, 2013, the Company had no financial assets or liabilities that were measured using level 3 inputs. The Company also had no non-financial assets or liabilities that were required to be measured on a recurring basis.

Disclosures of Fair Value of Other Assets and Liabilities

The Company's liabilities under its credit facility and capital leases are carried at historical cost in the accompanying consolidated balance sheets. For disclosure purposes, the Company estimated the fair value of the credit facility and capital lease obligations using discounted cash flow analysis based on market rates obtained from independent third parties for similar types of debt. Both the credit facility and the Company's capital lease obligations are considered to be level 2 instruments. The carrying value of the Company's credit facility as of April 20, 2014 and December 29, 2013 was $77.5 million and $78.5 million. The fair value of the Company's credit facility as of April 20, 2014 and December 29, 2013 was approximately $77.4 million and $78.4 million. There were $9.1 million of outstanding borrowings recorded for the Company's capital leases as of April 20, 2014, which have an estimated fair value of $10.3 million. At December 29, 2013, the carrying amount of the Company's capital lease obligations was $9.3 million and the fair value was $10.9 million.

10. Commitments and Contingencies

In the normal course of business, there are various claims in process, matters in litigation and other contingencies. These include employment-related claims and claims alleging illness, injury or other food quality, health or operational issues. To date, no claims of these types of litigation, certain of which are covered by insurance policies, have had a material effect on the Company. While it is not possible to predict the outcome of these suits, legal proceedings and claims with certainty, management is of the opinion that adequate provision for potential losses associated with these matters has been made in the financial statements and that the ultimate resolution of these matters will not have a material effect on the Company's financial position and results of operations.

11. Related Party Transactions

The former president and majority owner of one of the Company's former franchises served on the Company's board of directors from 2009 until his retirement in May 2013. The Company purchased 13 Red Robin® restaurants in Washington from this former franchisee in 2006. The retired board member is a principal of and holds, directly or indirectly, interests of between 45% and 100% in each of three privately-held entities that hold the leases for three of the acquired Washington restaurants. These leases were assumed by the Company in connection with the acquisition. Under these leases, the Company recognized rent and other related payments in the amounts of $0.4 million, $0.3 million for the sixteen weeks ended April 20, 2014 and April 21, 2013. Future minimum lease commitments under these leases are $3.1 million at April 20, 2014.

12. Subsequent Events

On April 30, 2014, the Company announced it had signed purchase agreements to acquire 32 Red Robin franchised restaurants in the United States and Canada, for approximately $40.0 million. The acquisition is expected to close late summer 2014 pending the completion of certain closing conditions. The Company incurred $0.5 million acquisition costs related to this acquisition for the sixteen weeks ended April 20, 2014.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations provides a narrative of our financial performance and condition that should be read in conjunction with the accompanying condensed consolidated financial statements. All comparisons under this heading between 2014 and 2013 refer to the sixteen week periods ending April 20, 2014 and April 21, 2013, unless otherwise indicated.

Overview

Red Robin Gourmet Burgers, Inc., a Delaware corporation, together with its subsidiaries ("Red Robin," "we," "us," "our" or the "Company"), primarily develops, operates and franchises casual-dining restaurants with 496 locations as of April 20, 2014. The Company operated 367 Company-owned restaurants located in 35 states comprised of 362 Red Robin® restaurants and 5 Red Robin's Burger Works®, a smaller non-traditional prototype with a limited menu and limited service. The Company also franchises restaurants, of which there were 129 restaurants in 19 states and two Canadian provinces as of April 20, 2014. The Company operates its business as one operating and one reportable segment.

The following summarizes the operational and financial highlights during the sixteen weeks endedApril 20, 2014, and our outlook for the remainder of fiscal year 2014:

- *Financial performance.*
  - Total revenues increased $34.1 million, or 11.1%, to $340.5 million for the sixteen weeks ended April 20, 2014 as compared to the sixteen weeks ended April 21, 2013, primarily due to a $16.0 million or 5.4% increase in comparable restaurant revenue and $17.7 million revenue from new restaurant openings and acquired restaurants.
  - Restaurant operating costs, as a percentage of restaurant revenue, decreased90 basis points to 77.6% for the sixteen weeks ended April 20, 2014 compared to 78.5% for the sixteen weeks ended April 21, 2013, primarily due to lower labor costs as a result of higher productivity and leverage from higher restaurant sales volumes on fixed costs.
  - Net income improved 26.0% to $11.9 million for the sixteen weeks ended April 20, 2014 from $9.5 million for the sixteen weeks ended April 21, 2013. Diluted earnings per share increased 24.2% to $0.82 for the sixteen weeks ended April 20, 2014 as compared to $0.66 for the sixteen weeks ended April 21, 2013.
- *Marketing.* Our Red Robin Royalty™ loyalty program operates in all our Company-owned Red Robin restaurants and has been rolled out to 81 franchised restaurants. We engage our guests through this program with offers designed to increase frequency of visits as a key part of our overall marketing strategy. We also let enrolled guests know early about new menu items to generate awareness and trial. In 2013, we changed our media buying approach to achieve greater continuity with less time off air between televised advertising windows. We also increased our use of digital, social and earned media to reach our core target of adult females. Our new "Million Reasons" advertising campaign features a female spokeswoman to appeal to our core target and create continuity of branding across individual advertisements and media.
- *Brand Transformation Initiative.* As of April 20, 2014, we have remodeled 34 of our Company-owned Red Robin restaurants to our new brand standards and continue to modify and refine aspects of the remodel based on financial returns and guest feedback. In August 2013, we rolled-out new plating and presentation standards and a new spiral menu format to all Company-owned and franchised restaurants. Key elements of the remodel include greater separation of the bar and family dining areas, new exteriors and signage. We plan to remodel at least 50 Company-owned Red Robin restaurants during fiscal year 2014.
- *Restaurant Development.* We opened four new Red Robin restaurants, closed one Red Robin restaurant and acquired four Red Robin franchised restaurants during the first quarter of 2014. We plan to open an additional 16 Red Robin restaurants during the remainder of 2014. In addition, we entered into purchase agreements in April 2014 to acquire 32 Red Robin® franchised restaurants in the United States and Canada. The acquisition is expected to close late summer 2014. In first quarter of 2014, our franchisees closed one restaurant and sold four restaurants to us. We expect that our franchisees will open up to two new Red Robin restaurants in 2014.
- With regards to Red Robin's Burger Works, we closed one college campus location in the first quarter of 2014. We continue to evaluate the results of different types of trade areas as well as optimize operating performance. The underlying restaurant performance has been mixed with sales at our central business district and lifestyle trade areas performing as expected and our college campus locations performing below our expectations. For 2014, we plan to open five Red Robin's Burger Works in central business district locations in two new major metropolitan markets.

Restaurant Data

The following table details restaurant unit data for our Company-owned and franchise locations for the periods indicated:

	Sixteen Weeks Ended	
	April 20, 2014	April 21, 2013
Company-owned:		
Beginning of period	361	339
Opened during the period	4	3
Acquired from franchisee	4	—
Closed during the period	(2)	—
End of period	367	342
Franchised:		
Beginning of period	134	133
Opened during the period	—	—
Sold or closed during the period	(5)	—
End of period	129	133
Total number of restaurants	496	475

Results of Operations

Operating results for each fiscal year presented below are expressed as a percentage of total revenues, except for the components of restaurant operating costs, which are expressed as a percentage of restaurant revenues.

This information has been prepared on a basis consistent with our audited 2013 annual financial statements and, in the opinion of management, includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information for the periods presented. Our operating results may fluctuate significantly as a result of a variety of factors, and operating results for any period presented are not necessarily indicative of results for a full fiscal year.

	Sixteen Weeks Ended	
	April 20, 2014	April 21, 2013
Revenues:		
Restaurant revenue	98.4%	98.4%
Franchise royalties, fees and other revenues	1.6	1.6
Total revenues	100.0	100.0
Costs and expenses:		
Restaurant operating costs (exclusive of depreciation and amortization shown separately below):		
Cost of sales	25.1	24.9
Labor	33.1	33.8
Other operating	12.1	12.3
Occupancy	7.3	7.5
Total restaurant operating costs	77.6	78.5
Depreciation and amortization	5.5	5.8
Selling, general and administrative	12.5	12.3
Pre-opening and acquisition costs	0.6	0.3
Income from operations	5.0	4.4
Interest expense, net and other	0.2	0.4
Income before income taxes	4.8	4.1
Provision for income taxes	1.3	1.0
Net income	3.5%	3.1%

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

Revenues

(Revenues in thousands)	Sixteen Weeks Ended April 20, 2014	Sixteen Weeks Ended April 21, 2013	Percent Change
Restaurant revenue	$ 334,995	$ 301,313	11.2%
Franchise royalties, fees and other revenue	5,489	5,036	9.0%
Total revenues	$ 340,484	$ 306,349	11.1%
Average weekly net sales volumes in Company-owned restaurants(1)	$ 58,382	$ 55,978	4.3%
Total operating weeks	5,810	5,444	6.7%
Net sales per square foot	$ 143	$ 139	2.9%

(1) Excludes Red Robin's Burger Works.

