

RED ROBIN GOURMET BURGERS INC
Form 424B4
August 19, 2004
Table of Contents

Filed Pursuant to Rule 424(b)(3)

Registration No. 333-115707

PROSPECTUS SUPPLEMENT

TO PROSPECTUS DATED JUNE 3, 2004

1,937,543 Shares

Common Stock

The selling stockholders identified in the accompanying prospectus under the caption **Selling Stockholders** are offering 1,937,543 shares of our common stock. We will not receive any of the proceeds from the sale of these shares.

Our common stock is traded on The Nasdaq Stock Market's National Market under the symbol **RRGB**. The last reported sale price of our common stock on The Nasdaq Stock Market's National Market on August 17, 2004 was \$33.86 per share.

Investing in our common stock involves risks. See Risk Factors beginning on page 3 of the accompanying prospectus for more information.

	<u>Per Share</u>	<u>Total</u>
Public Offering Price	\$ 32.36	\$ 62,698,891
Underwriting Discounts and Commissions	\$ 0.36	\$ 697,515
Proceeds to the Selling Stockholders	\$ 32.00	\$ 62,001,376

Delivery of the shares of common stock will be made on or about August 23, 2004.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is

a criminal offense.

Wachovia Securities

The date of this prospectus supplement is August 17, 2004.

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

	Page
<u>About this Prospectus Supplement</u>	S-i
<u>Prospectus Supplement Summary</u>	S-1
<u>Our Business</u>	S-1
<u>The Offering</u>	S-1
<u>Risk Factors</u>	S-2
<u>Forward-Looking Statements</u>	S-2
<u>U.S. Federal Tax Considerations for Non-U.S. Holders</u>	S-3
<u>Underwriting</u>	S-7
<u>Legal Matters</u>	S-9
<u>Experts</u>	S-9
<u>Additional Information</u>	S-10

Prospectus

<u>About this Prospectus</u>	i
<u>Our Business</u>	2
<u>Risk Factors</u>	3
<u>Forward-Looking Statements</u>	12
<u>Use of Proceeds</u>	13
<u>Selling Stockholders</u>	13
<u>Plan of Distribution</u>	14
<u>Legal Matters</u>	16
<u>Experts</u>	16
<u>Additional Information</u>	16

ABOUT THIS PROSPECTUS SUPPLEMENT

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriter has not, authorized anyone to provide you with information that is different. The information contained in this prospectus supplement and the accompanying prospectus is not an offer to sell or solicitation of an offer to buy shares of our common stock in jurisdictions where offers or sales are not permitted. You should assume that the information appearing or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of the date of the applicable document. Our business, financial condition or results of operations may have changed since those dates.

You should carefully read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus before investing in our common stock.

Red Robin®, **America's Gourmet Burgers & Spirits®** and **Mad Mixology®** are federally registered trademarks and service marks owned by Red Robin. **Red Robin®** is also registered in Canada. This prospectus supplement and accompanying prospectus also contain trademarks of companies other than Red Robin and use of these marks in this prospectus supplement and the accompanying prospectus does not indicate an affiliation with or endorsement by those third parties.

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. This summary is not complete and does not contain all of the information you should consider before investing in our common stock. You should read this prospectus supplement and the accompanying prospectus carefully, including the Risk Factors section in the accompanying prospectus. References in this prospectus supplement to Red Robin, company, we, us and our refer to the business of Red Robin Gourmet Burgers, Inc. and its subsidiaries.

OUR BUSINESS

Red Robin Gourmet Burgers, Inc., together with its subsidiaries, is a casual dining restaurant chain focused on serving an imaginative selection of high quality gourmet burgers in a family-friendly atmosphere. As of the date of this prospectus supplement, we own and operate 129 restaurants in 16 states, and our franchisees operate an additional 115 restaurants under franchise or license agreements in 24 states and two Canadian provinces. Overall, we, together with our franchisees, operate Red Robin® restaurants in 31 states and two Canadian provinces.

Our principal executive offices are located at 6312 S. Fiddler's Green Circle, Suite 200N, Greenwood Village, CO 80111, and our telephone number is (303) 846-6000. Our website is located at www.redrobin.com. Information contained on our website is not incorporated by reference herein and our web address is included as an inactive textual reference only.

THE OFFERING

Common stock offered by the selling stockholders 1,937,543 shares

Common stock outstanding on August 16, 2004(1) 16,051,846 shares

Use of proceeds We will not receive any of the proceeds from the sale of shares of common stock by the selling stockholders. The selling stockholders will receive all net proceeds from the sale of shares of our common stock offered in this prospectus supplement.

Risk factors See Risk Factors and other information included in the accompanying prospectus, as well as any risk factors incorporated by reference into this prospectus supplement or the accompanying prospectus, for a discussion of factors you should carefully consider before deciding to invest in shares of common stock offered by the selling stockholders.

The Nasdaq Stock Market's National Market symbol RRGB

Edgar Filing: RED ROBIN GOURMET BURGERS INC - Form 424B4

(1) This number excludes:

2,670,783 shares of our common stock reserved for issuance under our stock option plans, of which 1,221,494 shares are subject to options outstanding at a weighted-average exercise price of \$18.90 per share; and

275,649 shares of common stock reserved for future issuance under our employee stock purchase plan.

S-1

Table of Contents

RISK FACTORS

Before making an investment in shares of our common stock, you should carefully consider the information contained under the caption "Risk Factors" beginning on page 3 of the accompanying prospectus, in addition to the other information included or incorporated by reference in this prospectus supplement or the accompanying prospectus.

FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus and the documents incorporated herein or therein by reference contain or incorporate by reference forward-looking statements. 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 "may," "will," "anticipates," "expects," "believes," "intends," "should" or comparable terms or the negative thereof. All forward-looking statements in this prospectus supplement and the accompanying prospectus and the documents incorporated herein or therein by reference are based on information available to us on the date hereof or thereof, as applicable. These statements involve risks and uncertainties that could cause actual results to differ materially from those described in the statements. These risks and uncertainties include, but are not limited to, the following:

our ability to achieve and manage our planned expansion;

our ability to raise capital in the future;

the ability of our franchisees to open and manage new restaurants;

our franchisees' adherence to our practices, policies and procedures;

changes in the availability and cost of food;

potential fluctuation in our quarterly operating results due to seasonality and other factors;

the continued service of key management personnel;

the concentration of our restaurants in the Western United States;

our ability to protect our name and logo and other proprietary information;

changes in consumer preferences, general economic conditions or consumer discretionary spending;

health concerns about our food products;

our ability to attract, motivate and retain qualified team members;

the impact of federal, state or local government regulations relating to our team members or the sale of food or alcoholic beverages;

the impact of litigation;

the effect of competition in the restaurant industry;

cost and availability of capital;

additional costs associated with compliance, including the Sarbanes-Oxley Act and related regulations and requirements; and

other risk factors described from time to time in SEC reports filed by Red Robin.

Other risks, uncertainties and factors, including those discussed in the accompanying prospectus and in Item 1 of our annual report on Form 10-K for the year ended December 28, 2003, filed with the SEC on March 12, 2004, could cause our actual results to differ materially from those projected in any forward-looking statements we make. The list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative, but by no means exhaustive. Accordingly, all forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

We assume no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

Table of Contents

U.S. FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a general discussion of certain U.S. federal income and estate tax consequences of the acquisition, ownership and disposition of our common stock purchased pursuant to this offering by a beneficial owner that, for U.S. federal income tax purposes, is a non-U.S. holder. As used in this prospectus, the term "non-U.S. holder" is a person that is not, for U.S. Federal income tax purposes:

an individual who is a citizen or resident of the United States;

a corporation (including any entity treated as a corporation for U.S. tax purposes) or partnership (including any entity treated as a partnership for U.S. tax purposes) created or organized in the United States or under the laws of the United States or of any political subdivision of the United States, other than a partnership treated as foreign under U.S. Treasury regulations;

an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust, in general, if its administration is subject to the primary supervision of a U.S. court and one or more U.S. persons have the authority to control all of its substantial decisions, or if it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

This discussion assumes that you will hold our common stock issued pursuant to this offering as a capital asset within the meaning of the Internal Revenue Code of 1986, as amended, or the Code. This discussion does not address all aspects of taxation that may be relevant to particular non-U.S. holders in light of their personal investment or tax circumstances or to persons that are subject to special tax rules. In particular, this description of U.S. tax consequences does not address:

U.S. state and local or non-U.S. tax consequences;

specific facts and circumstances that may be relevant to a particular non-U.S. holder's tax position, including, if the non-U.S. holder is an entity that is treated as a partnership for U.S. tax purposes, the U.S. tax consequences of holding and disposing our common stock may be affected by determinations made at the partner level;

the tax consequences for the shareholders, partners or beneficiaries of a non-U.S. holder;

special tax rules that may apply to some non-U.S. holders, including without limitation, banks, insurance companies, financial institutions, broker-dealers, tax-exempt entities, or U.S. expatriates; or

special tax rules that may apply to a non-U.S. holder that holds our common stock as part of a straddle, hedge or conversion transaction.

