

CORMIER PAUL J
Form 4
January 10, 2006

FORM 4

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

OMB APPROVAL

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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 *
CORMIER PAUL J

(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)
01/09/2006

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)
EVP, Engineering

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) | (A) or (D) | 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 | Price | | |
| Common Stock | 01/09/2006 | | M | | 50,000 | \$ 6 | 50,000 | D |
| Common Stock | 01/09/2006 | | S(2) | | 5,000 | \$ 30.15 | 45,000 | D |
| Common Stock | 01/09/2006 | | S(2) | | 5,000 | \$ 29.85 | 40,000 | D |
| Common Stock | 01/09/2006 | | S(2) | | 10,000 | \$ 29.74 | 30,000 | D |
| Common Stock | 01/09/2006 | | S(2) | | 10,000 | \$ 29.6 | 20,000 | D |

Common Stock 01/09/2006 S⁽²⁾ 20,000 D \$ 29.50 D

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

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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) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Employee Stock Option NQSO (Right to Buy) | \$ 6 | 01/09/2006 | | M | 50,000 | ⁽¹⁾ 05/23/2011 | Common Stock | 50,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------|-------|
| | Director | 10% Owner | Officer | Other |
| CORMIER PAUL J C/O RED HAT, INC 1801 VARSITY DRIVE RALEIGH, NC 27606 | | | EVP, Engineering | |

Signatures

Emily DeToro, Atty in Fact 01/10/2006
UPOA

__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).

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- (1) This option is exercisable 25% on the first anniversary date and 6.25% on the first day of each subsequent three-month period following one year from the date of grant.
- (2) This stock sale was effected pursuant to a Rule 10(b)5-1 trading plan effective January 3, 2006.

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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