RED HAT INC Form 4 July 27, 2005

FORM 4

OMB APPROVAL

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

OMB 3235-0287 Number:

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

January 31, Expires: 2005

Form 5

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

Estimated average burden hours per response...

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

0.5

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * SZULIK MATTHEW

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

RED HAT INC [RHAT]

(First) (Middle) (Last)

(Street)

3. Date of Earliest Transaction

(Check all applicable)

C/O RED HAT, INC, 1801

(Month/Day/Year) 07/25/2005

_X__ Director 10% Owner X_ Officer (give title Other (specify below) below)

VARSITY DRIVE

4. If Amendment, Date Original

Chairman/CEO/President 6. Individual or Joint/Group Filing(Check

Filed(Month/Day/Year)

Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting

Person

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

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (T) (Instr. 4) (Instr. 4)

(A)

Reported Transaction(s) (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 Derivative Security

Conversion or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of **Transaction**Derivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of **Underlying Securities** (Instr. 3 and 4)

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| (Instr. 3) | Price of Derivative Security | | (Month/Day/Year) | (Instr. 8) | Acquired (A Disposed of (Instr. 3, 4, a 5) | (D) | | | | |
|--|------------------------------------|------------|------------------|------------|--|-----|---------------------|--------------------|-----------------|----------------------|
| | | | | Code V | (A) | | Date Exercisable | Expiration Date | Title | Amount Number Shares |
| Employee Stock Option NQSO (Right to Buy) | \$ 15.34 | 07/25/2005 | | A | 500,000 | | <u>(1)</u> | 07/25/2010 | Common Stock | 500,00 |
| Employee Stock Option NQSO (Right to Buy) | \$ 17.64 | 07/25/2005 | | A | 100,000 | | <u>(1)</u> | 07/25/2010 | Common Stock | 100,00 |
| Employee Stock Option NQSO (Right to Buy) | \$ 19.18 | 07/25/2005 | | A | 100,000 | | <u>(1)</u> | 07/25/2010 | Common Stock | 100,00 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | | | | | |
|---|---------------|-----------|------------------------|-------|--|--|--|--|
| 1 8 | Director | 10% Owner | Officer | Other | | | | |
| SZULIK MATTHEW C/O RED HAT, INC 1801 VARSITY DRIVE RALEIGH, NC 27606 | X | | Chairman/CEO/President | | | | | |

Signatures

Emily Del Toro, Atty in Fact UPOA 07/27/2005

**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).
- (1) 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. 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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