This discussion is based on current provisions of the Code, U.S. Treasury regulations, judicial opinions, published positions of the U.S. Internal Revenue Service, or the IRS, and other applicable authorities, all as in effect on the date hereof and all of which are subject to differing interpretations or change, possibly with retroactive effect. We have not sought, and will not seek, any ruling from the IRS or any opinion of counsel with respect to the tax consequences discussed herein, and there can be no assurance that the IRS will not take a position contrary to the

Edgar Filing: RED ROBIN GOURMET BURGERS INC - Form 424B4

tax consequences discussed below or that any position taken by the IRS would not be sustained. Furthermore, this discussion does not give a detailed discussion of any state, local or foreign tax considerations.

We urge you to consult your tax advisor about the U.S. federal tax consequences of acquiring, holding or disposing our common stock, as well as any tax consequences that may arise under the laws of any foreign, state, local or other taxing jurisdiction or under any applicable tax treaty.

S-3

Table of Contents

Dividends

We do not anticipate paying cash dividends on our common stock in the foreseeable future. If dividends are paid to non-U.S. holders on shares of our common stock, however, such dividends will generally be subject to withholding of U.S. federal income tax at the rate of 30.0% or such lower rate as may be specified by an applicable income tax treaty. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under an applicable income tax treaty and the manner of claiming the benefits of such treaty (including, without limitation, the need to obtain a U.S. taxpayer identification number).

Dividends that are effectively connected with a non-U.S. holder's conduct of a trade or business in the United States, directly or through an entity treated as a partnership for U.S. tax purposes, and if provided in an applicable income tax treaty, dividends that are attributable to a permanent establishment in the United States, are not subject to the U.S. withholding tax, but instead are subject to U.S. federal income tax on a net income basis at graduated rates applicable to dividends. Certain certification and disclosure requirements must be complied with in order for effectively connected income or income attributable to a permanent establishment to be exempt from withholding. Any effectively connected dividends or dividends attributable to a permanent establishment received by a non-U.S. holder that is treated as a foreign corporation for U.S. tax purposes may be subject to an additional branch profits tax at a 30.0% rate or such lower rate as may be specified by an applicable income tax treaty.

A non-U.S. holder who claims the benefit of an applicable income tax treaty rate generally will be required to satisfy applicable certification and other requirements. However,

in the case of common stock held by a foreign partnership, the certification requirement will generally be applied to the partners of the partnership and the partnership will be required to provide certain information;

in the case of common stock held by a foreign trust, the certification requirement will generally be applied to the trust or the beneficial owners of the trust depending on whether the trust is a foreign complex trust, foreign simple trust, or foreign grantor trust as defined in the U.S. Treasury regulations; and

look-through rules will apply for tiered partnerships, foreign simple trusts and foreign grantor trusts.

A non-U.S. holder that is a foreign partnership or a foreign trust is urged to consult its own tax advisor regarding its status under these U.S. Treasury regulations and the certification requirements applicable to it.

A non-U.S. holder that is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund with the IRS.

Gain on disposition

A non-U.S. holder will generally not be subject to U.S. federal income tax, including by way of withholding, on gain recognized on a sale, exchange or other disposition of our common stock unless any one of the following is true:

Edgar Filing: RED ROBIN GOURMET BURGERS INC - Form 424B4

1. The non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more in the taxable year of the sale, exchange or other disposition and certain other requirements are met;
2. The gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States, directly or through an entity treated as a partnership for U.S. tax purposes and, if an applicable income tax treaty requires, attributable to a U.S. permanent establishment of such non-U.S. holder; or

S-4

Table of Contents

3. Our common stock constitutes a U.S. real property interest by reason of our status as a U.S. real property holding corporation for U.S. federal income tax purposes at any time during the shorter of (i) the period during which the non-U.S. holder holds our common stock or (ii) the 5-year period ending on the date the non-U.S. holder disposes of our common stock, unless the exception for certain non-U.S. holders that do not own more than 5% of our common stock applies. See discussion below.

Non-U.S. holders described in clause (1) above are taxed on their gains (including gains from sales of our common stock and net of applicable U.S. losses from sales or exchanges of other capital assets incurred during the year) at a flat rate of 30.0% or such lower rate as may be specified by an applicable income tax treaty. Non-U.S. holders described in clause (2) or (3) above will be subject to tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates. If a non-U.S. holder described in clause (2) is a corporation, it may be subject to the branch profits tax at a rate equal to 30.0% of its effectively connected earnings and profits or at such lower rate as may be specified by an applicable income tax treaty.

In general, we will be treated as a U.S. real property holding corporation if the fair market value of our U.S. real property interests equals or exceeds 50.0% of the sum of the fair market value of our worldwide real property interests and our other assets used or held for use in a trade or business. The determination of the fair market value of our assets and, therefore, whether we are a U.S. real property holding corporation at any given time, will depend on the particular facts and circumstances applicable at the time. We believe that we are a U.S. real property holding corporation and will remain a U.S. real property holding corporation for the foreseeable future.

However, even if we are or have been a U.S. real property holding corporation, a non-U.S. holder which did not beneficially own, directly or indirectly, more than 5.0% of the total fair market value of our common stock at any time during the shorter of the five-year period ending on the date of disposition or the period that our common stock was held by the non-U.S. holder (a non-5.0% holder) and which is not otherwise taxed under any other circumstances described above, generally will not be taxed on any gain realized on the disposition of our common stock if, at any time during the calendar year of the disposition, our common stock was regularly traded on an established securities market within the meaning of the applicable U.S. Treasury regulations.

Our common stock is listed on the The Nasdaq Stock Market's National Market under the symbol RRGB. Although not free from doubt, our common stock should be considered to be regularly traded on an established securities market for any calendar quarter during which it is regularly quoted on NASDAQ by brokers or dealers that hold themselves out to buy or sell our common stock at the quoted price. If our common stock were not considered to be regularly traded on NASDAQ at any time during the applicable calendar year, then a non-5.0% holder would be taxed for U.S. federal income tax purposes on any gain realized on the disposition of our common stock on a net income basis as if the gain were effectively connected with the conduct of a U.S. trade or business by the non-5.0% holder during the taxable year and, in such case, the person acquiring our common stock from a non-5.0% holder generally would have to withhold 10.0% of the amount of the proceeds of the disposition. Such withholding may be reduced or eliminated pursuant to a withholding certificate issued by the IRS in accordance with applicable U.S. Treasury regulations. We urge all non-U.S. holders to consult their own tax advisors regarding the application of these rules to them.

U.S. federal estate taxes

Our common stock beneficially owned or treated as beneficially owned by an individual who at the time of death is a non-U.S. holder (as specially defined for U.S. federal estate tax purposes) will be included in his or her estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise and, therefore, may be subject to U.S. federal estate tax.

Table of Contents

Information reporting and backup withholding

Under U.S. Treasury regulations, we must report annually to the IRS and to each non-U.S. holder the amount of dividends paid to such non-U.S. holder and the tax withheld with respect to those dividends. These information reporting requirements apply even if withholding was not required because the dividends were effectively connected dividends or withholding was reduced or eliminated by an applicable tax treaty. Pursuant to an applicable tax treaty, that information may also be made available to the tax authorities in the country in which the non-U.S. holder resides.

The gross amount of dividends paid to a non-U.S. holder that fails to certify its non-U.S. holder status in accordance with applicable U.S. Treasury regulations generally will be reduced by backup withholding at the applicable rate, currently 28.0%, subject to a schedule that increases the rate to 31.0% in 2011.

A non-U.S. holder whose ownership of common stock is not effectively connected with the conduct of a trade or business in the United States, a non-ECI holder, is required to certify its non-U.S. status and meet certain other conditions in order to avoid information reporting and backup withholding on disposition proceeds where the transaction is effected by or through a U.S. office of a broker.

U.S. information reporting and backup withholding generally will not apply to a payment of proceeds of a disposition of common stock by a non-ECI holder where the transaction is effected outside the United States through a non-U.S. office of a non-U.S. broker. However, information reporting requirements, but not backup withholding, generally will apply to such a payment if the broker is (i) a U.S. person; (ii) a foreign person that derives 50.0% or more of its gross income for certain periods from the conduct of a trade or business in the United States; (iii) a controlled foreign corporation as defined in the Code; or (iv) a foreign partnership with certain U.S. connections, unless the broker has documentary evidence in its records that the holder is a non-U.S. holder and certain conditions are met or the holder otherwise establishes an exemption.

