

CORMIER PAUL J
Form 4
January 12, 2006

FORM 4

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

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
CORMIER PAUL J

(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)
01/10/2006

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

EVP, Engineering

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ 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)
Common Stock	01/10/2006		M	50,000	A \$ 6	50,000	D
Common Stock	01/10/2006		S ⁽¹⁾	5,000	D \$ 29.64	45,000	D
Common Stock	01/10/2006		S ⁽¹⁾	5,000	D \$ 29.71	40,000	D
Common Stock	01/10/2006		S ⁽¹⁾	5,000	D \$ 29.85	35,000	D
Common Stock	01/10/2006		S ⁽¹⁾	5,000	D \$ 29.95	30,000	D

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Common Stock	01/10/2006	<u>S</u> (1)	5,000	D	\$ 29.99	25,000	D
Common Stock	01/10/2006	<u>S</u> (1)	3,500	D	\$ 30.15	21,500	D
Common Stock	01/10/2006	<u>S</u> (1)	3,500	D	\$ 30.21	18,000	D
Common Stock	01/10/2006	<u>S</u> (1)	3,000	D	\$ 30.22	15,000	D
Common Stock	01/10/2006	<u>S</u> (1)	5,000	D	\$ 30.24	10,000	D
Common Stock	01/10/2006	<u>S</u> (1)	10,000	D	\$ 30.45	0	D
Common Stock	01/11/2006	M	50,000	A	\$ 6	50,000	D
Common Stock	01/11/2006	<u>S</u> (1)	5,000	D	\$ 30.27	45,000	D
Common Stock	01/11/2006	<u>S</u> (1)	5,000	D	\$ 30.33	40,000	D
Common Stock	01/11/2006	<u>S</u> (1)	5,000	D	\$ 30.36	35,000	D
Common Stock	01/11/2006	<u>S</u> (1)	5,000	D	\$ 30.42	30,000	D
Common Stock	01/11/2006	<u>S</u> (1)	2,000	D	\$ 30.37	28,000	D
Common Stock	01/11/2006	<u>S</u> (1)	2,500	D	\$ 30.4	25,500	D
Common Stock	01/11/2006	<u>S</u> (1)	5,500	D	\$ 30.54	20,000	D
Common Stock	01/11/2006	<u>S</u> (1)	5,000	D	\$ 30.51	15,000	D
Common Stock	01/11/2006	<u>S</u> (1)	5,000	D	\$ 30.7	10,000	D
Common Stock	01/11/2006	<u>S</u> (1)	10,000	D	\$ 30.75	0	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)

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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 or Number of Shares
Employee Stock Option NQSO (Right to Buy)	\$ 6	01/10/2006		M		50,000		<u>(2)</u>	05/23/2011	Common Stock	50,000
Employee Stock Option NQSO (Right to Buy)	\$ 6	01/11/2006		M		50,000		<u>(2)</u>	05/23/2011	Common Stock	50,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CORMIER PAUL J C/O RED HAT, INC 1801 VARSITY DRIVE RALEIGH, NC 27606			EVP, Engineering	

Signatures

Emily DelToro, Atty in Fact
UPOA 01/12/2006

__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 effective January 3, 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.

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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