SZULIK MATTHEW

Form 4

January 13, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

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

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

1(b).

(Print or Type Responses)

SZULIK MATTHEW			2. Issuer Name and Ticker or Trading Symbol RED HAT INC [RHAT]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(Check an applicable)		
			(Month/Day/Year)	X Director 10% Owner		
C/O RED HAT, INC, 1801 VARSITY DRIVE			01/12/2006	X Officer (give title Other (specification) below) Chairman/CEO/President		
(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		

RALEIGH, NC 27606

(City)	(State)	(Zip) Tal	ble I - Non	-Derivative Sec	curities Acquire	ed, Disposed of, o	r Beneficially	Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any	3. 4. Securities Acquired (A) of TransactiorDisposed of (D) Code (Instr. 3, 4 and 5)			5. Amount of 6. Securities Ownership Beneficially Form:	7. Nature of Indirect Beneficial	
		(Month/Day/Year)	(Instr. 8)	Amount	(A) or (D) Price	Owned Following Reported Transaction(s) (Instr. 3 and 4)	Direct (D) or Indirect (I) (Instr. 4)	Ownership (Instr. 4)
Common Stock	01/12/2006		M	1,000,000	A \$ 0.2142	1,404,349 (1) (2)	D	

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.

Person

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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. Transaction Code (Instr. 8)	5. Number of orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exerc Expiration D (Month/Day/	ate	7. Title and A Underlying S (Instr. 3 and	Securitie
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amour Number Shares
Employee Stock Option NQSO (Right to Buy)	\$ 0.2142	01/12/2006		M		1,000,000	(3)	11/13/2008	Common Stock	1,000

Reporting Owners

Reporting Owner Name / Address	Relationships							
Topolonia o milor rimino / rimino os	Director	10% Owner	Officer	Other				
SZULIK MATTHEW C/O RED HAT, INC 1801 VARSITY DRIVE RALEIGH, NC 27606	X		Chairman/CEO/President					

Signatures

Emily DelToro, Atty in Fact UPOA 01/13/2006

**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) Includes 16,473 shares held of record by the Matthew J. Szulik GRAT dated 5/26/99 for which the Reporting Person is the trustee.
- (2) Also includes 72,000 shares held of record by trusts for the benefit of the Reporting Person's children. The Reporting Person disclaims beneficial ownership of these shares.
- (3) This option vested 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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