Restaurant revenue, which is comprised almost entirely of food and beverage sales, increased by $33.7 million, or 11.2%, for the sixteen weeks ended April 20, 2014 as compared to the sixteen weeks ended April 21, 2013. Comparable restaurant revenue grew $16.0 million or 5.4% in the sixteen weeks ended April 20, 2014 primarily as a result of a 4.9% increase in average guest check and a 0.5% increase in guest counts. The increase in average guest check resulted from a combination of menu price increases and increased sales of items including beverages and appetizers. Revenue from our non-comparable restaurants, which includes newly acquired restaurants and restaurants opened after the third quarter of fiscal 2012 or closed since the beginning of 2013, contributed an increase of $17.7 million in the sixteen weeks ended April 20, 2014.

Average weekly net sales volumes represent the total restaurant revenue for all Company-owned Red Robin restaurants for each time period presented, divided by the number of operating weeks in the period. Comparable restaurant average weekly sales volumes include those restaurants that are in the comparable base at the end of each period presented. New restaurants are primarily restaurants that are open but by definition not included in the comparable category because they have not yet operated for five full quarters.

Franchise royalties and fees increased $0.3 million or 7.1%, for the sixteen weeks ended April 20, 2014. The increase is primarily attributable to the increased sales at franchise locations. Our franchisees reported that comparable restaurant revenue increased 6.8% for U.S. restaurants and increased 0.3% for Canadian restaurants for the sixteen weeks ended April 20, 2014 compared to the sixteen weeks ended April 21, 2013.

Other revenue consists primarily of gift card breakage and licensing royalty. For the sixteen weeks ended April 20, 2014, the $0.1 million increase relates to licensing our signature Bottomless Steak Fries™ to a brand licensing vendor who launched frozen seasoned steak fries into retail grocery in Q4 2013. We had no licensing royalty revenue in the sixteen weeks ended April 21, 2013.

Cost of Sales

	Sixteen Weeks Ended		
(In thousands, except percentages)	**April 20, 2014**	**April 21, 2013**	**Percent Change**
Cost of sales	$ 84,220	$ 74,982	12.3%
As a percent of restaurant revenue	25.1%	24.9%	0.2%

Cost of sales, which is comprised of food and beverage costs, is variable and generally fluctuates with sales volume. Cost of sales as a percentage of restaurant revenue increased 20 basis points for the sixteen weeks ended April 20, 2014 compared to the same period in 2013. This increase as a percentage of restaurant revenue was caused by an increase in the cost of Black Angus burger patties, seafood and prepared food items, partially offset by a decrease in the cost of produce, ground beef, poultry, and canned and dry goods.

Labor

	Sixteen Weeks Ended		
(In thousands, except percentages)	**April 20, 2014**	**April 21, 2013**	**Percent Change**
Labor	$ 110,921	$ 101,882	8.9 %
As a percent of restaurant revenue	33.1%	33.8%	(0.7)%

Labor costs include restaurant-level hourly wages and management salaries as well as related taxes and benefits. For the sixteen weeks ended April 20, 2014, labor as a percentage of restaurant revenue decreased 70 basis points compared to the same period in 2013. This decrease primarily resulted from increased hourly productivity, the leverage of fixed labor on higher sales and a reduction in payroll taxes, partially offset by increased restaurant management bonus. Labor costs increased $9.0 million or 8.9% primarily due to the additional restaurants opened since the first quarter 2013.

Other Operating

	Sixteen Weeks Ended		
(In thousands, except percentages)	**April 20, 2014**	**April 21, 2013**	**Percent Change**
Other operating	$ 40,597	$ 37,090	9.5 %
As a percent of restaurant revenue	12.1%	12.3%	(0.2)%

Other operating costs include costs such as restaurant supplies, utilities, and other costs such as service repairs and maintenance costs. For the sixteen weeks ended April 20, 2014, other operating costs as a percentage of restaurant revenue decreased 20 basis points over the prior year due primarily to lower supply costs. Other operating costs increased $3.5 million or 9.5%, primarily due to the increase in utilities and services and maintenance costs related to the additional restaurants opened since the first quarter 2013 as well as the impact of more inclement weather increasing utility and maintenance costs.

Occupancy

(In thousands, except percentages)	Sixteen Weeks Ended		
	April 20, 2014	April 21, 2013	Percent Change
Occupancy	$ 24,282	$ 22,573	7.6 %
As a percent of restaurant revenue	7.3%	7.5%	(0.2)%

Occupancy costs include fixed rents, property taxes, common area maintenance charges, general liability insurance, contingent rents, and other property costs. Occupancy costs incurred prior to opening our new restaurants are included in Pre-opening costs. For the sixteen weeks ended April 20, 2014, occupancy costs as a percentage of restaurant revenue decreased 20 basis points over the prior year, primarily due to leverage from higher restaurant sales volumes on fixed rents. Occupancy costs increased $1.7 million or 7.6%, primarily due to the increase in fixed rents, common area maintenance costs and real estate taxes related to the additional restaurants opened since the first quarter 2013. Our fixed rents for the sixteen weeks ended April 20, 2014 and April 21, 2013 were $15.6 million and $14.4 million.

Depreciation and Amortization

(In thousands, except percentages)	Sixteen Weeks Ended		
	April 20, 2014	April 21, 2013	Percent Change
Depreciation and amortization	$ 18,886	$ 17,834	5.9 %
As a percent of total revenues	5.5%	5.8%	(0.3)%

Depreciation and amortization includes depreciation on capital expenditures for restaurants and corporate assets as well as amortization of acquired franchise rights, leasehold interests and certain liquor licenses. For the sixteen weeks ended April 20, 2014, depreciation and amortization expense increased $1.1 million or 5.9% over the prior year, primarily related to new restaurants opened and acquired since the first quarter 2013 and the restaurants remodeled under our brand transformation initiative. Depreciation and amortization expenses as a percentage of restaurant revenue decreased 30 basis points over prior year, primarily due to leverage from higher restaurant sales volumes on the fixed expenses.

Selling, General and Administrative

(In thousands, except percentages)	Sixteen Weeks Ended		
	April 20, 2014	April 21, 2013	Percent Change
Selling, general and administrative	$ 42,423	$ 37,608	12.8%
As a percent of total revenues	12.5%	12.3%	0.2%

Selling, general and administrative costs include all corporate and administrative functions. Components of this category include corporate, regional and franchise support salaries and benefits, travel, information systems, training, office rent, professional and consulting fees, board of directors' expenses, legal expenses and marketing costs.

Selling, general and administrative costs in the sixteen weeks endedApril 20, 2014 increased $4.8 million or 12.8% as compared to the same period of2013. The increase was driven primarily by a $1.9 million increase in salaries and benefits due to investments in talent to support value-enhancing initiatives and higher incentive based compensation, a $1.7 million increase in selling costs primarily due to additional television advertising, and a $0.9 million increase in professional and outside services.

Pre-opening and Acquisition Costs

(In thousands, except percentages)	Sixteen Weeks Ended April 20, 2014	April 21, 2013	Percent Change
Pre-opening and acquisition costs	$ 2,113	$ 834	153.4%
As a percent of total revenues	0.6%	0.3%	0.3%

Pre-opening costs, which are expensed as incurred, consist of the costs of labor, hiring and training the initial work force for our new restaurants, occupancy costs incurred prior to opening, travel expenses for our training teams, the cost of food and beverages used in training, marketing and supplies costs and other direct costs related to the opening of new restaurants. Our pre-opening costs fluctuate from period to period, depending upon, but not limited to, the number of restaurant openings, the size of the restaurants being opened and the location of the restaurants. Pre-opening expenses for any given quarter will typically include expenses associated with restaurants opened during the quarter as well as expenses related to restaurants opened towards the end of the prior quarter and restaurants opening in subsequent quarters. Pre-opening costs increased $0.7 million for the sixteen weeks ended April 20, 2014 compared to the same period of 2013 primarily due to the increased number of Company-owned restaurants under construction and planned to open in the second quarter of 2014.

We also incurred approximately $0.6 million during the sixteen weeks ended April 20, 2014 related to acquisitions of franchised restaurants. No acquisition costs were recognized for the sixteen weeks ended April 21, 2013**.**

Interest Expense, Net and Other

Interest expense, net and other was $0.7 million for the sixteen weeks ended April 20, 2014, a decrease of $0.4 million or 38.1% from the same period in 2013. The decrease was primarily related to a lower average debt balance. Our weighted average interest rate was 3.1% versus 2.7% in the same period of 2013.