Backup withholding is not an additional tax. Amounts that we withhold under the backup withholding rules may be refunded or credited against the non-U.S. holder's U.S. federal income tax liability if certain required information is furnished to the IRS. Non-U.S. holders should consult their own tax advisors regarding application of backup withholding in their particular circumstance and the availability of and procedure for obtaining an exemption from backup withholding under current U.S. Treasury regulations.

New Tax Legislation

As part of the Jobs and Growth Tax Relief Reconciliation Act of 2003, or the Act, signed into law on May 28, 2003, the maximum tax rate on qualified dividends paid to individuals, trusts and estates was reduced to 15.0% for tax years beginning before January 1, 2009. We expect our dividends, if any, to be qualified dividends with respect to an individual, estate or trust whose ownership of our common stock is effectively connected with the conduct of a trade or business in the United States, a qualified ECI holder, as long as the qualified ECI holder satisfies holding period and related statutory requirements. In addition, the Act established a maximum tax rate of 15.0% on net long-term capital gains of qualified ECI holders effective for gains properly taken into account after May 5, 2003, with such maximum rate increasing to 20% for gains properly taken into account for tax years beginning on or after January 1, 2009.

The foregoing discussion is only a summary of certain U.S. federal income and estate tax consequences of the ownership, sale or other disposition of our common stock by non-U.S. holders. You are urged to consult your own tax advisor with respect to the particular tax

Edgar Filing: RED ROBIN GOURMET BURGERS INC - Form 424B4

consequences to you of ownership and disposition of our common stock, including the effect of any U.S., state, local, non-U.S. or other tax laws and any applicable income or estate tax treaty.

S-6

Table of Contents

UNDERWRITING

Under the terms and subject to the underwriting agreement dated August 17, 2004, Wachovia Capital Markets, LLC has agreed to purchase, and the selling stockholders have agreed to sell to the underwriter, an aggregate of 1,937,543 shares of our common stock.

The underwriting agreement provides that the obligation of the underwriter to purchase the shares included in this offering is subject to the approval of certain legal matters by its counsel and to certain other conditions. The underwriter is obligated to take and pay for all of the shares of common stock offered by this prospectus supplement and the accompanying prospectus if any such shares are taken.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriter by the selling stockholders:

Per Share	\$	0.36
Total	\$	697,515

The underwriter initially proposes to offer the shares of common stock directly to the public at the public offering price listed on the cover page of this prospectus supplement. After the initial offering of the shares of common stock, the underwriter may vary the offering price from time to time.

We estimate that the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$205,000. We have agreed to pay expenses incurred in connection with the offering that are customarily paid by the registering company. We will not pay any underwriting discounts or commissions.

Our common stock is listed on The Nasdaq Stock Market's National Market under the symbol RRGB.

We, our executive officers, our directors designated by the selling stockholders, and the selling stockholders have entered into lock-up agreements with the underwriter. Under these agreements, subject to exceptions, we may not issue any new shares of common stock, and those holders of common stock may not, directly or indirectly, offer, sell, contract to sell, pledge or otherwise dispose of or hedge any common stock or securities convertible into or exchangeable for shares of common stock, or publicly announce the intention to do any of the foregoing, without the prior written consent of Wachovia Capital Markets, LLC, for a period of 30 days from the date of this prospectus. This consent may be given at any time without notice to the public market. In addition, during this 30 day period, we have also agreed not to file any registration statement for any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock without the prior written consent of Wachovia Capital Markets, LLC. Exceptions to this lockup provision include sales by certain executive officers of approximately 86,000 shares of common stock during such 30 day period.

In order to facilitate the offering of the common stock, the underwriter may engage in transactions that stabilize, maintain or otherwise affect the price of our common stock. Specifically, the underwriter may sell more shares than it is obligated to purchase under the underwriting agreement, creating a naked short position. The underwriter must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriter is concerned that there may be downward pressure on the price of the common stock in

Edgar Filing: RED ROBIN GOURMET BURGERS INC - Form 424B4

the open market after pricing that could adversely affect investors who purchase in the offering. As an additional means of facilitating the offering, the underwriter may bid for, and purchase, shares of common stock in the open market to stabilize the price of our common stock. These activities may raise or maintain the market price of our common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriter is not required to engage in these activities and may end any of these activities at any time.

S-7

Table of Contents

We, the underwriter and the selling stockholders have agreed to indemnify each other against certain liabilities relating to this offering, including liabilities under the Securities Act of 1933, as amended.

The underwriter and its affiliates have provided, and may in the future provide, various investment banking, commercial banking and other financial services for us for which services they have received, and may in the future receive, customary fees. In addition, the underwriter and its affiliates have owned, currently own or may own, equity or equity-like securities of us. Further, the underwriter and its affiliates have served or may serve in various capacities under our revolving credit facility, including as lenders.

S-8

Table of Contents

LEGAL MATTERS

The validity of the shares of our common stock offered in this prospectus supplement will be passed upon for us by O Melveny & Myers LLP. One of our directors, Gary J. Singer, is a partner of O Melveny & Myers LLP and owns 5,518 shares of our common stock and options to purchase 7,000 shares of our common stock, of which 2,000 have fully vested. Fried, Frank, Harris, Shriver & Jacobson LLP, a Delaware limited partnership, New York, New York, will pass upon certain legal matters in connection with this offering for the underwriter.

EXPERTS

The financial statements incorporated by reference in this prospectus supplement from the Company's Annual Report on Form 10-K for the year ended December 28, 2003 have been audited by Deloitte & Touche LLP, an independent registered accounting firm, as stated in their report (which report expresses an unqualified opinion and includes an explanatory paragraph referring to the change in the method of accounting for goodwill and intangible assets in 2002), and has been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

Table of Contents

ADDITIONAL INFORMATION

We are incorporating by reference into this prospectus supplement certain information we file with the SEC, which means that we are disclosing important information to you by referring you to those documents. The information incorporated by reference is deemed to be part of this prospectus supplement, except for any information superseded by information contained directly in this prospectus supplement or the accompanying prospectus. These documents contain important information about us and our finances. This prospectus supplement incorporates by reference the following documents (File No. 0-49916):

Our annual report on Form 10-K for the year ended December 28, 2003, filed with the SEC on March 12, 2004;

The Stock Ownership, Board of Directors, Executive Compensation, Stock Performance Graph, Related Party Transactions, Compensation Plan Information, and Independent Auditors sections included in our definitive proxy statement for our 2004 annual meeting of stockholders, filed with the SEC on April 16, 2004;

Our quarterly report on Form 10-Q for the period ended April 18, 2004, filed with the SEC on May 21, 2004;

Our current report on Form 8-K, filed with the SEC on June 9, 2004;

Our quarterly report on Form 10-Q for the period ended July 11, 2004, filed with the SEC on August 13, 2004, as amended on Form 10-Q/A filed with the SEC on August 17, 2004; and

The description of our common stock contained in our Registration Statement on Form 8-A, filed with the SEC on July 16, 2002.

All documents we file with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this prospectus supplement to the end of the offering of the common stock shall also be deemed to be incorporated herein by reference and will automatically update information in this prospectus supplement. A statement contained herein or in a document incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in any subsequently filed document which is incorporated by reference into this prospectus supplement, modifies or supersedes the statement. Any statements so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

We will provide to you, at no cost, upon your written or oral request, a copy of any or all of the documents that we incorporate by reference, including exhibits. Please direct your request to: Red Robin Gourmet Burgers, Inc., Legal and Shareholder Services, 6312 S. Fiddler's Green Circle, Suite 200N, Greenwood Village, CO 80111, (303) 846-6000. Exhibits to the filings will not be sent, however, unless those exhibits have specifically been incorporated by reference in this prospectus supplement.

Table of Contents

PROSPECTUS

1,937,543 Shares

Common Stock

This prospectus relates to the public offering of up to 1,937,543 shares of our common stock which are held by some of our current stockholders and may be offered and sold from time to time by the selling stockholders. We will not receive any of the proceeds from the sale of the shares.

The prices at which the selling stockholders may resell the shares will be determined by the prevailing market price for the shares or in negotiated transactions. We will provide any required specific information about the terms of sales or offerings in supplements to this prospectus.

Our common stock is traded on The Nasdaq Stock Market's National Market under the symbol RRGB. The last reported sale price of our common stock on The Nasdaq Stock Market's National Market on May 20, 2004 was \$26.61 per share.

