RED HAT INC Form 4 August 17, 2005

FORM 4

OMB APPROVAL

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

OMB Number: 3235-0287

January 31,

Check this box if no longer subject to Section 16. Form 4 or STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

Estimated average burden hours per response... 0.5

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

SECURITIES

(Print or Type Responses)

1(b).

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading ALBRECHT W STEVE Issuer Symbol RED HAT INC [RHAT] (Check all applicable) (First) (Middle) (Last) 3. Date of Earliest Transaction (Month/Day/Year) X_ Director 10% Owner Officer (give title Other (specify 08/15/2005 below) (Street) 4. If Amendment, Date Original 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 (City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of 2. Transaction Date 2A. Deemed 4. Securities 5. Amount of 6. Ownership 7. Nature of Security (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Securities Form: Direct Indirect (Instr. 3) Code Disposed of (D) Beneficially (D) or Indirect Beneficial (Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5) Owned Ownership Following (Instr. 4) (Instr. 4)

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

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

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	Derivative Security			(A) or Disposed of (D) (Instr. 3, 4, and 5)				
			Code V	(A) ((D) Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Deferred Stock Units	\$ 0	08/15/2005	A	385	<u>(1)</u>	<u>(1)</u>	Common Stock (2)	385
Deferred Stock Units	\$ 0	08/15/2005	A	1,750	(3)	(3)	Common Stock (2)	1,750
Stock Option (NQSO) Right to Buy	\$ 14.58	08/15/2005	A	5,000	08/15/2005 <u>(4)</u>	08/15/2010	Common Stock	5,000

Reporting Owners

Reporting Owner Name / Address	Relationships				
•	Director	10% Owner	Officer	Other	
ALBRECHT W STEVE					
	X				

Signatures

Emily Del Toro, Atty in Fact UPOA

08/17/2005

**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).
- 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 June 1, 2006 (the deterral designated by the DSU holder), or termination of the DSU holder's Board service.
- (2) The DSU is payable in either cash or common stock at the election of Red Hat, Inc.
- This DSU was granted pursuant to Red Hat's 2004 Independent Director Plan in lieu of a portion of the DSU holder's stock option award 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 June 1, 2007 (the deterral designated by the DSU holder), or termination of the DSU holder's Board service.
- (4) This option constitutes an annual service grant and is fully vested on 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.

Reporting Owners 2

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