RED HAT INC
Form 4
August 18, 2006

FORM 4

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

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

OMB APPROVAL

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
PINCHEV ALEX

(Last) (First) (Middle)

C/O RED HAT, INC., 1801 VARSITY DRIVE

(Street)

RALEIGH, NC 27606

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
08/17/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
EVP Worldwide Sales

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	08/17/2006		M		21,875	A	$ 15.34	49,270	D	
Common Stock	08/17/2006		M		21,875	A	$ 13.53	71,145	D	
Common Stock	08/17/2006		S(1)		3,875	D	$ 25.35	67,270	D	
Common Stock	08/17/2006		S(1)		8,000	D	$ 25.34	59,270	D	
Common Stock	08/17/2006		S(1)		1,000	D	$ 25.4	58,270	D	

Common Stock	08/17/2006		S[(1)]	2,000	D	$ 25.41	56,270	D
Common Stock	08/17/2006		S[(1)]	2,000	D	$ 25.46	54,270	D
Common Stock	08/17/2006		S[(1)]	5,000	D	$ 25.47	49,270	D
Common Stock	08/17/2006		S[(1)]	1,875	D	$ 23.53	47,395	D
Common Stock	08/17/2006		S[(1)]	5,500	D	$ 23.53	41,895	D
Common Stock	08/17/2006		S[(1)]	4,500	D	$ 23.56	37,395	D
Common Stock	08/17/2006		S[(1)]	5,000	D	$ 23.65	32,395	D
Common Stock	08/17/2006		S[(1)]	5,000	D	$ 23.76	27,395	D

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

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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 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 Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non Qualified Stock Option	$ 15.34	08/17/2006		M			21,875	[(2)]	07/25/2015	Common Stock	21,875
Non Qualified Stock Option	$ 13.53	08/17/2006		M			21,875	[(2)]	11/07/2013	Common Stock	21,875

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PINCHEV ALEX C/O RED HAT, INC. 1801 VARSITY DRIVE RALEIGH, NC 27606			EVP Worldwide Sales	

Signatures

Emily DelToro, Atty in Fact UPOA	08/18/2006
**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) This stock sale was effected pursuant to a Rule 10(b)5-1 trading plan dated December 27, 2005.

(2) This option is exercisable 25% on the first anniversary date and 6.25% on the first day of each subsequent three month period following one year from 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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