Investing in our common stock involves risks. See Risk Factors beginning on page 3 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is June 3, 2004.

Table of Contents

TABLE OF CONTENTS

	Page
<u>About this Prospectus</u>	i
<u>Our Business</u>	2
<u>Risk Factors</u>	3
<u>Forward-Looking Statements</u>	12
<u>Use of Proceeds</u>	13
<u>Selling Stockholders</u>	13
<u>Plan of Distribution</u>	14
<u>Legal Matters</u>	16
<u>Experts</u>	16
<u>Additional Information</u>	16

ABOUT THIS PROSPECTUS

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with information that is different. This prospectus is not an offer to sell or solicitation of an offer to buy shares of our common stock in jurisdictions where offers or sales are not permitted. You should assume that the information appearing or incorporated by reference in this prospectus is accurate only as of the date of the documents containing the information, regardless of the time of delivery of this prospectus or of any sale of our common stock. Our business, financial condition or results of operations may have changed since those dates.

You should carefully read the entire prospectus, any prospectus supplement and the documents incorporated by reference in this prospectus before investing in our common stock.

Unless otherwise provided in this prospectus or in documents incorporated by reference in this prospectus, references to Red Robin, we, us and our refer to Red Robin Gourmet Burgers, Inc. and our consolidated subsidiaries. Red Robin America's Gourmet Burgers & Spirits and Mad Mixology® are federally registered trademarks and service marks owned by Red Robin. Red Robin® is also registered in Canada. This prospectus also contains trademarks of companies other than Red Robin and use of these marks in this prospectus does not indicate an affiliation with or endorsement by those third parties.

Table of Contents

OUR BUSINESS

Red Robin Gourmet Burgers, Inc., together with its subsidiaries, is a casual dining restaurant chain focused on serving an imaginative selection of high quality gourmet burgers in a family-friendly atmosphere. As of the date of this prospectus, we own and operate 122 restaurants in 15 states, and our franchisees operate an additional 112 restaurants under franchise or license agreements in 24 states and two Canadian provinces. Overall, we, together with our franchisees, operate Red Robin® restaurants in 30 states and two Canadian provinces.

Our menu features our signature product, the gourmet burger, which we make from beef, chicken, veggie, pot roast, pork, fish or turkey and serve in a variety of recipes. We offer a wide selection of toppings for our gourmet burgers, including fresh guacamole, roasted green chilies, honey mustard dressing, grilled pineapple, crispy onion straws, sautéed mushrooms and a choice of six different cheeses. In addition to our gourmet burgers, we also serve an array of other food items that we design to appeal to a broad range of guests, including salads, soups, appetizers, other entrees, such as carnitas fajitas and pastas, desserts and our signature Mad Mixology® alcoholic and non-alcoholic specialty beverages.

Our restaurants are designed to create a fun and memorable dining experience in a family-friendly atmosphere and to provide our guests with an exceptional dining value. Our concept attracts a broad guest base by appealing to the entire family.

Our principal executive offices are located at 6312 S. Fiddler s Green Circle, Suite 200N, Greenwood Village, CO 80111, and our telephone number is (303) 846-6000. Our website is located at www.redrobin.com. Information contained on our website is not incorporated by reference herein and our web address is included as an inactive textual reference only.

Table of Contents

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully read and consider the risks described below before deciding to invest in our common stock. If any of the following risks actually occurs, our business, financial condition, results of operations or cash flows could be materially harmed. In any such case, the trading price of our common stock could decline, and you could lose all or part of your investment. When determining whether to buy our common stock, you should also refer to the other information contained or incorporated by reference in this prospectus, including our consolidated financial statements and the related notes.

Risks related to our business

Our growth strategy depends on opening new restaurants. Our ability to expand our restaurant base is influenced by factors beyond our control, which may slow restaurant development and expansion and impair our growth strategy.

We are pursuing an aggressive but disciplined growth strategy which, to be successful, will depend in large part on our ability and the ability of our franchisees to open new restaurants and to operate these restaurants on a profitable basis. We anticipate that our new restaurants will generally take several months to reach planned operating levels due to inefficiencies typically associated with new restaurants, including lack of market awareness, the need to hire and train sufficient team members and other factors. We cannot guarantee that we, or our franchisees, will be able to achieve our expansion goals or that new restaurants will be operated profitably. Further, we cannot assure you that any restaurant we open will obtain operating results similar to those of our existing restaurants. One of our biggest challenges in meeting our growth objectives will be to locate and secure an adequate supply of suitable new restaurant sites. We have experienced delays in opening some of our restaurants and may experience delays in the future. Delays or failures in opening new restaurants could materially and adversely affect our planned growth. The success of our planned expansion will depend upon numerous factors, many of which are beyond our control, including the following:

the hiring, training and retention of qualified operating personnel, especially managers;

reliance on the knowledge of our executives and franchisees to identify available and suitable restaurant sites;

competition for restaurant sites;

negotiation of favorable lease terms;

timely development of new restaurants, including the availability of construction materials and labor;

management of construction and development costs of new restaurants;

securing required governmental approvals and permits in a timely manner, or at all;

cost and availability of capital;

competition in our markets; and

general economic conditions.

Our restaurant expansion strategy focuses primarily on further penetrating existing markets. This strategy could cause sales in some of our existing restaurants to decline.

Our areas of highest concentration are California, Colorado, Washington and Oregon. In accordance with our expansion strategy, we intend to open new restaurants primarily in our existing markets. Because we typically draw guests from a relatively small radius around each of our restaurants, the sales performance and guest counts for restaurants near the area in which a new restaurant opens may decline due to the opening of new restaurants.

Table of Contents

Our expansion into new markets may present increased risks due to our unfamiliarity with the area.

Some of our new restaurants will be located in areas where we have little or no meaningful experience. Those markets may have different competitive conditions, consumer tastes and discretionary spending patterns than our existing markets, which may cause our new restaurants to be less successful than restaurants in our existing markets. An additional risk in expansion into new markets is the lack of market awareness of the Red Robin® brand. Restaurants opened in new markets may open at lower average weekly sales volumes than restaurants opened in existing markets, and may have higher restaurant-level operating expense ratios than in existing markets. Sales at restaurants opened in new markets may take longer to reach average annual company-owned restaurant sales, if at all, thereby affecting the profitability of these restaurants.

Our expansion may strain our infrastructure and other resources, which could slow our restaurant development or cause other problems.

We face the risk that our existing systems and procedures, restaurant management systems, financial controls, information systems, management resources and human resources will be inadequate to support our planned expansion of company-owned and franchised restaurants. We may not be able to respond on a timely basis to all of the changing demands that our planned expansion will impose on our infrastructure and other resources. If we fail to continue to improve our infrastructure or to manage other factors necessary for us to achieve our expansion objectives, our operating results could be materially adversely affected.

Our ability to utilize our revolving credit agreement and our ability to raise capital in the future may be limited, which could adversely impact our business.

Our revolving credit agreement contains a number of restrictive covenants that limit our ability to, among other things, engage in mergers, acquisitions, joint ventures and sale-leaseback transactions, and to sell assets, incur indebtedness, make investments, create liens and pay dividends. Our revolving credit agreement also requires us to maintain compliance with specified financial ratios and tests. These restrictions could affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities as they arise. In addition, because our revolving credit agreement expires in May 2006, we cannot give any assurance that we will be able to renew this agreement at or prior to that time.

Changes in our operating plans, acceleration of our expansion plans, lower than anticipated sales, increased expenses or other events, including those described in this section, may cause us to seek additional debt or equity financing on an accelerated basis. Financing may not be available on acceptable terms, or at all, and our failure to raise capital when needed could negatively impact our growth and other plans as well as our financial condition and results of operations. Additional equity financing may be dilutive to the holders of our common stock and debt financing, if available, may involve significant cash payment obligations and covenants and/or financial ratios that restrict our ability to operate our business.

If our franchisees cannot develop or finance new restaurants or build them on suitable sites or open them on schedule, our growth and success may be impeded.

Under our current form of area development agreement, franchisees must develop a predetermined number of restaurants in their area according to a schedule that lasts for the term of their development agreement. Franchisees may not have access to the financial or management resources

Edgar Filing: RED ROBIN GOURMET BURGERS INC - Form 424B4

that they need to open the restaurants required by their development schedules, or be able to find suitable sites on which to develop them. Franchisees may not be able to negotiate acceptable lease or purchase terms for the sites, obtain the necessary permits and government approvals or meet construction schedules. In the past, we have agreed to extend or

modify development schedules for certain area developers, and we may do so in the future. Any of these problems could slow our growth and reduce our franchise revenues.

