

PETERS CHARLES E JR  
 Form 4  
 September 29, 2010

**FORM 4**

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

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).

**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 \*  
**PETERS CHARLES E JR**

(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 [RHT]**

3. Date of Earliest Transaction (Month/Day/Year)  
**09/27/2010**

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)  
**EVP, Chief Financial Officer**

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)	Price		
Common Stock	09/27/2010		M	A	\$ 12.26	D	
Common Stock	09/27/2010		S	D	\$ 40.62 (1)	D	
Common Stock	09/27/2010		S	D	\$ 40.6 (2)	D	
Common Stock	09/27/2010		M	A	\$ 19.84	D	
Common Stock	09/27/2010		M	A	\$ 19.84	D	

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Common	09/27/2010	S	13,062	D	\$	40.62	75,730	D
Stock					(3)			

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
Employee Stock Option NQSO (Right to Buy)	\$ 12.26	09/27/2010		M	80,000	(4) 08/31/2014	Common Stock 80,000
Employee Stock Option NQSO (Right to Buy)	\$ 19.84	09/27/2010		M	14,062	(4) 10/16/2011	Common Stock 14,062

## Reporting Owners

Reporting Owner Name / Address	Relationships
PETERS CHARLES E JR C/O RED HAT, INC. 1801 VARSITY DRIVE RALEIGH, NC 27606	Director 10% Owner Officer  EVP, Chief Financial Officer

## Signatures

/s/ Kimberly Yule, Atty in fact  
UPOA

09/29/2010

\_\_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) Represents the weighted average sale price per share. The shares were sold at prices ranging from \$40.35-\$40.89 per share. Full information regarding the number of shares sold at each price shall be provided upon request to the Staff of the U.S. Securities and Exchange Commission, the Issuer, or a security holder of the Issuer.
  - (2) Represents the weighted average sale price per share. The shares were sold at prices ranging from \$40.41-\$40.89 per share. Full information regarding the number of shares sold at each price shall be provided upon request to the Staff of the U.S. Securities and Exchange Commission, the Issuer, or a security holder of the Issuer.
  - (3) Represents the weighted average sale price per share. The shares were sold at prices ranging from \$40.34-\$40.88 per share. Full information regarding the number of shares sold at each price shall be provided upon request to the Staff of the U.S. Securities and Exchange Commission, the Issuer, or a security holder of the Issuer.
  - (4) This option is exercisable 25% on the first anniversary date of the date of grant 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. 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.