

SZULIK MATTHEW
Form 4
January 06, 2006

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
SZULIK MATTHEW

(Last) (First) (Middle)

C/O RED HAT, INC, 1801
VARSITY DRIVE

(Street)

RALEIGH, NC 27606

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
RED HAT INC [RHAT]

3. Date of Earliest Transaction
(Month/Day/Year)
01/04/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

Chairman/CEO/President

6. Individual or Joint/Group Filing(Check Applicable Line)

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

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	01/04/2006		M		200,000	A	\$ 5.55
					604,349 ⁽¹⁾ <u>(2)</u>	D	
Common Stock	01/04/2006		S		120,100	D	\$ 28.55
					484,249 ⁽¹⁾ <u>(2)</u>	D	
Common Stock	01/04/2006		S		9,000	D	\$ 28.56
					475,249 ⁽¹⁾ <u>(2)</u>	D	
Common Stock	01/04/2006		S		8,500	D	\$ 28.62
					466,749 ⁽¹⁾ <u>(2)</u>	D	
Common Stock	01/04/2006		S		10,000	D	\$ 28.65
					456,749 ⁽¹⁾ <u>(2)</u>	D	

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Common Stock	01/04/2006	S	10,000	D	\$ 28.66	446,749 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/04/2006	S	10,000	D	\$ 28.67	436,749 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/04/2006	S	10,000	D	\$ 28.71	426,749 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/04/2006	S	11,000	D	\$ 28.54	415,749 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/04/2006	S	11,400	D	\$ 28.6	404,349 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/05/2006	M	800,000	A	\$ 0.0214	1,204,349 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/05/2006	S	168,500	D	\$ 29	1,035,849 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/05/2006	S	15,000	D	\$ 29.06	1,020,849 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/05/2006	S	48,000	D	\$ 29.12	972,849 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/05/2006	S	65,000	D	\$ 29.15	907,849 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/05/2006	S	12,000	D	\$ 29.16	895,849 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/05/2006	S	9,000	D	\$ 29.18	886,849 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/05/2006	S	7,500	D	\$ 29.19	879,349 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/05/2006	S	25,000	D	\$ 29.24	854,349 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/05/2006	S	67,500	D	\$ 29.25	786,849 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/05/2006	S	17,500	D	\$ 29.26	769,349 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/05/2006	S	38,500	D	\$ 29.27	730,849 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/05/2006	S	6,500	D	\$ 29.29	724,349 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/05/2006	S	10,000	D	\$ 29.3	714,349 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/05/2006	S	10,000	D	\$ 29.31	704,349 ⁽¹⁾ <u>(2)</u>	D
	01/05/2006	S	30,000	D	\$ 29.32		D

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Common Stock						674,349 ⁽¹⁾ <u>(2)</u>	
Common Stock	01/05/2006	S	53,000	D	\$ 29.33	621,349 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/05/2006	S	10,000	D	\$ 29.35	611,349 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/05/2006	S	40,000	D	\$ 29.36	571,349 ⁽¹⁾ <u>(2)</u>	D
Common Stock	01/05/2006	S	55,000	D	\$ 29.37	516,349 ⁽¹⁾ <u>(2)</u>	D

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

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(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. Transaction Code (Instr. 8)	5. Number of Derivative 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 Number Shares
Employee Stock Option NQSO (Right to Buy)	\$ 0.2142	01/05/2006		M	800,000	⁽³⁾ 11/13/2008	Common Stock 800,000
Employee Stock Option NQSO (Right to Buy)	\$ 5.55	01/04/2006		M	200,000	⁽³⁾ 07/24/2012	Common Stock 200,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

SZULIK MATTHEW
C/O RED HAT, INC
1801 VARSITY DRIVE
RALEIGH, NC 27606

X

Chairman/CEO/President

Signatures

Emily DeToro, Atty in Fact
UPOA

01/06/2006

__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) Includes 16,473 shares held of record by the Matthew J. Szulik GRAT dated 5/26/99 for which the Reporting Person is the trustee.
- (2) Also includes 72,000 shares held of record by trusts for the benefit of the Reporting Person's children. The Reporting Person disclaims beneficial ownership of these shares.
- (3) This option vests quarterly at a rate of 8.333% over a three year period.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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