Table of Contents

Additionally, our franchisees depend upon financing from banks and other financial institutions in order to construct and open new restaurants. Over the past several years, financing has been difficult to obtain for some small operators. Should these conditions continue, the lack of adequate availability of debt financing could adversely affect the number and rate of new restaurant openings by our franchisees and adversely affect our future franchise revenues.

Our franchisees could take actions that could harm our business.

Franchisees are independent contractors and are not our employees. We provide training and support to franchisees, but the quality of franchised restaurant operations may be diminished by any number of factors beyond our control. Consequently, franchisees may not successfully operate restaurants in a manner consistent with our standards and requirements, or may not hire and train qualified managers and other restaurant personnel. Our image and reputation, and the image and reputation of other franchisees, may suffer materially and system-wide sales could significantly decline if our franchisees do not operate successfully.

The acquisition of existing restaurants from our franchisees may have unanticipated consequences that could harm our business and financial condition.

We may seek to selectively acquire existing restaurants from our franchisees. To do so, we would need to identify suitable acquisition candidates, negotiate acceptable acquisition terms and obtain appropriate financing. Any acquisition that we pursue, whether or not successfully completed, may involve risks, including:

material adverse effects on our operating results, particularly in the fiscal quarters immediately following the acquisition as it is integrated into our operations;

risks associated with entering into markets or conducting operations where we have no or limited prior experience; and

the diversion of management's attention from other business concerns.

Future acquisitions of existing restaurants from our franchisees, which may be accomplished through a cash purchase transaction or the issuance of our equity securities, or a combination of both, could result in potentially dilutive issuances of our equity securities, the incurrence of debt and contingent liabilities and impairment charges related to goodwill and other intangible assets, any of which could harm our business and financial condition.

Our operations are susceptible to changes in food availability and cost, which could adversely affect our operating results.

Our profitability depends in part on our ability to anticipate and react to changes in food costs. We rely on SYSCO Corporation, a national food distributor, as the primary distributor of our food ingredients, supplies and other products. Any increase in distribution prices or failure to perform by SYSCO could cause our food costs to increase. There also could be a significant short-term disruption in our supply chain if SYSCO failed to meet our distribution requirements or if SYSCO was to terminate our relationship upon breach or material deterioration of our financial position. Our existing agreement with SYSCO expires on June 30, 2007.

Various factors beyond our control, including adverse weather conditions, governmental regulation, production, availability, recalls of food products and seasonality may affect our food costs or cause a disruption in our supply chain. Chicken represented approximately 18.3% and beef represented approximately 9.1% of our food purchases in 2003. We enter into annual contracts with our beef and chicken suppliers. Our contracts for chicken are fixed price contracts. Our contracts for beef are generally based on current market prices plus a processing fee. Changes in the price or availability of chicken or beef could materially adversely affect our profitability. We cannot predict whether we will be able to anticipate and react to changing food costs by adjusting our purchasing practices and menu prices, and a failure to do so could adversely affect our operating

Table of Contents

results. In addition, because we provide a value-priced product, we may not be able to pass along price increases to our guests.

Our quarterly operating results may fluctuate significantly and could fall below the expectations of securities analysts and investors due to seasonality and other factors, resulting in a decline in our stock price.

Our quarterly operating results may fluctuate significantly because of several factors, including:

the timing of new restaurant openings and related expenses;

restaurant operating costs for our newly-opened restaurants, which are often materially greater during the first several months of operation than thereafter, and pre-opening costs;

labor availability and costs for hourly and management personnel;

profitability of our restaurants, especially in new markets;

franchise development costs;

increases and decreases in comparable restaurant sales;

impairment of long-lived assets, including goodwill, and any loss on restaurant closures;

changes in borrowings and interest rates;

general economic conditions;

changes in consumer preferences and competitive conditions;

fluctuations in food and commodity prices; and

fluctuations in costs attributable to public company compliance costs, including Sarbanes-Oxley Act related costs.

Our business is also subject to seasonal fluctuations. Historically, sales in most of our restaurants have been higher during the summer months and winter holiday season of each fiscal year. As a result, our quarterly and annual operating results and comparable restaurant sales may fluctuate significantly as a result of seasonality and the factors discussed above. Accordingly, results for any one quarter 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. In the future, operating results may fall below the expectations of securities analysts and investors. In that event, the price of our common stock would likely decrease.

A decline in visitors to any of the regional malls, lifestyle centers, big box shopping centers and entertainment centers near the locations of our restaurants could negatively affect our restaurant sales.

Our restaurants are primarily located near high activity areas, such as regional malls, lifestyle centers, big box shopping centers and entertainment centers. We depend on high visitor rates at these centers to attract guests to our restaurants. If visitors to these centers decline due to economic conditions, changes in consumer preferences or shopping patterns, changes in discretionary consumer spending or otherwise, our restaurant sales could decline significantly and adversely affect our results of operations.

If we lose the services of any of our key management personnel, our business could suffer.

Our future success significantly depends on the continued services and performance of our key management personnel, particularly Mike Snyder, our chief executive officer and president; Jim McCloskey, our chief financial officer; Mike Woods, our senior vice president of franchise development; Bob Merullo, our senior vice president of restaurant operations; Todd Brighton, our vice president of development; and Eric Houseman, our

Table of Contents

vice president of restaurant operations. Our future performance will depend on our ability to motivate and retain these and other officers and key team members, particularly regional operations directors, restaurant general managers and kitchen managers. Competition for these employees is intense. The loss of the services of members of our senior management or key team members or the inability to attract additional qualified personnel as needed could materially harm our business.

Approximately 77% of our company-owned restaurants are located in the Western United States and, as a result, we are sensitive to economic and other trends and developments in this region.

We currently operate a total of 94 company-owned restaurants in the Western United States. As a result, we are particularly susceptible to adverse trends and economic conditions in this region, including its labor market. In addition, given our geographic concentration, negative publicity regarding any of our restaurants in the Western United States could have a material adverse effect on our business and operations, as could other regional occurrences such as local strikes, energy shortages or increases in energy prices, droughts, earthquakes, fires or other natural disasters.

Our future success depends on our ability to protect our proprietary information.

Our business prospects will depend in part on our ability to develop favorable consumer recognition of the Red Robin[®] name and logo. Although Red Robin[®], America's Gourmet Burgers & Spirits and Mad Mixology[®] are federally registered trademarks with the United States Patent and Trademark Office and in Canada, our trademarks could be infringed in ways that leave us without redress, such as by imitation. In addition, we rely on trade secrets and proprietary know-how, and we employ various methods, to protect our concepts and recipes. However, such methods may not afford adequate protection and others could independently develop similar know-how or obtain access to our know-how, concepts and recipes. Moreover, we may face claims of infringement that could interfere with our use of our proprietary know-how, concepts, recipes or trade secrets. Defending against such claims may be costly and, if we are unsuccessful, we may be prevented from continuing to use such proprietary information in the future and/or be forced to pay damages. We do not maintain confidentiality and non-competition agreements with all of our executives, key personnel or suppliers. In the event competitors independently develop or otherwise obtain access to our know-how, concepts, recipes or trade secrets, the appeal of our restaurants could be reduced and our business could be harmed. We franchise our system to various franchisees. While we try to ensure that the quality of our brand and compliance with our operating standards, and the confidentiality thereof are maintained by all of our franchisees, we cannot assure that our franchisees will avoid actions that adversely affect the reputation of Red Robin or the value of our proprietary information.

Compliance with changing regulation of corporate governance and public disclosure may result in additional expenses.

Keeping abreast of, and in compliance with, changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002, new SEC regulations and The Nasdaq Stock Market rules, has required an increased amount of management attention and external resources. We remain committed to maintaining high standards of corporate governance and public disclosure. As a result, we intend to invest all reasonably necessary resources to comply with evolving standards, and this investment may result in increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Table of Contents

Risks related to the restaurant industry

Changes in consumer preferences or discretionary consumer spending could negatively impact our results of operations.

Our restaurants feature burgers, salads, soups, appetizers, other entrees, such as carnitas fajitas and pasta, desserts and our signature Mad Mixology® alcoholic and non-alcoholic beverages in a family-friendly atmosphere. Our continued success depends, in part, upon the popularity of these foods and this style of casual dining. Shifts in consumer preferences away from this cuisine or dining style could materially adversely affect our future profitability. The restaurant industry is characterized by the continual introduction of new concepts and is subject to rapidly changing consumer preferences, tastes and eating and purchasing habits. While burger consumption in the United States has grown over the past 20 years, the demand may not continue to grow or taste trends may change. Our success will depend in part on our ability to anticipate and respond to changing consumer preferences, tastes and eating and purchasing habits, as well as other factors affecting the food service industry, including new market entrants and demographic changes. Also, our success depends to a significant extent on numerous factors affecting discretionary consumer spending, including economic conditions, disposable consumer income and consumer confidence. Adverse changes in these factors could reduce guest traffic or impose practical limits on pricing, either of which could harm our results of operations.

