RED HAT INC Form 4 August 18, 2006

FORM 4

OMB APPROVAL

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

OMB 3235-0287 Number: January 31,

response...

5. Relationship of Reporting Person(s) to

(Check all applicable)

Issuer

Check this box if no longer subject to Section 16. Form 4 or

Expires: STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

2005 Estimated average burden hours per

0.5

Form 5 obligations may continue. See Instruction

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section

2. Issuer Name and Ticker or Trading

RED HAT INC [RHAT]

3. Date of Earliest Transaction

Symbol

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

ROHDE JOANNE

(Last)

1. Name and Address of Reporting Person *

(First)

(Middle)

			(Month/Day/Year) 08/17/2006				Director 10% Owner X Officer (give title Other (specification) below) EVP Worldwide Operations		er (specify	
(Street) 4. If Amend				ate Original	1		6. Individual or Joint/Group Filing(Check			
RALEIGH,	nth/Day/Year)				Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person					
(City)	(State) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned									
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	3. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8) (A) or Code V Amount (D) Price				5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)		
Common Stock	08/17/2006		M	37,500	A	\$ 15.34	37,500	D		
Common Stock	08/17/2006		S(1)	17,500	D	\$ 25	20,000	D		
Common Stock	08/17/2006		S <u>(1)</u>	5,000	D	\$ 25.01	15,000	D		
Common Stock	08/17/2006		S <u>(1)</u>	5,000	D	\$ 25.05	10,000	D		
Common Stock	08/17/2006		S <u>(1)</u>	5,000	D	\$ 25.04	5,000	D		

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Common Stock 08/17/2006 $S_{\underbrace{(1)}}$ 5,000 D $\underbrace{(5,000)}$ D D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474

(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transactic Code (Instr. 8)	5. Number of orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non Qualified Stock Option	\$ 15.34	08/17/2006		M	37,500	<u>(2)</u>	07/25/2010	Common Stock	37,500

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

ROHDE JOANNE C/O RED HAT INC 1801 VARSITY DRIVE RALEIGH, NC 27606

EVP Worldwide Operations

Signatures

Emily DelToro, Atty in Fact UPOA 08/18/2006

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) This stock sale was effected pursuant to a Rule 10(b)5-1 trading plan dated January 5, 2006.
- (2) This option is exercisable 25% on the first anniversary date and 6.25% on the first day of each subsequent three month period following one year from the date of grant.

Reporting Owners 2

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Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.