MCDONALD EUGENE J

Form 4

February 16, 2007

FORM 4

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

OMB

3235-0287 Number:

OMB APPROVAL

January 31, Expires: 2005

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Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES** Form 4 or

Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * MCDONALD EUGENE J

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

RED HAT INC [RHT]

(First) (Middle) (Last)

3. Date of Earliest Transaction (Month/Day/Year)

X_ Director 10% Owner Officer (give title Other (specify

(Check all applicable)

FIRST UNION PLAZA, ERWIN **SQUARE STE 1000**

> (Street) 4. If Amendment, Date Original

02/15/2007

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

below)

DURHAM, NC 27707

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8) (Instr. 3, 4 and 5)

5. Amount of 7. Nature of 6. Ownership Securities Form: Direct Indirect Beneficially (D) or Indirect Beneficial Owned (I) Ownership Following (Instr. 4) (Instr. 4)

Reported (A) Transaction(s) or (Instr. 3 and 4)

Code V Amount (D) Price

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

(Month/Day/Year)

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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

1. Title of 3. Transaction Date 3A. Deemed 5. Number 6. Date Exercisable and 7. Title and Amount of 8. P. Derivative Conversion (Month/Day/Year) Execution Date, if Transactionof **Expiration Date Underlying Securities** Security or Exercise any Code Derivative (Month/Day/Year) (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)	Acqu (A) o Dispo	ired r osed)					(Ins
			Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		
Deferred Stock Units	\$ 0	02/15/2007		A	787		02/15/2007(1)	<u>(1)</u>	Common Stock (2)	787	

Reporting Owners

Reporting Owner Name / Address	Relationships						
	Director	10% Owner	Officer	Other			
MCDONALD EUGENE J FIRST UNION PLAZA ERWIN SQUARE STE 1000 DURHAM, NC 27707	X						

Signatures

Emily Del Toro, Atty in fact UPOA 02/

02/16/2007

**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).
- This DSU was granted pursuant to Red Hat's 2006 Independent Director Compensation Plan, in lieu of cash compensation, and is fully (1) vested as of the date of grant. The DSU will be paid out in cash or common stock at the election of Red Hat, Inc. on the earlier of October 30, 2009 (the deferral date designated by the Reporting Person) or upon termination of the Reporting Person's Board of Director service.
- (2) This DSU is payable in either cash or common stock at the election of Red Hat, Inc.

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.

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