Provision for Income Taxes

The effective income tax rate for the sixteen weeks ended April 20, 2014 was 27.0% compared to 23.9% for the same period of 2013. We anticipate that our full year fiscal 2014 effective tax rate will be approximately 27.5%.

Liquidity and Capital resources

General. Cash and cash equivalents decreased $2.5 million to $14.6 million at April 20, 2014, from $17.1 million at the beginning of the fiscal year. We expect to continue to reinvest available cash flows from operations to develop new restaurants or invest in existing restaurants and infrastructure, including the remodeling of our restaurants as part of our brand transformation initiative, purchase franchised restaurants, pay down debt, and maintain the flexibility to use excess cash to opportunistically to repurchase our common stock and execute our long term strategic initiatives.

Cash Flows

The table below summarizes our cash flows from operating, investing and financing activities for each period presented (in thousands):

	Sixteen Weeks Ended April 20, 2014	April 21, 2013
Net cash provided by operating activities	$ 36,035	$ 40,367
Net cash used in investing activities	(32,343)	(13,640)
Net cash used in financing activities	(6,165)	(31,792)
Net decrease in cash and cash equivalents	$ (2,473)	$ (5,065)

Operating Cash Flows

Net cash flows provided by operating activities were $36.0 million for the sixteen weeks ended April 20, 2014, compared to $40.4 million for the same period in 2013. Of the $4.4 million decrease, approximately $11.3 million relates to payouts of fiscal 2013 annual and long-term incentive compensation, $1.9 million relates to increase in salaries, benefits and incentive-based compensation, and $1.4 million relates to an increase in contributions to marketing and national media advertising funds. The decrease in operating cash flows was partially offset by a $10.4 million increase related to profit from restaurant operations due to increased sales and lower operating costs.

Investing Cash Flows

Net cash flows used in investing activities were $32.3 million for the sixteen weeks ended April 20, 2014, compared to $13.6 million for the same period in 2013. The increase over prior year is due primarily to increased investments in acquired franchised restaurants, new restaurants, restaurant remodels and restaurant maintenance, partially offset by decreases in technology infrastructure. The following table lists the components of our investing activities for the sixteen weeks ended April 20, 2014 (in thousands):

	Sixteen Weeks Ended April 20, 2014
New restaurants	$ 15,428
Acquisition of franchise restaurants, net of cash acquired	7,958
Restaurant remodels	5,604
Restaurant maintenance capital	1,768
Investment in technology infrastructure and other	1,514
Other	71
Net cash used in investing activities	$ 32,343

Financing Cash Flows

Cash used in our financing activities decreased $25.6 million from $31.8 million for the sixteen weeks ended April 21, 2013, to $6.2 million for the sixteen weeks ended April 20, 2014. This decrease was primarily due to a $33.5 million decrease in net debt payment and a $0.9 million tax benefit related to the exercise of stock options, offset by $7.5 million cash used to repurchase the Company's common stock and a $1.3 million decrease in cash proceeds from the exercise of employee stock options and employee stock purchases.

Credit Facility. On December 14, 2012, we entered into a new credit facility ("New Credit Facility") with a consortium of banks, thereby terminating our previous credit facility, which had been amended and restated on May 6, 2011 ("Previous Facility"). The New Credit Facility provides for a $225 million revolving line of credit with a sublimit for the issuance of up to $25 million in letters of credit and swingline loans up to $15 million, and the Company maintains the option to increase this credit facility in the future, subject to lenders' participation, by up to an additional $100 million in the aggregate. Borrowings under the New Credit Facility are subject to rates based on LIBOR plus a spread based on leverage or a base rate plus a spread based on leverage (base rate is the highest of (a) the Prime Rate, (b) the Federal Funds Rate plus 0.50% and (c) LIBOR for an interest period of one month plus 1%). This $225 million revolving line of credit matures on December 14, 2017. Borrowings under the New Credit Facility are secured by first priority liens and security interests in substantially all of our assets, which include the capital stock of our certain subsidiaries, and are available for financing activities including restaurant construction costs, working capital and general corporate purposes, including, among other uses, to refinance certain indebtedness, permitted acquisitions and redemption of capital stock. We do not believe that any of our lenders will be unable to fulfill their lending commitments under our New Credit Facility. Loan origination costs associated with the New Credit Facility are included as deferred costs in other assets, net in the accompanying consolidated balance sheet. As of April 20, 2014, we had outstanding borrowings under the New Credit Facility of $77.5 million.

In August 2011, we entered into a variable-to-fixed interest rate swap agreement with Rabobank International, Utrecht ("Rabobank") to hedge the floating interest rate on a portion of the term loan under our Previous Facility. The interest rate swap had an effective date of August 5, 2011, and an initial notional amount of $74.1 million. In accordance with its original terms, the notional amount of the interest rate swap amortizes over time from $74.1 million at inception to $50.6 million at its maturity on June 30, 2015. The remaining notional amount as of April 20, 2014 was $60.0 million. Under the swap, we are required to make quarterly payments based on a fixed interest rate of 1.135%, calculated based on the remaining notional amount. In exchange, we receive interest on the notional amount at a variable rate that is based on the 3-month spot LIBOR rate quarterly. Concurrent with the December 14, 2012 refinancing of the Previous Facility, the Company undesignated the original hedging relationship for this swap and consequently re-designated the swap on the New Credit Facility's $225 million revolver.

Covenants. We are subject to a number of customary covenants under our New Credit Facility, including limitations on additional borrowings, acquisitions, stock repurchases, sales of assets, and dividend payments. As of April 20, 2014, we were in compliance with all debt covenants.

Debt Outstanding. Total debt and capital lease obligations outstanding decreased $1.2 million to $87.5 million at April 20, 2014, from $88.7 million at December 29, 2013, primarily due to our net repayments on the New Credit Facility. Our New Credit Facility matures in 2017.

We typically maintain current liabilities in excess of our current assets which results in a working capital deficit. We are able to operate with a working capital deficit because restaurant sales are primarily conducted on a cash or credit card basis. Rapid turnover of inventory results in limited investment in inventories, and cash from sales is usually received before related payables for food, supplies and payroll become due. In addition, receipts from the sale of gift cards are received well in advance of related redemptions. Rather than maintain higher cash balances that would result from this pattern of operating cash flows, we typically utilize operating cash flows in excess of those required for currently-maturing liabilities to pay for capital expenditures, debt repayment or to repurchase stock. When necessary, we utilize our revolving credit facility to satisfy short-term liquidity requirements. However, we believe that our future cash flows will be sufficient to satisfy any working capital deficits.

Inflation

The primary inflationary factors affecting our operations are food, labor costs, energy costs, and materials used in the construction of new restaurants. A large number of our restaurant personnel are paid at rates based on the applicable minimum wage, and increases in the minimum wage have directly affected our labor costs in recent years. Many of our leases require us to pay taxes, maintenance, repairs, insurance, and utilities, all of which are generally subject to inflationary increases. We believe inflation had a negative impact on our financial condition and results of operations in the first quarter of 2014, due primarily to higher wages, costs for certain supplies, and commodity prices for certain foods we purchased at market rates. Uncertainties related to fluctuations in costs, including energy costs, commodity prices, annual indexed wage increases and construction materials make it difficult to predict what impact, if any, inflation may have on our business during 2014, but it is anticipated that inflation will continue to have a negative impact in fiscal year 2014.

Seasonality

Our business is subject to seasonal fluctuations. Historically, sales in most of our restaurants have been higher during the summer months and winter holiday season. As a result, our quarterly and annual operating results and comparable restaurant revenue may fluctuate significantly as a result of seasonality. Accordingly, results for any one quarter or year are not necessarily indicative of results to be expected for any other quarter or for any year, and comparable restaurant sales for any particular future period may decrease.

Off Balance Sheet Arrangements

Except for operating leases, primarily restaurant leases, entered into the normal course of business, we do not have any material off balance sheet arrangements.

Contractual Obligations

There were no material changes outside the ordinary course of business to our contractual obligations since the filing of the 2013 Form 10-K.

Critical Accounting Policies and Estimates

Critical accounting policies and estimates are those that we believe are both significant and that require us to make difficult, subjective or complex judgments, often because we need to estimate the effect of inherently uncertain matters. We base our estimates and judgments on historical experiences and various other factors that we believe to be appropriate under the circumstances. Actual results may differ from these estimates, including our estimates of future restaurant level cash flows, which are subject to the current economic environment, and we might obtain different results if we used different assumptions or conditions. We had no significant changes in our critical accounting policies and estimates which were disclosed in our Annual Report on Form 10-K for the fiscal year ended December 29, 2013.

