RED HAT INC Form 4 May 18, 2006

FORM 4

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

OMB

OMB APPROVAL

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if no longer subject to Section 16.

Check this box

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

Form 4 or Form 5 obligations may continue. See Instruction

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

1(b).

(Last)

(Print or Type Responses)

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

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

Issuer

(Middle)

RED HAT INC [RHAT]

(Check all applicable)

3. Date of Earliest Transaction

(Month/Day/Year) 05/15/2006

Filed(Month/Day/Year)

X_ Director 10% Owner Officer (give title Other (specify

below)

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

(Street)

(First)

4. If Amendment, Date Original

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)

4. Securities 3. 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)

Reported Transaction(s)

or (Instr. 3 and 4) Code V Amount (D) Price

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	2.	3. Transaction Date	3A. Deemed	4.	5. Number	6. Date Exercisable and	7. Title and Amount of	8. Price of
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	vative		(Instr.	8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)					(1	(Instr. 5)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Deferred Stock Units	\$ 0	05/15/2006		A		343		<u>(1)</u>	<u>(1)</u>	Common Stock (2)	343	\$0

Reporting Owners

Reporting Owner Name / Address	Relationships							
1 8	Director	10% Owner	Officer	Other				
KOZEL EDWARD								
C/O RED HAT, INC.	X							
1801 VARSITY DRIVE	Λ							
RALEIGH, NC 27606								

Signatures

Emily DelToro, Atty in Fact UPOA 05/18/2006

**Signature of Reporting Person D

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 January 2, 2007 (the deferral date designated by the Reporting Person) or termination of the Reporting Person's Board of Director 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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