

PINCHEV ALEX
Form 4
October 24, 2006

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 *
PINCHEV ALEX

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 (Month/Day/Year)
10/23/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)

EVP, Worldwide Sales

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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) | (A) or (D) | 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 | Price | | |
| Common Stock | 10/23/2006 | | M | | 21,875 | \$ 6.15 | D | |
| Common Stock | 10/23/2006 | | S | | 1,275 (2) | \$ 18.85 | D | |
| Common Stock | 10/23/2006 | | S | | 4,600 (2) | \$ 18.75 | D | |
| Common Stock | 10/23/2006 | | S | | 5,000 (2) | \$ 18.77 | D | |
| Common Stock | 10/23/2006 | | S | | 2,000 (2) | \$ 18.79 | D | |

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| | | | | | | | |
|--------------|------------|---|--------------|---|----------|--------|---|
| Common Stock | 10/23/2006 | S | 3,000 (2) | D | \$ 18.76 | 59,645 | D |
| Common Stock | 10/23/2006 | S | 6,000 (2) | D | \$ 18.8 | 53,645 | D |

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

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(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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Common Stock | \$ 6.15 | 10/23/2006 | | M | 21,875 | 04/23/2004 ⁽¹⁾ 04/23/2013 | Common Stock 21,875 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--------------------------------|---------------|-----------|----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| PINCHEV ALEX | | | EVP, Worldwide Sales | |

Signatures

Emily Del Toro, Atty in fact
UPOA 10/24/2006

**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 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.
- (2) This stock sale was effected pursuant to a Rule 10(b)5-1 trading plan dated December 27, 2005.

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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.