Recently Issued Accounting Standards

In January 2013, the Financial Accounting Standards Board ("FASB") issued *Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities.* This guidance clarifies the scope of transactions that are subject to the disclosures about offsetting and will require disclosure of information about the effect or potential effect of financial instrument netting arrangements on financial position. The guidance became effective for us at the beginning of our first quarter of fiscal year 2014 and did not have a material impact on our financial statements.

In July 2013, the FASB issued *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists.* This guidance requires entities to present its unrecognized tax benefits net of its deferred tax assets when settlement in this manner is available under the tax law, which would be based on facts and circumstances as of the balance sheet reporting date and would not consider future events. Gross presentation in the notes to the financial statements will still be required. The guidance became effective for us at the beginning of our first quarter of fiscal year 2014 and did not have a material impact on our financial statements.

Forward-Looking Statements

Certain information and statements contained in this report are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the “PSLRA”) codified at Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. This statement is included for purposes of complying with the safe harbor provisions of the PSLRA. Forward-looking statements include statements regarding our expectations, beliefs, intentions, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements which are other than statements of historical facts. These statements may be identified, without limitation, by the use of forward-looking terminology such as “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “plan,” “project,” “may,” “will,” “would” and similar expressions. Certain forward-looking statements are included in this Quarterly Report on Form 10-Q, principally in the sections captioned “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. Forward-looking statements in this report include, among other things: our brand transformation initiatives; expectations about our interest-rate swaps; anticipated number of new restaurants; anticipated funding for new restaurant openings; anticipated closing of acquisitions and the timing thereof; anticipated Red Robin’s Burger Works® development efforts; expected uses for available cash flow; anticipated effective tax rate for 2014; beliefs about inflation and commodity and utility costs and the effect of the adoption of new accounting standards on our financial and accounting systems and analysis programs.

Forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from those we express in these forward-looking statements. These risks and uncertainties include, but are not limited to, the following: the effectiveness of our business improvement initiatives; effectiveness of our marketing campaign; uncertainty regarding general economic conditions and economic recovery; concentration of restaurants in certain markets and lack of market awareness in new markets; changes in consumer disposable income, consumer spending trends and habits; ineffectiveness of our information technology efforts; regional mall and lifestyle center traffic trends; increased competition and discounting in the casual-dining restaurant market; costs and availability of food and beverage inventory; changes in commodity prices, particularly ground beef; changes in labor and energy costs; limitations on the Company’s ability to execute stock repurchases due to lack of available shares or acceptable stock price levels or other market or Company-specific conditions; our ability to attract qualified managers and team members; changes in the availability of capital or credit facility borrowings; the effectiveness of our conversion to our new technology system; costs and other effects of legal claims by team members, franchisees, customers, vendors, stockholders and others, including settlement of those claims; effectiveness of management strategies and decisions; the ability to fulfill planned expansion (including franchise restaurant acquisitions) and restaurant remodeling; weather conditions and related events in regions where our restaurants are operated; changes in accounting standards policies and practices or related interpretations by auditors or regulatory entities; and other risk factors described from time to time in our SEC reports, including the Company’s most recent Annual Report on Form 10-K for the fiscal year ended December 29, 2013, filed with the SEC on February 24, 2014.

Although we believe that the expectations reflected in our forward-looking statements are based on reasonable assumptions, such expectations may prove to be materially incorrect due to known and unknown risks and uncertainties. All forward-looking statements speak only as of the date made. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances arising after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

Under our New Credit Facility, we are exposed to market risk from changes in interest rates on borrowings, which bear interest at one of the following rates we select: an Alternate Base Rate ("ABR"), based on the Prime Rate plus 0.50% to 1.25%, or the London Interbank Offered Rate ("LIBOR"), based on the relevant one, three or six-month LIBOR, at our discretion, plus 1.50% to 2.25%. The spread, or margin, for ABR and LIBOR loans under the New Credit Facility is subject to quarterly adjustment based on our leverage ratio, as defined by the credit agreement. As of April 20, 2014, we had $17.5 million of borrowings subject to variable interest rates. A 1.0% change in the effective interest rate applied to these loans would have resulted in pre-tax interest expense fluctuation of $0.2 million on an annualized basis.

Our objective in managing exposure to interest rate changes is to limit the effect of interest rate changes on earnings and cash flows and to lower overall borrowing costs. To achieve this objective, we have used an interest rate swap and may use other means such as caps to manage our net exposure to interest rate changes related to our borrowings. As appropriate, on the date derivative contracts are entered into, we designate derivatives as either a hedge of the fair value of a recognized asset or liability or of an unrecognized firm commitment (fair value hedge), or a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability (cash flow hedge). Refer to Note 8, *Derivative and Other Comprehensive Income,* of Notes to Condensed Consolidated Financial Statements of this report.

Primarily all of our transactions are conducted, and our accounts are denominated, in United States dollars. Accordingly, we are not exposed to significant foreign currency risk.

Many of the food products we purchase are affected by changes in weather, production, availability, seasonality, and other factors outside our control. In an effort to mitigate some of this risk, we have entered into fixed price agreements on some of our food and beverage products, including certain proteins, produce and cooking oil. As of April 20, 2014, approximately 63% of our estimated annual food and beverage purchases were covered by fixed price contracts, most of which are scheduled to expire at various times through the end of fiscal year 2014. These contracts may exclude related expenses such as fuel surcharges and other fees. In addition, we believe that almost all of our food and supplies are available from several sources, which helps to reduce or mitigate these risks.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the management of the Company, ("Management"), including the Company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO), as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, Management recognizes that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objectives. The Company's CEO and CFO have concluded that, based upon the evaluation of disclosure controls and procedures (as defined in Rule 13a-15(e) or 15d-15(e) under the Exchange Act), the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. Legal Proceedings

In the normal course of business, there are various claims in process, matters in litigation and other contingencies. These include employment related claims and claims from guests or team members alleging illness, injury or other food quality, health or operational concerns. To date, no claims of these types of litigation, certain of which are covered by insurance policies, have had a material effect on the Company. While it is not possible to predict the outcome of these suits, legal proceedings and claims with certainty, management is of the opinion that adequate provision for potential losses associated with these matters has been made in the financial statements and that the ultimate resolution of these matters will not have a material adverse effect on our financial position and results of operations.

ITEM 1A. Risk Factors

A description of the risk factors associated with our business is contained in Item 1A, "Risk Factors," of our Annual Report on Form 10-K for the fiscal year ended December 29, 2013 filed with the SEC on February 24, 2014. There have been no material changes to our Risk Factors disclosed in our 2013 Annual Report on Form 10-K.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the sixteen weeks ended April 20, 2014, the Company did not have any sales of securities in transactions that were not registered under the Securities Act of 1933, as amended, that have not been reported in a Current Report on Form 8-K. The table below provides a summary of the Company's purchases of its own common stock during the first quarter of fiscal year 2014.

Period (1)	Total Number of Shares (or Units) Purchases	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet be Purchased Under the Plan
February 24, 2014 - March 23, 2014	29,081	$ 70.87	29,081	$ 42,935,671
March 24, 2014 - April 20, 2014	79,203	$ 68.67	108,284	$ 37,496,629
Pursuant to Publicly Announced Plans or Programs (2)	108,284	$ 69.26		

(1) The reported periods conform to the Company's fiscal calendar composed of thirteen 28-day periods.

(2) In November 2012, the Company's board of directors re-authorized a repurchase of up to $50 million of the Company's common stock. This authorization became effective January 1, 2013, and will terminate upon completing the repurchase of $50 million of common stock unless earlier terminated by the Company's board of directors. Purchases may be made from time to time at the Company's discretion and the timing and amount of any share repurchases will be determined based on share price, market conditions, legal requirements, and other factors. The repurchase program may be suspended or discontinued at any time. Since January 1, 2013, the Company has purchased 177,100 shares for a total of $12.5 million. As of April 20, 2014, there was approximately $37.5 million remaining under the current board authorization for future stock repurchases.

