

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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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 \*  
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 or Price		
Common Stock	01/04/2006		M		200,000 A \$ 5.55	604,349 <sup>(1)</sup> <u>(2)</u>	D
Common Stock	01/04/2006		S		120,100 D \$ 28.55	484,249 <sup>(1)</sup> <u>(2)</u>	D
Common Stock	01/04/2006		S		9,000 D \$ 28.56	475,249 <sup>(1)</sup> <u>(2)</u>	D
Common Stock	01/04/2006		S		8,500 D \$ 28.62	466,749 <sup>(1)</sup> <u>(2)</u>	D
Common Stock	01/04/2006		S		10,000 D \$ 28.65	456,749 <sup>(1)</sup> <u>(2)</u>	D

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

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Common Stock						674,349 <sup>(1)</sup> <u>(2)</u>	
Common Stock	01/05/2006	S	53,000	D	\$ 29.33	621,349 <sup>(1)</sup> <u>(2)</u>	D
Common Stock	01/05/2006	S	10,000	D	\$ 29.35	611,349 <sup>(1)</sup> <u>(2)</u>	D
Common Stock	01/05/2006	S	40,000	D	\$ 29.36	571,349 <sup>(1)</sup> <u>(2)</u>	D
Common Stock	01/05/2006	S	55,000	D	\$ 29.37	516,349 <sup>(1)</sup> <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	<sup>(3)</sup> 11/13/2008	Common Stock 800,000
Employee Stock Option NQSO (Right to Buy)	\$ 5.55	01/04/2006		M	200,000	<sup>(3)</sup> 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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