

PETERS CHARLES E JR

Form 4

September 29, 2010

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
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

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
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(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
____X____ Officer (give title below) ____ Other (specify below)

EVP, Chief Financial Officer

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)
Common Stock	09/27/2010		M	80,000 A	\$ 12.26	160,805	D
Common Stock	09/27/2010		S	80,000 D	\$ 40.62 (1)	80,805	D
Common Stock	09/27/2010		S	6,075 D	\$ 40.6 (2)	74,730	D
Common Stock	09/27/2010		M	1,000 A	\$ 19.84	75,730	D
Common Stock	09/27/2010		M	13,062 A	\$ 19.84	88,792	D

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Common Stock	09/27/2010	S	13,062	D	\$ 40.62 (3)	75,730	D
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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 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)	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).
 - Represents the weighted average sale price per share. The shares were sold at prices ranging from \$40.35-\$40.89 per share. Full
 - (1) 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.
 - Represents the weighted average sale price per share. The shares were sold at prices ranging from \$40.41-\$40.89 per share. Full
 - (2) 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.
 - Represents the weighted average sale price per share. The shares were sold at prices ranging from \$40.34-\$40.88 per share. Full
 - (3) 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.

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