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ITEM 6. Exhibits

Exhibit Number	Description
10.1*	Form of Red Robin Gourmet Burgers, Inc. Second Amended and Restated 2007 Performance Incentive Plan Nonqualified Stock Option Agreement.
10.2*	Form of Red Robin Gourmet Burgers, Inc. Second Amended and Restated 2007 Performance Incentive Plan Restricted Stock Unit Grant Agreement.
10.3*	Form of Red Robin Gourmet Burgers, Inc. Performance Based Cash Award Agreement.
31.1	Rule 13a-14(a) Certification of Chief Executive Officer
31.2	Rule 13a-14(a) Certification of Chief Financial Officer
32.1	Section 1350 Certifications of Chief Executive Officer and Chief Financial Officer

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SIGNATURE

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

	RED ROBIN GOURMET BURGERS, INC. (Registrant)	
May 23, 2014	By:	/s/ Stuart B. Brown
(Date)		Stuart B. Brown *(Chief Financial Officer)*

Exhibit 10.1

RED ROBIN GOURMET BURGERS, INC.
SECOND AMENDED AND RESTATED 2007 PERFORMANCE INCENTIVE PLAN
NONQUALIFIED STOCK OPTION AGREEMENT

THIS NONQUALIFIED STOCK OPTION AGREEMENT (this "**Option Agreement**") by and between **RED ROBIN GOURMET BURGERS, INC.**, a Delaware corporation (the "**Corporation**"), and the grantee of the option ("**Grantee**") evidences the nonqualified stock option (the "**Option**") granted by the Corporation to the Grantee as to the number of shares of the Corporation's Common Stock[1], the Award (Grant) Date, the Grant (Exercise) Price per share, the Expiration (Expiry) Date[2] and the Vesting Schedule (collectively, the "**Grant Terms**"), all of which are set forth and described in this Option Agreement.

Date of Grant:	
Exercise Price Per Share:	
Total Number of Shares Granted:	
Total Exercise Price:	
Expiration Date of Option:	

Vesting Schedule: This award may be exercised in whole or in part, in accordance with the following:

Shares	**Vest Type**	**Vest Date**

The Option is granted under the Red Robin Gourmet Burgers, Inc. Second Amended and Restated 2007 Performance Incentive Plan (the "**Plan**") and is subject to the Terms and Conditions of Nonqualified Stock Option (the "**Terms**") contained in this Option Agreement and the Plan. The Option has been granted to the Grantee in addition to, and not in lieu of, any other form of compensation otherwise payable or to be paid to the Grantee. Capitalized terms are defined in the Plan if not defined herein. The Grantee acknowledges receipt of a copy of this Option Agreement, the Plan, and the Prospectus for the Plan.

TERMS AND CONDITIONS OF NONQUALIFIED STOCK OPTION

1. <u>Vesting; Limits on Exercise; Incentive Stock Option Status</u>.

The Option may be exercised only to the extent the Option is vested and exercisable. The Option shall vest and become exercisable as set forth on the Vesting Schedule above.

- <u>Cumulative Exercisability</u>. To the extent that the Option is vested and exercisable, the Grantee has the right to exercise the Option (to the extent not previously exercised), and such right shall continue, until the expiration or earlier termination of the Option.

- <u>No Fractional Shares</u>. Fractional share interests shall be disregarded, but may be cumulated.

- <u>Nonqualified Stock Option</u>. The Option is a nonqualified stock option and is not, and shall not be, an incentive stock option within the meaning of Section 422 of the Code.

2. <u>Continuance of Employment/Service Required; No Employment/Service Commitment</u>.

The Vesting Schedule set forth in this Option Agreement requires continued employment or service through each applicable vesting date as a condition to the vesting of the applicable installment of the Option and the rights and benefits under this Option Agreement. Employment or service for only a portion of the vesting period, even if a substantial portion, will not entitle the Grantee to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or services as provided in Section 4 below or under the Plan.

Nothing contained in this Option Agreement or the Plan constitutes a continued employment or service commitment by the Corporation or any of its Subsidiaries, affects the Grantee's status, if he or she is an employee, as an employee at will who is subject to termination without cause, confers upon the Grantee any right to remain employed by or in service to the Corporation or any Subsidiary, interferes in any way with the right of the Corporation or any Subsidiary at any time to terminate such employment or service, or affects the right of the Corporation or any Subsidiary to increase or decrease the Grantee's other compensation.

3. Method of Exercise of Option.

The Option shall be exercisable by the delivery to the Secretary of the Corporation (or such other person as the Administrator may require pursuant to such administrative exercise procedures as the Administrator may implement from time to time) of:

- a written notice stating the number of shares of Common Stock to be purchased pursuant to the Option or by the completion of such other administrative exercise procedures as the Administrator may require from time to time,

- payment in full for the Exercise Price of the shares to be purchased in cash, check or by electronic funds transfer to the Corporation, or (subject to compliance with all applicable laws, rules, regulations and listing requirements and further subject to such rules as the Administrator may adopt as to any non-cash payment) in shares of Common Stock already owned by the Grantee, valued at their Fair Market Value on the exercise date, provided, however, that any shares initially acquired upon exercise of a stock option or otherwise from the Corporation must have been owned by the Grantee for at least six (6) months before the date of such exercise;

- any written statements or agreements required pursuant to Section 8.1 of the Plan; and

- satisfaction of the tax withholding provisions of Section 8.5 of the Plan.

The Administrator also may, but is not required to, authorize a non-cash payment alternative by notice and third party payment in such manner as may be authorized by the Administrator.

4. Early Termination/Acceleration of Option.

4.1 Possible Acceleration of Option upon Change in Control. As provided in Section 7.3 of the Plan, if the Corporation undergoes a Change in Control Event, any outstanding Option will become fully vested. However, if the Grantee is designated on the Corporation's payroll records as a Tier 1 or Tier 2 executive or above (or comparable designation) or is an executive officer on the date of the Change in Control Event, no Option will vest solely on account of such Change in Control Event unless the Grantee's employment with the Corporation is terminated without Cause (as defined below) within the two-year period following such Change in Control Event.

4.2 Termination of Option upon a Termination of Grantee's Employment or Services Subject to earlier termination on the Expiration Date of the Option, if the Grantee ceases to be employed by or ceases to provide services to the Corporation or a Subsidiary, the following rules shall apply (the last day that the Grantee is employed by or provides services to the Corporation or a Subsidiary is referred to as the Grantee's "**Severance Date**"):

- other than as expressly provided below in this Section 4.2, (a) the Grantee will have until the date that is 6 months after his or her Severance Date to exercise the Option (or portion thereof) to the extent that it was vested on the Severance Date, (b) the Option, to the extent not vested on the Severance Date, shall terminate on the Severance Date, and (c) the Option, to the extent exercisable for the 6-month period following the Severance Date and not exercised during such period, shall terminate at the close of business on the last day of the 6-month period;

- if the termination of the Grantee's employment or services is the result of the Grantee's death or Total Disability (as defined below), then the Grantee (or his beneficiary or personal representative, as the case may be) will have until the date that is 12 months after the Grantee's Severance Date to exercise the Option, (b) the Option, to the extent not vested on the Severance Date, shall terminate on the Severance Date, and (c) the Option, to the extent exercisable for the 12-month period following the Severance Date and not exercised during such period, shall terminate at the close of business on the last day of the 12-month period;

- if the Grantee's employment or services are terminated by the Corporation or a Subsidiary for Cause (as defined below), the Option (whether vested or not) shall terminate on the Severance Date.

For purposes of the Option, "**Total Disability**" means a "permanent and total disability" (within the meaning of Section 22(e)(3) of the Code or as otherwise determined by the Administrator).

For purposes of the Option, "**Cause**" means that the Grantee:

(1) has been negligent in the discharge of his or her duties to the Corporation or any of its Subsidiaries, has refused to perform stated or assigned duties or is incompetent in or (other than by reason of a disability or analogous condition) incapable of performing those duties;

(2) has been dishonest or committed or engaged in an act of theft, embezzlement or fraud, a breach of confidentiality, an unauthorized disclosure or use of inside information, customer lists, trade secrets or other confidential information; has breached a fiduciary duty, or willfully and materially violated any other duty, law, rule, regulation or policy of the Corporation, any of its Subsidiaries or any affiliate of the Corporation or any of its Subsidiaries; or has been convicted of a felony or misdemeanor (other than minor traffic violations or similar offenses);

(3) has materially breached any of the provisions of any agreement with the Corporation, any of its Subsidiaries or any affiliate of the Corporation or any of its Subsidiaries; or

(4) has engaged in unfair competition with, or otherwise acted intentionally in a manner injurious to the reputation, business or assets of, the Corporation, any of its Subsidiaries or any affiliate of the Corporation or any of its Subsidiaries; has improperly induced a vendor or customer to enter into, break or terminate any contract with the Corporation, any of its Subsidiaries or any affiliate of the Corporation or any of its Subsidiaries; or has induced a principal for whom the Corporation, any of its Subsidiaries or any affiliate of the Corporation or any of its Subsidiaries acts as agent to terminate such agency relationship.

In all events the Option is subject to earlier termination on the Expiration Date of the Option. The Administrator shall be the sole judge of whether the Grantee continues to render employment or services for purposes of this Option Agreement.

5. **<u>Non-Transferability</u>**.

The Option and any other rights of the Grantee under this Option Agreement or the Plan are nontransferable and exercisable only by the Grantee, except as set forth in Section 5.7 of the Plan.

