PETERS CHARLES E JR

Form 4

October 22, 2010

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

OMB Number:

3235-0287

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January 31, 2005

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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

may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

Common

Common

Stock

Stock

10/21/2010

10/21/2010

(Print or Type Responses)

1. Name and A PETERS C	2. Issuer Name and Ticker or Trading Symbol RED HAT INC [RHT]					5. Relationship of Reporting Person(s) to Issuer					
(Last)			_			(Check all applicable)					
C/O RED I VARSITY	3. Date of Earliest Transaction (Month/Day/Year) 10/21/2010					Director 10% Owner Officer (give title Other (specify below) EVP, Chief Financial Officer					
				ndment, Date Original hth/Day/Year)				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								Form filed by More than One Reporting Person			
(City)	(State)	(Zip)	Tabl	e I - Non-I	Derivative S	Securi	ities Acq	uired, Disposed of	, or Beneficial	ly Owned	
1.Title of Security (Instr. 3)	2. Transaction Da (Month/Day/Year) Executio any	med n Date, if Day/Year)	Code (Instr. 8)	4. Securition(A) or Dis (Instr. 3, 4	sposed 4 and 3 (A) or	l of (D) 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)	
Common Stock	10/21/2010			Code V M	Amount 32,624	(D)	Price \$ 12.26	95,011	D		
Common Stock	10/21/2010			M	4,688	A	\$ 19.84	99,699	D		

\$

(1)

(2)

39.29

\$ 39.2

95,011

94,011

D

D

D

D

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

S

S

4,688

1.000

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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 (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. 5. Number of TransactionDerivative Code Securities (Instr. 8) 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 or Number of Shares
Employee Stock Option NQSO (Right to Buy)	\$ 12.26	10/21/2010		M	32,624	<u>(3)</u>	08/31/2014	Common Stock	32,624
Employee Stock Option NQSO (Right to Buy	\$ 19.84	10/21/2010		M	4,688	<u>(3)</u>	10/16/2011	Common Stock	4,688

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

PETERS CHARLES E JR C/O RED HAT, INC. 1801 VARSITY DRIVE RALEIGH, NC 27606

EVP, Chief Financial Officer

Signatures

/s/ Brandon Asbill, Atty in Fact UPOA 10/22/2010

**Signature of Reporting Person Date

Reporting Owners 2

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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).
- Represents the weighted average sale price per share. The shares were sold at prices ranging from \$39.27-\$39.32 per share. Full information regarding the number of shares sold at each price shall be provided upon request to the Staff of the U.S. Securities and Exchange Commission, the Issuer, or a security holder of the Issuer.
- Represents the weighted average sale price per share. The shares were sold at prices ranging from \$39.19-\$39.22 per share. Full
- (2) information regarding the number of shares sold at each price shall be provided upon request to the Staff of the U.S. Securities and Exchange Commission, the Issuer, or a security holder of the Issuer.
- (3) This option is exercisable 25% on the first anniversary date of the date of grant and 6.25% on the first day of each subsequent three month period following one year from the date of grant.

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.