RED HAT INC Form 4

February 17, 2006

FORM 4

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

OMB

3235-0287 Number:

OMB APPROVAL

January 31, Expires: 2005

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Check this box if no longer subject to Section 16. Form 4 or

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations 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).

(Print or Type Responses)

(Last)

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

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

(First)

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

X_ Director Officer (give title below)

10% Owner Other (specify

VARSITY DRIVE

(Street) 4. If Amendment, Date Original

Filed(Month/Day/Year)

02/15/2006

6. Individual or Joint/Group Filing(Check

Applicable Line)

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

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) (Instr. 8) (Instr. 3, 4 and 5)

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 Code V Amount (D) Price Reported Transaction(s) (Instr. 3 and 4)

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

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(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8	Ac (A Dis of (In	quired or sposed (D) str. 3, 4					(Instr. 5)
				Code V	V (A	y) (E	D) Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Deferred Stock Units	\$ 0	02/15/2006		A	43	2	<u>(1)</u>	<u>(1)</u>	Common Stock (2)	432	\$ 0

Reporting Owners

Reporting Owner Name / Address	Relationships						
	Director	10% Owner	Officer	Other			
MCDONALD EUGENE J C/O RED HAT, INC. 1801 VARSITY DRIVE RALEIGH, NC 27606	X						

Signatures

Emily DelToro, Atty in Fact UPOA 02/17/2006

**Signature of Reporting Person

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 date designated by the Reporting Person) or termination of the Reporting Person's Board service.
- (2) The 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. 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.

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