6. **Non-Solicitation**.

Grantee, for the twelve (12) month period immediately following the date of termination of Grantee's employment, shall not, either on his or her own account or jointly with or as a manager, agent, officer, employee, consultant, partner, joint venturer, owner, or shareholder, or otherwise on behalf of any other person, firm, or corporation, directly or indirectly solicit or attempt to solicit away from the Corporation any of its employees or offer employment to any person who, on or during the six (6) months immediately preceding the date of such solicitation or offer, is or was an employee of the Corporation; *provided, however*, that a general solicitation or advertisement to which an employee of the Corporation responds shall in no event be deemed to result in a breach of this Section 6.

7. **Notices**.

Any notice to be given under the terms of this Option Agreement shall be in writing and addressed to the Corporation at its principal office to the attention of the Secretary, and to the Grantee at the address last reflected on the Corporation's payroll records, or at such other address as either party may hereafter designate in writing to the other. Any such notice shall be delivered in person or shall be enclosed in a properly sealed envelope addressed as aforesaid, registered or certified, and deposited (postage and registry or certification fee prepaid) in a post office or branch post office regularly maintained by the United States Government. Any such notice shall be given only when received, but if the Grantee is no longer employed by the Corporation or a Subsidiary, shall be deemed to have been duly given five business days after the date mailed in accordance with the foregoing provisions of this Section 7.

8. **Plan**.

The Option and all rights of the Grantee under this Option Agreement are subject to, and the Grantee agrees to be bound by, all of the terms and conditions of the Plan, incorporated herein by this reference. In the event of a conflict or inconsistency between the terms and conditions of this Option Agreement and of the Plan, the terms and conditions of the Plan shall govern. The Grantee agrees to be bound by the terms of the Plan and this Option Agreement (including these Terms). The Grantee acknowledges having read and understanding the Plan, the Prospectus for the Plan, and this Option Agreement. Unless otherwise expressly provided in other sections of this Option Agreement, provisions of the Plan that confer discretionary authority on the Board or the Administrator do not and shall not be deemed to create any rights in the Grantee unless such rights are expressly set forth herein or are otherwise in the sole discretion of the Board or the Administrator so conferred by appropriate action of the Board or the Administrator under the Plan after the date hereof.

9. **Entire Agreement**.

The Terms and this Option Agreement and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan and this Option Agreement may be amended pursuant to Section 8.6 of the Plan. Such amendment must be in writing and signed by the Corporation. The Corporation may, however, unilaterally waive any provision hereof in writing to the extent such waiver does not adversely affect the interests of the Grantee hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

10. **Governing Law**.

This Option Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without regard to conflict of law principles thereunder.

11. Effect of this Agreement.

Subject to any early termination of the Option pursuant to Section 7.4 of the Plan or otherwise, this Option Agreement shall be assumed by, be binding upon and inure to the benefit of any successor or successors to the Corporation.

12. Section Headings.

The section headings of this Option Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

RED ROBIN GOURMET BURGERS, INC., a Delaware corporation

By:

Title:

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[1] Subject to adjustment under Section 7.1 of the Plan.

[2] Subject to early termination under Section 4 of this Option Agreement and Section 7.4 of the Plan.

Exhibit 10.2

RED ROBIN GOURMET BURGERS, INC.
SECOND AMENDED AND RESTATED 2007 PERFORMANCE INCENTIVE PLAN
RESTRICTED STOCK UNIT GRANT AGREEMENT

THIS RESTRICTED STOCK UNIT GRANT AGREEMENT (this "**Agreement**") between RED ROBIN GOURMET BURGERS, INC. (the "Corporation") and [ ] ("Participant") is dated effective [ ] (the "Date of Grant").

Participant has been granted an award of [ ] restricted stock units. These units are restricted until the vest date(s) shown below, at which time you will receive shares of Red Robin Gourmet Burgers, Inc. common stock.

Vesting Schedule: This award will vest in accordance to the following:

Shares	Vest Date

RECITALS

A. The Board has adopted, and the stockholders have approved, the Red Robin Gourmet Burgers, Inc. Second Amended and Restated 2007 Performance Incentive Plan (the "Plan");

B. The Plan provides for the granting of restricted stock unit awards to eligible participants as determined by the Administrator; and

C. The Administrator has determined that Participant is a person eligible to receive a restricted stock unit award under the Plan and has determined that it would be in the best interest of the Corporation to grant the restricted stock unit award provided for herein.

AGREEMENT

1. Grant of Restricted Stock Unit.

(a) Award. Pursuant to the Plan, Participant is hereby awarded the number of Restricted Stock Units set forth above, subject to the conditions of the Plan and this Agreement (the "Restricted Stock Units"). Each Restricted Stock Unit represents the right to receive one share of the Corporation's common stock, $.001 par value per share (the "Common Stock") on the vesting schedule set forth below. Unless and until the Restricted Stock Units vest, Participant will have no right to receive shares of Common Stock under such Restricted Stock Units.

(b) Plan Incorporated. Participant acknowledges receipt of a copy of the Plan, and agrees that, except as contemplated by Section 13 below, this award of Restricted Stock Units shall be subject to all of the terms and conditions set forth in the Plan, including future amendments thereto, if any, pursuant to the terms thereof, which Plan is incorporated herein by reference as a part of this Agreement. Except as defined herein, capitalized terms shall have the same meanings ascribed to them under the Plan.

2. Vesting Schedule: The Restricted Stock Units awarded by this Agreement will vest in accordance with the vesting schedule set forth above. Each date upon which vesting occurs being referred to herein as a "Vesting Date".

The foregoing notwithstanding, vesting pursuant to the foregoing schedule shall occur on a Vesting Date only if Participant remains employed by or provides services to the Corporation from the Date of Grant to such Vesting Date. If Participant ceases to be employed by or ceases to provide services to the Corporation at any time prior to the final Vesting Date, all unvested Restricted Stock Units shall be canceled immediately on the date that Participant's employment or service is terminated and the Participant shall cease to have any right or entitlement to receive any shares of Common Stock under such canceled Restricted Stock Units.

3. Accelerated Vesting of Restricted Stock Units.

(a) As provided in Section 7.3 of the Plan, if the Corporation undergoes a Change in Control Event, any unvested Restricted Stock Units held by Participant will become fully vested. However, if Participant is designated on the Corporation's payroll records as a Tier 1 or Tier 2 executive or above or an executive officer on the date of the Change in Control Event, no Restricted Stock Units will vest solely on account of a Change in Control Event unless such Participant's employment with the Corporation is terminated without Cause (as defined below) within the two-year period following such Change in Control Event.

(b) For purposes of this Agreement, "Cause" means that Participant:

(i) has been negligent in the discharge of his or her duties to the Corporation or any of its Subsidiaries, has refused to perform stated or assigned duties or is incompetent in or (other than by reason of a disability or analogous condition) incapable of performing those duties;

(ii) has been dishonest or committed or engaged in an act of theft, embezzlement or fraud, a breach of confidentiality, an unauthorized disclosure or use of inside information, customer lists, trade secrets or other confidential information; has breached a fiduciary duty, or willfully and materially violated any other duty, law, rule, regulation or policy of the Corporation, any of its Subsidiaries or any affiliate of the Corporation or any of its Subsidiaries; or has been convicted of a felony or misdemeanor (other than minor traffic violations or similar offenses);

(iii) has materially breached any of the provisions of any agreement with the Corporation, any of its Subsidiaries or any affiliate of the Corporation or any of its Subsidiaries; or

(iv) has engaged in unfair competition with, or otherwise acted intentionally in a manner injurious to the reputation, business or assets of, the Corporation, any of its Subsidiaries or any affiliate of the Corporation or any of its Subsidiaries; has improperly induced a vendor or customer to enter into, break or terminate any contract with the Corporation, any of its Subsidiaries or any affiliate of the Corporation or any of its Subsidiaries; or has induced a principal for whom the Corporation, any of its Subsidiaries or any affiliate of the Corporation or any of its Subsidiaries acts as agent to terminate such agency relationship.

4. Limits on Transferability. Restricted Stock Units shall not be transferable except by will or the laws of descent and distribution or pursuant to a beneficiary designation, or as otherwise permitted by Section 5.7 of the Plan. No right or benefit hereunder shall in any manner be liable for or subject to any debts, contracts, liabilities, or torts of Participant. Participant agrees that the Restricted Stock Units will not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable federal or state securities laws. Any purported assignment, alienation, pledge, attachment, sale, transfer or other encumbrance of shares of unvested Restricted Stock Units that does not satisfy the requirements of this Agreement and the Plan shall, prior to the lapse of the restrictions on such shares pursuant to Section 2, be void and unenforceable against the Corporation.

