

MCDONALD EUGENE J
 Form 4
 May 17, 2005

FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

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

(Last) (First) (Middle)

FIRST UNION PLAZA, ERWIN
 SQUARE STE 1000

(Street)

DURHAM, NC 27707

(City) (State) (Zip)

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

3. Date of Earliest Transaction
 (Month/Day/Year)
 05/17/2005

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)

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 Beneficial Ownership (Instr. 4)
				(A) or (D)	Amount		
				Code	V		Price

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

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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Instr. 5)					
Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
	Deferred Stock Units	\$ 0	05/16/2005	A	897	(1)	(1)	Common Stock (2)	897	\$ 0

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

Mark Webbink, Atty in Fact
UPOA
05/17/2005

**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 2004 Independent Director Plan in lieu of cash compensation and is fully 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 September 1, 2008 (the deferral designated by the DSU holder), or termination of the DSU holder's Board 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.

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