Health concerns relating to the consumption of beef or other food products could affect consumer preferences and could negatively impact our results of operations.

Like other restaurant chains, consumer preferences could be affected by health concerns about the consumption of beef, the key ingredient in many of our menu items, or negative publicity concerning food quality, illness and injury generally, such as negative publicity concerning E. coli, mad cow or foot-and-mouth disease, publication of government or industry findings concerning food products served by us, or other health concerns or operating issues stemming from one restaurant or a limited number of restaurants. This negative publicity may adversely affect demand for our food and could result in a decrease in guest traffic to our restaurants. If we react to the negative publicity by changing our concept or our menu, we may lose guests who do not prefer the new concept or menu, and may not be able to attract a sufficient new guest base to produce the revenue needed to make our restaurants profitable. In addition, we may have different or additional competitors for our intended guests as a result of a concept change and may not be able to compete successfully against those competitors. A decrease in guest traffic to our restaurants as a result of these health concerns or negative publicity or as a result of a change in our menu or concept could materially harm our business.

Labor shortages could slow our growth or harm our business.

Our success depends in part upon our ability to attract, motivate and retain a sufficient number of qualified, high-energy team members. Qualified individuals of the requisite caliber and number needed to fill these positions are in short supply in some areas. The inability to recruit and retain these individuals may delay the planned openings of new restaurants or result in high employee turnover in existing restaurants, which could harm our business. Additionally, competition for qualified team members could require us to pay higher wages to attract sufficient team members, which could result in higher labor costs. Most of our employees are paid on an hourly basis. These employees are paid in accordance with applicable minimum wage regulations. Accordingly, any increase in the minimum wage, whether state or federal, could have a material adverse impact on our business.

We are subject to extensive government laws and regulations that govern various aspects of our business. Our operations and our ability to expand and develop our restaurants may be adversely affected by these laws and regulations, which could cause our revenues to decline and adversely affect our growth strategy.

The restaurant industry is subject to various federal, state and local government regulations, including those relating to the sale of food and alcoholic beverages. While in the past we have been able to obtain and maintain

Table of Contents

the necessary governmental licenses, permits and approvals, our failure to maintain these licenses, permits and approvals, including food and liquor licenses, could adversely affect our operating results. Difficulties or failures in obtaining the required licenses and approvals could delay or result in our decision to cancel the opening of new restaurants. Local authorities may suspend or deny renewal of our food and liquor licenses if they determine that our conduct does not meet applicable standards or if there are changes in regulations.

We are subject to dram shop statutes in some states. These statutes generally allow a person injured by an intoxicated person to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated person. A judgment substantially in excess of our insurance coverage could harm our financial condition.

Various federal and state labor laws govern our relationship with our employees and affect operating costs. These laws include minimum wage requirements, overtime pay, unemployment tax rates, workers' compensation rates, citizenship requirements and sales taxes. Additional government-imposed increases in minimum wages, overtime pay, paid leaves of absence and mandated health benefits such as those to be imposed by recently enacted legislation in California, increased tax reporting and tax payment requirements for employees who receive gratuities, or a reduction in the number of states that allow tips to be credited toward minimum wage requirements could harm our operating results.

The federal Americans with Disabilities Act prohibits discrimination on the basis of disability in public accommodations and employment. Although our restaurants are designed to be accessible to the disabled, we could be required to make modifications to our restaurants to provide service to, or make reasonable accommodations for, disabled persons.

We are also subject to federal regulation and state laws that regulate the offer and sale of franchises and aspects of the licensor-licensee relationship. Many state franchise laws impose restrictions on the franchise agreement, including limitations on non-competition provisions and the termination or non-renewal of a franchise. Some states require that franchise materials be registered before franchises can be offered or sold in the state.

A significant increase in litigation could have a material adverse effect on our results of operations, financial condition and business prospects.

As a participant in the restaurant industry, we are sometimes the subject of complaints or litigation from guests alleging illness, injury or other food quality, health or operational concerns. Recently, the restaurant industry also has been subject to an increase in claims that the menus and practices of restaurant chains have led to the obesity of some guests. Adverse publicity resulting from these allegations could harm our restaurants, regardless of whether the allegations are valid or whether we are liable. In fact, we are subject to the same risks of adverse publicity resulting from these sorts of allegations even if the claim actually involves one of our franchisees. Further, employee claims against us based on, among other things, discrimination, harassment or wrongful termination may divert our financial and management resources that would otherwise be used to benefit the future performance of our operations.

Our success depends on our ability to compete effectively in the restaurant industry.

Competition in the restaurant industry is increasingly intense. We compete on the basis of the taste, quality, and price of food offered, guest service, ambiance and overall dining experience. We believe that our operating concept, attractive dining value and quality of food and guest

Edgar Filing: RED ROBIN GOURMET BURGERS INC - Form 424B4

service, enable us to differentiate ourselves from our competitors. Our competitors include a large and diverse group of restaurant chains and individual restaurants that range from independent local operators that have opened restaurants in various markets, to well-capitalized national restaurant companies. In addition, we compete with other restaurants and with retail

establishments for real estate. Many of our competitors are well established in the casual dining market segment and some of our competitors have substantially greater financial, marketing and other resources than do we.

Table of Contents

Risks related to this offering

Our stock price may be volatile.

The market for equity securities has been extremely volatile. The following factors could cause the price of our common stock in the public market to fluctuate significantly:

actual or anticipated variations in our quarterly results of operations;

changes in market valuations of companies in our industry;

changes in expectations of future financial performance or changes in estimates of securities analysts;

fluctuations in stock market prices and volumes;

issuances of common stock or other securities in the future; and

the addition or departure of key personnel.

The stock market has experienced significant price and volume fluctuations. Fluctuations or decreases in the trading price of our common stock may adversely affect stockholders' ability to trade their shares. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted. A securities class action suit against us could result in substantial costs and divert management's attention and resources that would otherwise be used to benefit the future performance of our operations.

Approximately 21.6% of our outstanding shares of common stock may be sold into the public market in the future, which could depress our stock price.

Including the 1,937,543 shares of common stock sold in this offering, there will be 13,947,640 shares that are freely tradable without restriction under the Securities Act of 1933, excluding any restricted shares held by our officers, directors and principal stockholders.

After this offering, approximately 1,976,550 shares of our common stock that are outstanding and held by our affiliates will be subject to the volume and other limitations of Rule 144 or Rule 701 under the Securities Act. In addition, up to 1,479,858 shares of our common stock issuable pursuant to stock options are eligible for sale in the public market, together with any additional shares of common stock that will be issuable pursuant to stock options or other stock rights granted in the future under our stock option plans and any shares purchased by our employees under our employees stock purchase plan.

Edgar Filing: RED ROBIN GOURMET BURGERS INC - Form 424B4

Sales of substantial amounts of common stock in the public market, or the perception that these sales may occur, could adversely affect the prevailing market price of our common stock and our ability to raise capital through a public offering of our equity securities.

Some of our stockholders could exert significant influence or control over us, and may not make decisions that are in the best interests of all stockholders.

As of May 17, 2004, Quad-C, through its affiliates, owns approximately 12.1% of our outstanding common stock and Mike Snyder owns approximately 9.4% of our outstanding common stock. Our officers, directors and principal stockholders, i.e., stockholders holding more than 5.0% of our common stock, including Quad-C and Mike Snyder, together hold approximately 25.3% of our outstanding common stock. These stockholders, acting individually or together, could exert significant influence over all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. This concentration of ownership may delay or prevent a change in control of our company, and make some transactions more difficult or impossible without the support of these stockholders. Also, the interests of these stockholders may not always coincide with our interests as a company or the interest of other stockholders. Accordingly, Quad-C, Mike

Table of Contents

Snyder and these other stockholders could cause us to enter into transactions or agreements that our other stockholders might not approve. Our certificate of incorporation and bylaws require a 66 2/3% supermajority vote of our stockholders to remove a director or to amend specified provisions of our certificate of incorporation or bylaws.

Provisions in Delaware law and our charter may prevent or delay a change of control, even if that change of control may be beneficial to our stockholders.

We are subject to the Delaware anti-takeover laws regulating corporate takeovers. These anti-takeover laws prevent Delaware corporations from engaging in business combinations with any stockholder, including all affiliates and associates of the stockholder, who owns 15.0% or more of the corporation's outstanding voting stock, for three years following the date that the stockholder acquired 15.0% or more of the corporation's voting stock unless specified conditions are met.