5. Issuance and Certificates. Unless the Restricted Stock Units are forfeited prior to the Vesting Date as provided in Section 2 above, the shares of Common Stock issuable upon vesting of the Restricted Stock Units shall be deemed issued as of the Vesting Date. As soon as administratively practicable following a Vesting Date, the

Corporation shall cause a stock certificate or certificates (which may be in electronic form) to be delivered to or on behalf of Participant for such number of shares equal to the number of Restricted Stock Units vested on such Vesting Date, subject to the Corporation's collection of applicable withholding taxes in accordance with Section 7 below. Notwithstanding any other provisions of this Agreement, the issuance or delivery of any shares of Common Stock may be postponed for such period as may be required to comply with any requirements under any law or regulation applicable to the issuance or delivery of such shares. The Corporation shall not be obligated to issue or deliver any shares of Common Stock if the issuance or delivery thereof shall constitute a violation of any provision of any law or of any regulation of any governmental authority.

6. Stockholder Rights. The Participant shall not have any stockholder rights, including voting or dividend rights, with respect to the shares of Common Stock subject to the Restricted Stock Units until such shares are issued on the applicable Vesting Date.

7. Withholding. In order to comply with all applicable federal or state income tax laws or regulations, the Corporation may take such action as it deems appropriate to ensure that all applicable federal or state payroll, withholding, income or other taxes, which are the sole and absolute responsibility of Participant, are withheld or collected from Participant. In accordance with the terms of the Plan, and such rules as may be adopted by the Administrator under the Plan, to satisfy Participant’s federal and state tax withholding obligations arising from the vesting of the Restricted Stock Units, the Corporation will withhold shares of Common Stock otherwise to be delivered to Participant having a Fair Market Value equal to the amount of such taxes. The Corporation will not deliver any fractional shares of Common Stock. Any additional withholding amounts owed by Participant due to the inability to deliver fractional shares will be deducted from such Participant’s next paycheck.

8. Tax Consideration. The Corporation has advised Participant to seek Participant’s own tax and financial advice with regard to the federal and state tax considerations resulting from Participant’s receipt of Restricted Stock Units pursuant to this Agreement. Participant understands that the Corporation will report to appropriate taxing authorities the payment to Participant of compensation income upon the vesting of the Restricted Stock Units. Participant understands that he or she is solely responsible for the payment of all federal and state taxes resulting from this grant of Restricted Stock Units. With respect to tax withholding amounts, the Corporation has all of the rights specified in Section 7 of this Agreement and has no obligations to Participant except as expressly stated in Section 7 of this Agreement.

9. Non-Solicitation. Participant, for the twelve (12) month period immediately following the date of termination of Participant’s employment, shall not, either on his or her own account or jointly with or as a manager, agent, officer, employee, consultant, partner, joint venturer, owner, or shareholder, or otherwise on behalf of any other person, firm, or corporation, directly or indirectly solicit or attempt to solicit away from the Corporation any of its employees or offer employment to any person who, on or during the six (6) months immediately preceding the date of such solicitation or offer, is or was an employee of the Corporation; *provided, however*, that a general solicitation or advertisement to which an employee of the Corporation responds shall in no event be deemed to result in a breach of this Section 9.

10. Binding Effect. This Agreement shall bind Participant and the Corporation and their beneficiaries, survivors, executors, administrators and transferees.

11. No Guarantee of Continued Position. This Agreement is not a contract for employment and nothing herein shall supersede or amend the terms of any employment agreement between the Corporation and Participant or imply that Participant has a right to continued employment with the Corporation.

12. Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without regard to conflict of law principles thereunder.

13. Conflicts and Interpretation. In the event of any conflict between this Agreement and the Plan, this Agreement shall control. In the event of any ambiguity in this Agreement, or any matters as to which this Agreement is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the

Administrator has the power, among others, to (i) interpret the Plan, (ii) prescribe, amend and rescind rules and regulations relating to the Plan and (iii) make all other determinations deemed necessary or advisable for the administration of the Plan.

14. Amendment. The Corporation may modify, amend or waive the terms of the Restricted Stock Unit award, prospectively or retroactively, but no such modification, amendment or waiver shall impair the rights of Participant without his or her consent, except as required by applicable law, NASDAQ or stock exchange rules, tax rules or accounting rules. Prior to the effectiveness of any modification, amendment or waiver required by tax or accounting rules, the Corporation will provide notice to Participant and the opportunity for Participant to consult with the Corporation regarding such modification, amendment or waiver. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

15. Compliance with Code section 409A. The Restricted Stock Units granted under this Agreement are intended to fit within the "short-term deferral" exemption from section 409A of the Internal Revenue Code. In administering this Agreement, the Corporation shall interpret this Agreement in a manner consistent with such exemption.

RED ROBIN GOURMET BURGERS, INC., a Delaware corporation

By:

Title:

Exhibit 10.3

RED ROBIN GOURMET BURGERS, INC.
SECOND AMENDED AND RESTATED
2007 PERFORMANCE INCENTIVE PLAN
FORM OF
PERFORMANCE BASED CASH AWARD AGREEMENT

This Performance Based Cash Award Agreement (this "Agreement") between RED ROBIN GOURMET BURGERS, INC. (the "Corporation") and **[ ]** ("Participant") is dated effective **[ ]** (the "Date of Grant").

AGREEMENT

1. Award. Subject to the terms and conditions hereof and of the Red Robin Gourmet Burgers, Inc. Second Amended and Restated 2007 Performance Incentive Plan (the "Plan"), the Corporation hereby grants to Participant the right to earn a cash bonus (the "Award") based upon the Corporation's achievement of certain performance goals over the three fiscal year period commencing on **[ ]** and ending on **[ ]** (the "Performance Period"). The target amount of Participant's Award shall be $**[ ]** ("Target Award"). The actual amount of the Award, if any, shall be determined pursuant to Sections 2 through 4 below and may be greater than, equal to, or less than the Target Award based on the Corporation's performance during the Performance Period. Except as provided below, Participant must be employed continuously by or provide services to the Corporation from the Date of Grant through the last day of the Performance Period to receive any payment hereunder. If Participant ceases to be employed by or ceases to provide services to the Corporation at any time prior to the last day of the Performance Period, then, except as provided below, this award shall be canceled immediately on the Separation Date and Participant shall cease to have any right or entitlement to receive any payment or other award hereunder.

2. Calculation of Award Amount. The amount of Participant's Award, if any, shall be determined based on the Corporation's performance over the Performance Period as measured by the following two metrics: Cumulative EBITDA (as defined below) and Average Return on Invested Capital (also defined below). One half of the Target Award shall be assigned to each performance metric, and the amount earned as a result of each metric shall be calculated separately, in accordance with the table below. The total Award amount, if any, shall be the sum of the amounts earned in respect of each performance metric.

Cumulative EBITDA Amount earned in respect of this metric shall equal: (Target Award * 1/2 * EBIDTA % Payout)			**Average Return on Invested Capital** Amount earned in respect of this metric shall equal: (Target Award * 1/2 * ROIC % Payout)		
	Cumulative EBITDA for the Performance Period as a Percentage of Target	**EBITDA % Payout ***		**Average Return on Invested Capital for the Performance Period as a Percentage of Target**	**ROIC % Payout ***
Threshold	90.0%	50.0%	**Threshold**	89.5%	0%
	92.0%	60.0%		91.6%	20.0%
	94.0%	70.0%		93.7%	40.0%
	96.0%	80.0%		95.8%	60.0%
	98.0%	90.0%		97.9%	80.0%
Target	100.0%	100.0%	**Target**	100.0%	100.0%
	102.0%	110.0%		102.1%	120.0%
	104.0%	120.0%		104.2%	140.0%
	106.0%	130.0%		106.3%	160.0%
	108.0%	140.0%	**Maximum**	108.4%	180.0%
	110.0%	150.0%			
	112.0%	160.0%			
	114.0%	170.0%			
	116.0%	180.0%			
	118.0%	190.0%			
Maximum	120.0%	200.0%			

* If the Corporation's performance during the Performance Period falls between any of the percentages in the table above, the EBITDA % Payout or ROIC % Payout, as applicable, shall be calculated using linear interpolation (e.g. if Cumulative EBITDA for the Performance Period is 103% of the target, the EBITDA % Payout would be 115%).

