

RED HAT INC  
Form 424B7  
September 11, 2006

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File No. 333-135323

## RED HAT, INC.

**Prospectus Supplement No. 2 dated September 11, 2006**

**to the Prospectus dated June 23, 2006 as supplemented by**

**Prospectus Supplement No. 1 dated July 26, 2006**

The information in this prospectus supplement concerning the selling stockholders supplements the statements set forth under the caption "Selling Stockholders" in the prospectus. This prospectus supplement should be read in conjunction with the prospectus, which is required to be delivered with this prospectus supplement.

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Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 2 of the prospectus.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

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The information in the following table is presented as of September 11, 2006 and supersedes the information in the table appearing under the heading "Selling Stockholders" in the prospectus:

| Name of Selling Stockholder     | Shares of Common Stock Beneficially Owned Prior to Offering (1) |            | Number of Shares of Common Stock Being Offered | Shares of Common Stock to be Beneficially Owned After Offering (1)(2) |            |
|---------------------------------|---|------------|--|---|------------|
|                                 | Number  | Percentage |  | Number  | Percentage |
| Accel VIII L.P. (3)             | 347,314   | *          | 347,314  |   |            |
| Accel Internet Fund IV L.P. (4) | 77,181  | *          | 77,181   |   |            |
| Accel Investors 2004 L.L.C. (5) | 43,268  | *          | 43,268   |   |            |
| Koen Aers                       | 953   | *          | 892  | 61  | *          |
| Ana Amoretti                    | 1,147   | *          | 1,102  | 45  | *          |
| Max Andersen                    | 1,503   | *          | 1,417  | 86  | *          |
| Dimitrios Andreadis             | 1,648   | *          | 1,575  | 73  | *          |
| Mark Andres                     | 1,609   | *          | 1,575  | 34  | *          |
| Arjuna Technologies Limited (6) | 45,368  | *          | 45,368   |   |            |
| Larry Augustin (7)              | 6,721   | *          | 6,721  |   |            |
| Tom Baeyens                     | 6,845   | *          | 6,431  | 414   | *          |

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|   |                   |           |   |           |       |   |
|---|-------------------|-----------|---|-----------|-------|---|
| Bela                                      | Ban               | 25,859    | * | 25,199    | 660   | * |
| Kevin                                     | Barfield          | 373       | * | 310       | 63    | * |
| Jan                                       | Bartel            | 168       | * | 168       |       |   |
| Christian                                 | Bauer             | 3,540     | * | 3,272     | 268   | * |
| Rob                                       | Bearden           | 126,021   | * | 126,021   |       |   |
| Tom                                       | Benninger         | 266       | * | 241       | 25    | * |
| Emmanuel                                  | Bernard           | 550       | * | 455       | 95    | * |
| Amit                                      | Bhayani           | 204       | * | 155       | 49    | * |
| Robert                                    | Bickel (8)        | 160,654   | * | 160,654   |       |   |
| Blake                                     | Bowers            | 199       | * | 180       | 19    | * |
| Daniel                                    | Bradford          | 998       | * | 903       | 95    | * |
| Adrian                                    | Brock             | 44,488    | * | 43,566    | 922   | * |
| Brookside Capital Partners Fund, L.P. (9) |                   | 65,450    | * | 65,450    |       |   |
| Sylvia                                    | Brophy            | 168       | * | 168       |       |   |
| Paul Eric                                 | Brown             | 929       | * | 865       | 64    | * |
| William                                   | Burke, Jr.        | 51,652    | * | 51,262    | 390   | * |
| Ryan                                      | Campbell          | 396       | * | 371       | 25    | * |
| Chad                                      | Carlisle          | 1,955     | * | 1,837     | 118   | * |
| Shaun                                     | Connolly          | 7,174     | * | 6,583     | 591   | * |
| Kevin                                     | Conner            | 1,344     | * | 1,344     |       |   |
| Thomas                                    | Cooper            | 41,309    | * | 39,695    | 1,614 | * |
| Jeffrey                                   | Cramer            | 977       | * | 918       | 59    | * |
| Charles                                   | Crouch            | 354       | * | 322       | 32    | * |
| Marshall                                  | Culpepper         | 760       | * | 705       | 55    | * |
| Francois                                  | Déchery           | 1,941     | * | 1,680     | 261   | * |
| William                                   | DeCoste           | 420       | * | 328       | 92    | * |
| Xavier                                    | Delaporte         | 1,330     | * | 1,330     |       |   |
| Chris                                     | DeLashmutt        | 308       | * | 237       | 71    | * |
| Thomas                                    | Diesler           | 1,235     | * | 1,162     | 73    | * |
| Christoph                                 | Dreischner        | 323       | * | 280       | 43    | * |
| Clifford                                  | D Souza           | 743       | * | 692       | 51    | * |
| Janine                                    | Eastwood          | 350       | * | 285       | 65    | * |
| Steve                                     | Ebersole          | 1,255     | * | 1,185     | 70    | * |
| Tom                                       | Elrod             | 2,168     | * | 2,068     | 100   | * |
| Igor                                      | Fedorenko         | 672       | * | 672       |       |   |
| Ovidiu                                    | Feodorov          | 1,720     | * | 1,653     | 67    | * |
| Nathalie                                  | Mason-Fleury (10) | 466,561   | * | 466,561   |       |   |
| Daniel                                    | Fleury            | 712,439   | * | 712,439   |       |   |
| Marc                                      | Fleury (7), (11)  | 1,570,702 | * | 1,570,702 |       |   |
| Jocelyn                                   | Fragniere         | 175       | * | 147       | 28    | * |
| Tobias                                    | Frech             | 268       | * | 268       |       |   |
| Edwin Pierre                              | Fricke, Jr.       | 1,314     | * | 1,037     | 277   | * |
| Rich                                      | Friedman          | 3,551     | * | 3,245     | 306   | * |
| Rebecca                                   | Goldstein         | 191       | * | 156       | 35    | * |
| Michel                                    | Goossens (7)      | 8,401     | * | 8,401     |       |   |
| Bruce                                     | Gordon            | 429       | * | 334       | 95    | * |
| Jules                                     | Gosnell           | 2,352     | * | 2,352     |       |   |