Our amended and restated certificate of incorporation and our amended and restated bylaws include a number of provisions that may deter or impede hostile takeovers or changes of control of management. These provisions:

authorize our board of directors to establish one or more series of preferred stock, the terms of which can be determined by the board of directors at the time of issuance;

divide our board of directors into three classes of directors, with each class serving a staggered three-year term. As the classification of the board of directors generally increases the difficulty of replacing a majority of the directors, it may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us and may maintain the composition of the board of directors;

do not provide for cumulative voting in the election of directors unless required by applicable law. Under cumulative voting, a minority stockholder holding a sufficient percentage of a class of shares may be able to ensure the election of one or more directors;

provide that a director may be removed from our board of directors only for cause, and then only by a supermajority vote of the outstanding shares;

require that any action required or permitted to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by any consent in writing;

state that special meetings of our stockholders may be called only by the chairman of the board of directors, our chief executive officer, by the board of directors after a resolution is adopted by a majority of the total number of authorized directors, or by the holders of not less than 10.0% of our outstanding voting stock;

provide that the chairman or other person presiding over any stockholder meeting may adjourn the meeting whether or not a quorum is present at the meeting;

establish advance notice requirements for submitting nominations for election to the board of directors and for proposing matters that can be acted upon by stockholders at a meeting;

Edgar Filing: RED ROBIN GOURMET BURGERS INC - Form 424B4

provide that certain provisions of our certificate of incorporation can be amended only by supermajority vote of the outstanding shares, and that our bylaws can be amended only by supermajority vote of the outstanding shares or our board of directors;

allow our directors, not our stockholders, to fill vacancies on our board of directors; and

provide that the authorized number of directors may be changed only by resolution of the board of directors.

Table of Contents

FORWARD-LOOKING STATEMENTS

Certain information contained in this prospectus, the documents incorporated herein by reference and any accompanying prospectus supplement includes forward-looking statements. 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 may, will, anticipates, expects, believes, intends, should or comparable terms or the negative thereof. All forward-looking statements included in this prospectus, the documents incorporated herein by reference and any accompanying prospectus supplement are based on information available to us on the date hereof or thereof, as applicable. These statements involve risks and uncertainties that could cause actual results to differ materially from those described in the statements. These risks and uncertainties include, but are not limited to, the following:

our ability to achieve and manage our planned expansion;

our ability to raise capital in the future;

the ability of our franchisees to open and manage new restaurants;

our franchisees' adherence to our practices, policies and procedures;

changes in the availability and cost of food;

potential fluctuation in our quarterly operating results due to seasonality and other factors;

the continued service of key management personnel;

the concentration of our restaurants in the Western United States;

our ability to protect our name and logo and other proprietary information;

changes in consumer preferences, general economic conditions or consumer discretionary spending;

health concerns about our food products;

our ability to attract, motivate and retain qualified team members;

the impact of federal, state or local government regulations relating to our team members or the sale of food or alcoholic beverages;

the impact of litigation;

Edgar Filing: RED ROBIN GOURMET BURGERS INC - Form 424B4

the effect of competition in the restaurant industry;

cost and availability of capital;

additional costs associated with compliance, including the Sarbanes-Oxley Act and related regulations and requirements; and

other risk factors described from time to time in SEC reports filed by Red Robin.

Other risks, uncertainties and factors, including those discussed in Item 1 of our annual report on Form 10-K for the year ended December 28, 2003, filed with the SEC on March 12, 2004, could cause our actual results to differ materially from those projected in any forward-looking statements we make. The list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative, but by no means exhaustive. Accordingly, all forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

We assume no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

Table of Contents**USE OF PROCEEDS**

The proceeds from the sale of the common stock offered pursuant to this prospectus are solely for the account of the selling stockholders. Accordingly, we will not receive any proceeds from the sale of the common stock by the selling stockholders.

SELLING STOCKHOLDERS

The following table sets forth, as of the date of this prospectus, the names of the selling stockholders, the number of shares of common stock beneficially owned by each of the selling stockholders, the number of shares owned by them covered by this prospectus and the amount of shares to be owned by each selling stockholder after the sale of all of the shares offered by this prospectus.

The table below assumes that the selling stockholders sell all of the shares offered by them in offerings pursuant to this prospectus, and neither dispose of nor acquire any additional shares. We are unable to determine the exact number of shares that will actually be sold or when or if these sales will occur. The information included below is based on information provided by the selling stockholders.

Name	Shares Beneficially Owned Prior to the Offering (1)		Shares Covered by this Prospectus	Shares Beneficially Owned After the Offering (1)	
	Number	Percent (2)		Number	Percent (2)
	RR Investors, LLC (3)	1,863,020	11.6%	1,863,020	0
RR Investors II, LLC (4)	74,523	*	74,523	0	0
Total	1,937,543	12.1%	1,937,543	0	0

* Represents beneficial ownership of less than one percent (1.0%) of the outstanding shares of our common stock.

- (1) Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities.
- (2) The percentage of beneficial ownership is based on 16,020,942 shares of common stock outstanding as of May 17, 2004.
- (3) As the sole member of RR Investors, Quad-C Partners V, L.P. has the sole power to vote and dispose of the shares held by RR Investors. Quad-C Advisors V, L.L.C. is the general partner of Quad-C Partners V. Stephen M. Burns is the president and a director of RR Investors and, as such, shares voting and dispositive power as to the shares held by RR Investors. In addition, Mr. Burns has an indirect membership interest in RR Investors as a holder of a 15% membership interest in Quad-C Advisors V. Terrence D. Daniels, one of our directors, is the vice president and secretary of RR Investors and, as such, shares voting and dispositive power as to the shares held by RR Investors. In addition, Mr. Daniels has an indirect membership interest in RR Investors as a holder of a 40% membership interest in Quad-C Advisors V, L.L.C. Each of Mr. Burns and Mr. Daniels disclaims beneficial ownership of these shares except to the extent of his own pecuniary

interest therein.

- (4) Mr. Burns is the president and a director of RR Investors II and, as such, shares voting and dispositive power as to the shares held by RR Investors II. Mr. Burns also has a membership interest in RR Investors II equal to 16.25% of the outstanding membership interests of RR Investors II. Mr. Daniels is the vice president and secretary of RR Investors II and, as such, shares voting and dispositive power as to the shares held by RR Investors II. Mr. Daniels also has a membership interest in RR Investors II equal to 22.5% and his four children collectively own an additional 20.8% of the outstanding membership interests of RR Investors II. Each of Mr. Burns and Mr. Daniels disclaims beneficial ownership of these shares except to the extent of his own pecuniary interest therein.

Table of Contents

Terrence D. Daniels, one of our directors, is the Vice President and Secretary of each of RR Investors and RR Investors II and has an indirect membership interest in RR Investors as a holder of a 40% membership interest in Quad-C Advisors V, L.L.C., the general partner of the sole member of RR Investors. Mr. Daniels also has a membership interest in RR Investors II equal to 22.5% and his four children collectively own an additional 20.8% of the outstanding membership interests in RR Investors II. Mr. Daniels shares voting and dispositive power over the shares of Red Robin held by both RR Investors and RR Investors II. Edward T. Harvey, Jr., another of our directors, retired from Quad-C Advisors V and resigned his position as President and Director of RR Investors and RR Investors II in 2003, and no longer shares voting and dispositive power as to the shares held by RR Investors and RR Investors II. Mr. Harvey has an indirect membership interest in RR Investors as a holder of a 15% membership interest in Quad-C Advisors V, the general partner of the sole member of RR Investors. Mr. Harvey also has an indirect membership interest in RR Investors II through High Street Holdings, L.C., in which he is the manager and has an 80% ownership interest. High Street Holdings has a 16.3% membership interest in RR Investors II.

PLAN OF DISTRIBUTION

The shares of common stock covered by this prospectus may be offered and sold from time to time by the selling stockholders. The term "selling stockholders" includes donees, pledgees, transferees or other successors-in-interest selling shares received after the date of this prospectus from a selling stockholder as a gift, pledge or other non-sale related transfer. We will not receive any proceeds from this offering. The selling stockholders will act independently of us in making decisions with respect to the timing, manner and size of each sale. The selling stockholders may sell shares by one or more of, or a combination of, the following methods:

to or through underwriters;

directly by the selling stockholders to one or more purchasers;

through broker-dealers or through dealers or other persons acting as agents;

in one or more transactions at fixed prices (which may be changed), at prevailing market prices at the time of sale, at varying prices determined at the time of sale, or at negotiated prices; or

in transactions on The Nasdaq Stock Market's National Market or in the over-the-counter market (which may involve block transactions or crosses).