The Cumulative EBITDA and Average Return on Invested Capital targets to be used in accordance with the table above were established in writing by the Administrator on[ ]. Such targets are not set forth herein and the parties agree that they shall not be specifically disclosed to the Participant as they relate to or contain future financial goals of the Corporation which have not and will not be disclosed to the public. The Administrator shall adjust such targets to exclude the effect of any of the following events that occur during the Performance Period: (i) asset write-downs, (ii) extraordinary litigation, claims, judgments, or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results, (iv) accruals for reorganization and restructuring programs, (v) material changes to invested capital from pension and post-retirement benefits-related items and similar non-operational items, and (vi) any other extraordinary, unusual, non-recurring or non-comparable items (A) as described in management's discussion and analysis of financial condition and results of operations appearing in the Corporation's Annual Report to stockholders, (B) as described in Accounting Principles Board Opinion No. 30 (or successor guidance thereto) or (C) as publicly announced by the Corporation in a press release or conference call relating to the Corporation's results of operations or financial condition for a completed quarterly or annual fiscal period.

3. Service Requirements; Termination of Employment.

(a) General. Participant shall be eligible to receive an Award only if Participant remains employed by the Corporation through the last day of the Performance Period. If Participant ceases to be employed by the Corporation at any time prior to the last day of the Performance Period, then, except as otherwise provided below, this Agreement shall be canceled immediately on the Separation Date and Participant shall cease to have any right or entitlement to receive any payment hereunder. Nothing contained in this Agreement or in the Plan shall confer upon Participant any right to continue in the employment of the Corporation or to continue at the same job level that Participant holds as of the Date of Grant.

(b) Accelerated Vesting upon Participant's Death or Total Disability. Notwithstanding Section 3(a) above, if Participant's employment with the Corporation is terminated prior to the last day of the Performance Period as a result of Participant's death or Total Disability, then at the Separation Date the Performance Period shall be deemed to have ended and Participant's Award, if any, shall be calculated in the manner set forth in Section 2 above except (i) appropriate adjustments shall be made by the Administrator to the targets for Cumulative EBITDA and Average Return on Invested Capital, and (ii) the amount of the Award, if any, will be pro-rated based on the number of days that Participant was employed by the Corporation between the Date of Grant and the Separation Date as a percentage of the total number of days in the Performance Period.

(c) Accelerated Vesting upon Participant's Retirement. Notwithstanding Section 3(a) above, if Participant's employment with the Corporation is terminated prior to the last day of the Performance Period as a result of Participant's Retirement, then at the Separation Date, the Performance Period shall be deemed to have ended and Participant's Award, if any, shall be calculated in the manner set forth in Section 2 above except (i) appropriate adjustments shall be made by the Administrator to the targets for Cumulative EBITDA and Average Return on Invested Capital, and (ii) the amount of the Award, if any, will be pro-rated based on the number of days that Participant was employed by the Corporation between the Date of Grant and the Separation Date as a percentage of the total number of days in the Performance Period.

4. Change in Control Event. If the Corporation undergoes a Change in Control Event prior to the last day of the Performance Period, then the Performance Period shall be deemed to have ended on the effective date of the Change in Control Event, and Participant shall be entitled to an Award calculated in the manner set forth in Section 2 above except appropriate adjustments shall be made by the Administrator to the targets for Cumulative EBITDA and Average Return on Invested Capital.

5. Payment of Awards. Participant's Award, if any, shall be paid in cash within sixty-five (65) days after (i) the end of the Performance Period, or (ii) the Separation Date, if Section 3(b) or 3(c) is applicable (subject to any payment delay required by Section 11(b), below), or (iii) the Change in Control Event, if Section 4 is applicable.

6. Tax Withholding. The Corporation shall withhold from any Award payable hereunder all federal, state, local and other income and employment taxes required to be withheld from such Award.

7. Non-Solicitation. Participant, for the twelve (12) month period immediately following the date of termination of Participant's employment, shall not, either on his or her own account or jointly with or as a manager, agent, officer, employee, consultant, partner, joint venturer, owner, or shareholder, or otherwise on behalf of any other person, firm, or corporation, directly or indirectly solicit or attempt to solicit away from the Corporation any of its employees or offer employment to any person who, on or during the six (6) months immediately preceding the date of such solicitation or offer, is or was an employee of the Corporation; *provided, however*, that a general solicitation or advertisement to which an employee of the Corporation responds shall in no event be deemed to result in a breach of this Section 7.

8. Binding Effect. This Agreement shall bind Participant and the Corporation and their beneficiaries, survivors, executors, administrators and transferees.

9. Conflicts and Interpretation. Participant acknowledges receipt of a copy of the Plan, and agrees that this Award shall be subject to all of the terms and conditions set forth in the Plan, including future amendments thereto, if any, pursuant to the terms thereof, which Plan is incorporated herein by reference as a part of this Agreement. In the event of any conflict between the terms and conditions of this Agreement and the terms and conditions of the Plan, the terms and conditions of the Plan shall control.

10. Amendment. The Corporation may modify, amend or waive the terms of the Award, prospectively or retroactively, but no such modification, amendment or waiver shall impair the rights of Participant without his or her consent, except as required by applicable law or as necessary to avoid adverse tax or accounting consequences. Prior to the effectiveness of any modification, amendment or waiver, the Corporation will provide notice to Participant and the opportunity for Participant to consult with the Corporation regarding such modification, amendment or waiver. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

11. Compliance with Code Section 409A.

(a) It is the intention of the parties that compensation payable under this Agreement shall not be subject to the additional tax imposed pursuant to Section 409A of the Code and the parties shall interpret this Agreement in a manner consistent with such intent.

(b) If Participant 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 Participant's Separation Date that, absent the application of this Section 11(b), 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 Participant's Separation Date or (ii) Participant's death.

12. Definitions. Capitalized terms not otherwise defined herein shall have the same meanings ascribed to them in the Plan. Whenever the following terms are used in this Agreement, they shall have the meanings set forth below.

(a) "Average Return on Invested Capital" means (x) the Return on Invested Capital for each fiscal year of the Corporation during the Performance Period ÷ (y) the total number of fiscal years in the Performance Period.

(b) "Change in Control Event" means a "Change in Control Event" as defined in the Plan, that also qualifies as a "change in control event" pursuant to Treasury Regulation Section 1.409A-3(i)(5).

(c) "Cumulative EBITDA" means the net earnings of the Corporation over the relevant period plus (i) pre-opening expenses, (ii) impairments, (iii) stock option expense, (iv) interest expense, (v) income taxes, (vi) depreciation and (vii) amortization expense.

(d) "Retirement" means the voluntary termination of employment by Participant from the Corporation when the Participant's age plus years of service with the Corporation (in each case measured in complete, whole years) equals or exceeds 67, provided that at the date of termination the Participant is at least 58 years of age and has completed at least five years of service with the Corporation

(e) "Return on Invested Capital" for a relevant period means:

NOPAT ÷ Invested Capital

"NOPAT" means Net Operating Profit for the relevant period multiplied by (1- the Corporation's effective tax rate for the relevant period).

"Net Operating Profit" means net earnings for the relevant period plus (i) interest expense, and (ii) income taxes.

"Invested Capital" means the Corporation's total long term debt plus the Corporation's total equity.

(f) "Separation Date" shall be the date on which Participant's employment with the Corporation ceases for any reason in a manner that constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h), including Participant's resignation for any reason, the Corporation's termination of Participant's employment for any reason including Total Disability, or Participant's death.

(g) "Total Disability" means a "permanent and total disability" (within the meaning of Section 22(e)(3) of the Internal Revenue Code or as otherwise determined by the Administrator).

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties have executed this Performance Based Cash Award Agreement effective as of the Date of Grant.

RED ROBIN GOURMET BURGERS, INC.

By:
Title:

PARTICIPANT:

Name:
Date:

Exhibit 31.1

CEO CERTIFICATION

I, Stephen E. Carley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Red Robin Gourmet Burgers, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 23, 2014	/s/ Stephen E. Carley
(Date)	Stephen E. Carley *Chief Executive Officer*

Exhibit 31.2

CFO CERTIFICATION

I, Stuart B. Brown, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Red Robin Gourmet Burgers, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
   - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 23, 2014	/s/ Stuart B. Brown
(Date)	Stuart B. Brown *Chief Financial Officer*

Exhibit 32.1

Written Statement
Pursuant To
18 U.S.C. Section 1350

In connection with the Quarterly Report of Red Robin Gourmet Burgers, Inc. (the “Company”) on Form 10-Q for the period ended April 20, 2014, as filed with the Securities and Exchange Commission on May 23, 2014 (the “Report”), the undersigned, Stephen E. Carley, Chief Executive Officer, and Stuart B. Brown, Chief Financial Officer, of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that;

(a) the Quarterly Report on Form 10-Q for the period ended April 20, 2014 of the Company (the "Periodic Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

(b) the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 23, 2014

/s/ Stephen E. Carley
Stephen E. Carley
Chief Executive Officer

Dated: May 23, 2014

/s/ Stuart B. Brown
Stuart B. Brown
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Red Robin Gourmet Burgers, Inc. and will be retained by Red Robin Gourmet Burgers, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.