

RED HAT INC
Form 4
August 17, 2005

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
ALBRECHT W STEVE

(Last) (First) (Middle)

(Street)

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
RED HAT INC [RHAT]

3. Date of Earliest Transaction
(Month/Day/Year)
08/15/2005

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)

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)	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 Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

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 Derivative Security (Instr. 3)	2. Conversion or Exercise Price of	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	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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Derivative Security			(A) or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
			Code	V				
Deferred Stock Units	\$ 0	08/15/2005	A	385	<u>(1)</u>	<u>(1)</u>	Common Stock <u>(2)</u>	385
Deferred Stock Units	\$ 0	08/15/2005	A	1,750	<u>(3)</u>	<u>(3)</u>	Common Stock <u>(2)</u>	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
Date: 08/17/2005

__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 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.
- (3) 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.

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