KOZEL EDWARD Form 4 August 15, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

OMB APPROVAL

OMB 3235-0287 Number:

Expires:

January 31, 2005

0.5

Estimated average burden hours per

response...

if no longer subject to Section 16. Form 4 or Form 5

obligations

Check this box

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 may continue. 30(h) of the Investment Company Act of 1940

See Instruction

1(b).

(Last)

(Print or Type Responses)

1. Name and Address of Reporting Person * **KOZEL EDWARD**

(First)

(Street)

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

Issuer

(Middle)

RED HAT INC [RHAT]

(Check all applicable)

C/O RED HAT, INC., 1801 VARSITY DRIVE

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

X_ Director

10% Owner Other (specify

4. If Amendment, Date Original

(Instr. 8)

Officer (give title

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

Filed(Month/Day/Year)

08/14/2006

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

below)

RALEIGH, NC 27606

(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

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D)

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial (I) Ownership (Instr. 4) (Instr. 4)

(A) or

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

Code V Amount (D) Price

(Instr. 3, 4 and 5)

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

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 Derivative Security Conversion (Instr. 3) or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year) Execution Date, if any

5. Number Transaction of Derivative Expiration Date Code Securities

6. Date Exercisable and (Month/Day/Year)

7. Title and An Underlying Sec (Instr. 3 and 4)

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	Price of Derivative Security		(Month/Day/Year)	(Instr.	8)	Acquired (A) or Disposed (D) (Instr. 3, and 5)	d of			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Non-Employee Director Non Qualified Stock Option	\$ 23.03	08/14/2006		A		5,000		08/14/2006(1)	08/14/2011	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships						
Transfer and an area area.	Director	10% Owner	Officer	Other			
KOZEL EDWARD C/O RED HAT, INC. 1801 VARSITY DRIVE RALEIGH, NC 27606	X						

Signatures

Emily DelToro, Atty in Fact UPOA 08/15/2006

**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 award constitutes a portion of an annual grant and is fully vested as of 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. 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.

Reporting Owners 2