RED HAT INC Form 4

November 17, 2005

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL OMB

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if no longer subject to Section 16. Form 4 or Form 5

obligations

Check this box

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).

(Last)

(Print or Type Responses)

1. Name and Address of Reporting Person * **GUPTA NARENDRA**

(First)

(Street)

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

(Middle)

RED HAT INC [RHAT]

(Check all applicable)

C/O RED HAT, INC., 1801

3. Date of Earliest Transaction (Month/Day/Year)

X_ Director Officer (give title below)

10% Owner Other (specify

VARSITY DRIVE

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check

Filed(Month/Day/Year)

11/16/2005

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)

(Month/Day/Year)

2. Transaction Date 2A. Deemed Execution Date, if

(Month/Day/Year)

3. 4. Securities 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) or Code V Amount (D) Price Reported Transaction(s) (Instr. 3 and 4)

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 Conversion Security 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)	or Dispo (D) (Instr. 3 and 5)	osed of				
			Code V	V (A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Share
Director NQ Stock Option (Right to Buy)	\$ 22.53	11/16/2005	A	40,000	0	11/16/2006(1)	11/16/2010	Common Stock	40,000

Reporting Owners

Reporting Owner Name / Address	Relationships						
	Director	10% Owner	Officer	Other			
GUPTA NARENDRA C/O RED HAT, INC. 1801 VARSITY DRIVE RALEIGH, NC 27606	X						

Signatures

Emily DelToro, Atty in Fact UPOA 11/17/2005

**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).
- (1) This option is exercisable 33.33% on November 16, 2006 and 8.33% on the first day of each subsequent three month 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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