The names of any underwriters, dealers, broker-dealers or other persons acting as agents involved in the sale of shares of common stock covered by this prospectus and the compensation of such persons will be set forth in the applicable prospectus supplement. Any such underwritten offering may be on a "best efforts" or a "firm commitment" basis. In connection with the sale of shares of common stock covered by this prospectus, underwriters may receive compensation from the selling stockholders or from the purchasers of the shares for whom they may act as agents, in the form of discounts, concessions or commissions. Underwriters may sell the shares to or through agents or dealers, and such agents and dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters or commissions from the purchasers for whom they may act as agents. Any such compensation received from the selling stockholders will be described in the applicable prospectus supplement.

The selling stockholders may also pledge or grant a security interest in shares, and, upon a default in the performance of the secured obligation, such pledgee or secured party may effect sales of the pledged shares pursuant to this prospectus.

In addition, any shares offered hereby that qualify for sale pursuant to Rule 144 may, at the option of the holder thereof, be sold under Rule 144 rather than pursuant to this prospectus.

Table of Contents

Pursuant to a registration rights agreement, we are required to pay the fees and expenses incident to the registration of our common stock hereunder, which include the Securities and Exchange Commission registration fee, accounting fees and expenses, legal fees and expenses and printing costs. The selling stockholders will pay all brokerage commissions and similar selling expenses, if any, attributable to the sale of the shares.

To comply with the securities laws of certain states, if applicable, the shares must be sold in such jurisdictions only through registered or licensed brokers or dealers. In addition, in certain states, the shares may not be sold unless they have been registered or qualified for sale in such state or an exemption from such registration or qualification requirement is available and is satisfied.

The selling stockholders and other persons participating in the sale or distribution of the securities will be subject to applicable provisions of the Exchange Act, as amended, and the rules and regulations thereunder, including Regulation M. This regulation may limit the timing of purchases and sales of any of the securities by the selling stockholders and any other person. The anti-manipulation rules under the Exchange Act may apply to sales of securities in the market and to the activities of the selling stockholders and their affiliates. Furthermore, Regulation M may restrict the ability of any person engaged in the distribution of the securities to engage in market-making activities with respect to the particular securities being distributed for a period of up to five business days before the distribution. These restrictions may affect the marketability of the securities and the ability of any person or entity to engage in market-making activities with respect to the securities.

The selling stockholders and any underwriters, brokers, dealers or agents that participate in the distribution of shares may be deemed to be underwriters within the meaning of the Securities Act of 1933, and any discounts, concessions, commissions or fees received by them and any profit on the resale of the securities sold by them may be deemed to be underwriting discounts and commissions under the Securities Act of 1933.

The shares of common stock covered by this prospectus also may be sold in one or more of the following transactions: (i) block transactions in which a broker-dealer may sell all or a portion of such shares as agent but may position and resell all or a portion of the block as principal to facilitate the transaction; (ii) purchases by any such broker-dealer as principal and resale by such broker-dealer for its own account pursuant to a prospectus supplement; (iii) ordinary brokerage transactions and transactions in which any such broker-dealer solicits purchasers; (iv) sales at the market to or through a market maker or into an existing trading market for such shares; and (v) sales in other ways not involving market makers or established trading markets, including direct sales to purchasers. In effecting sales, broker-dealers engaged by the selling stockholders may arrange for other broker-dealers to participate. Broker-dealers will receive commissions or other compensation in the form of discounts or concessions from the selling stockholders in amounts to be negotiated immediately prior to the sale. Broker-dealers may also receive compensation from the purchasers of the shares.

Red Robin has agreed to indemnify in certain circumstances the selling stockholders and any underwriters, brokers, dealers or agents who may be deemed to be underwriters of the securities, if any, covered by the registration statement, against certain liabilities, including liabilities under the Securities Act of 1933. The selling stockholders have agreed to indemnify Red Robin in certain circumstances against certain liabilities, including liabilities under the Securities Act of 1933. Such underwriters, brokers, dealers and agents may be customers of, engage in transactions with, or perform services for Red Robin or the selling stockholders in the ordinary course of business.

If so indicated in the applicable prospectus supplement, the underwriters, dealers, broker-dealers or other persons acting as agents may be authorized to solicit offers by certain institutions to purchase shares pursuant to contracts providing for payment and delivery on a future date. Such contracts may be made with commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions, and other institutions, but in all cases such institutions must be approved by the selling stockholders. The obligations of any purchaser under any such contract will not be subject to any conditions except that (a) the purchase of the shares shall not at the time of delivery be prohibited under the laws of the jurisdiction to which

Table of Contents

such purchaser is subject and (b) if the shares are also being sold to underwriters, the selling stockholders shall have sold to such underwriters the shares not sold for delayed delivery. The underwriters, dealers, broker-dealers and other persons acting as agents will not have any responsibility in respect of the validity or performance of such contracts.

We will make copies of this prospectus available to the selling stockholders for the purpose of satisfying the prospectus delivery requirements of the Securities Act of 1933, which may include delivery through the facilities of The Nasdaq Stock Market's National Market pursuant to Rule 153 under the Securities Act of 1933.

LEGAL MATTERS

The validity of the shares of our common stock offered in this prospectus will be passed upon for us by John W. Grant, our Vice President and General Counsel. As of the date of this prospectus, Mr. Grant owns 3,167 shares of our common stock and options to purchase an additional 23,241 shares of our common stock, of which 19,116 have fully vested as of May 12, 2004.

EXPERTS

The financial statements incorporated in this prospectus by reference from the Company's Annual Report on Form 10-K for the year ended December 28, 2003 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report (which report expresses an unqualified opinion and includes an explanatory paragraph referring to the change in the method of accounting for goodwill and intangible assets in 2002), which is incorporated herein by reference, and has been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-3 under the Securities Act of 1933 with respect to the shares of common stock offered by this prospectus.

We are subject to the informational requirements of the Exchange Act and are required to file annual and quarterly reports, proxy statements and other information with the SEC. You can inspect and copy reports and other information filed by us with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You may also obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0300. The SEC also maintains an Internet site at <http://www.sec.gov> that contains reports, proxy and information statements regarding issuers, including us, that file electronically with the SEC.

We are incorporating by reference into this prospectus certain information we file with the SEC, which means that we are disclosing important information to you by referring you to those documents. The information incorporated by reference is deemed to be part of this prospectus, except for any information superseded by information contained directly in this prospectus or any accompanying prospectus. These documents contain important information about us and our finances. This prospectus incorporates by reference the following documents (File No. 0-49916):

Edgar Filing: RED ROBIN GOURMET BURGERS INC - Form 424B4

Our annual report on Form 10-K for the year ended December 28, 2003, filed with the SEC on March 12, 2004;

The Stock Ownership, Board of Directors, Executive Compensation, Stock Performance Graph, Related Party Transactions, Equity Compensation Plan Information, and Independent Auditors sections included in our definitive proxy statement for our 2004 annual meeting of stockholders, filed with the SEC on April 16, 2004;

Table of Contents

Our quarterly report on Form 10-Q for the period ended April 18, 2004, filed with the SEC on May 21, 2004; and

The description of our common stock contained in our Registration Statement on Form 8-A, filed with the SEC on July 16, 2002.

All documents we file with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this prospectus to the end of the offering of the common stock shall also be deemed to be incorporated herein by reference and will automatically update information in this prospectus. A statement contained herein, in a prospectus supplement or in a document incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in a prospectus supplement or in any subsequently filed document which is incorporated by reference herein, modifies or supersedes the statement. Any statements so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

As permitted by the rules and regulations of the SEC, this prospectus, which is a part of the registration statement, omits various information, exhibits, schedules and undertakings included in the registration statement. For further information pertaining to Red Robin and the common stock offered under this prospectus and any accompanying prospectus supplement, reference is made to the registration statement and the attached exhibits and schedules. Although required material information has been presented in this prospectus, statements contained in this prospectus as to the contents or provisions of any contract or other document referred to in this prospectus may be summary in nature, and in each instance reference is made to the copy of the contract or other document filed as an exhibit to the registration statement, and each statement is qualified in all respects by this reference.

We will provide to you, at no cost, upon your written or oral request, a copy of any or all of the documents that we incorporate by reference, including exhibits. Please direct your request to: Red Robin Gourmet Burgers, Inc., Legal and Shareholder Services, 6312 S. Fiddler's Green Circle, Suite 200N, Greenwood Village, CO 80111, (303) 846-6000. Exhibits to the filings will not be sent, however, unless those exhibits have specifically been incorporated by reference in this prospectus.

Table of Contents

1,937,543 Shares

Common Stock

PROSPECTUS SUPPLEMENT

August 17, 2004

Wachovia Securities