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|  |              |           |   |           |       |   |
|--|--------------|-----------|---|-----------|-------|---|
| Jason                                      | Greene       | 453       | * | 363       | 90    | * |
| Tobias                                     | Hartwig (7)  | 2,123     | * | 2,123     |       |   |
| Jeffrey                                    | Haynie       | 268       | * | 268       |       |   |
| Daryl                                      | Heinz        | 699       | * | 640       | 59    | * |
| Thomas                                     | Heute        | 977       | * | 918       | 59    | * |
| Gregory                                    | Hinkle       | 422       | * | 327       | 95    | * |
| Stephen                                    | Hobbs        | 17,087    | * | 17,087    |       |   |
| Grady                                      | Holbrook     | 457       | * | 365       | 92    | * |
| Intel Capital Corporation (12)             |              | 47,151    | * | 47,151    |       |   |
| Ivelin                                     | Ivanov       | 4,015     | * | 3,858     | 157   | * |
| Angela                                     | Ivey         | 83        | * | 83        |       |   |
| Olivier                                    | Jann         | 184       | * | 157       | 27    | * |
| Christoph Georg Jung                       |              | 1,781     | * | 1,781     |       |   |
| Kabir                                      | Khan         | 913       | * | 830       | 83    | * |
| Chris                                      | Kimpton      | 268       | * | 268       |       |   |
| Gavin                                      | King         | 37,173    | * | 35,494    | 1,679 | * |
| David                                      | Knox         | 438       | * | 346       | 92    | * |
| Sacha                                      | Labourey (7) | 195,126   | * | 195,126   |       |   |
| Norbert                                    | Lataille     | 436       | * | 436       |       |   |
| Marc                                       | Lee          | 787       | * | 787       |       |   |
| Thomas                                     | Leonard      | 35,877    | * | 34,654    | 1,223 | * |
| Juha                                       | Lindfors     | 39,478    | * | 38,841    | 637   | * |
| Mark                                       | Little       | 3,696     | * | 3,696     |       |   |
| Michael Ruel                               | Loehr        | 217       | * | 169       | 48    | * |
| Oleksiy                                    | Lubyanskyy   | 5,741     | * | 5,698     | 43    | * |
| Thibaut                                    | Mallet       | 333       | * | 266       | 67    | * |
| Partners of Matrix Partners VII, L.P. (13) |              | 1,635,174 | * | 1,635,174 |       |   |
| Remy                                       | Maucherat    | 12,733    | * | 12,391    | 342   | * |
| John                                       | Mazzitelli   | 2,452     | * | 2,238     | 214   | * |
| Joe  | McGonnell    | 8,768     | * | 8,360     | 408   | * |
| Bob  | McWhirter    | 1,680     | * | 1,680     |       |   |
| Nathan                                     | Mealy        | 247       | * | 190       | 57    | * |
| Frank                                      | Merenda      | 680       | * | 621       | 59    | * |
| Jeff                                       | Miller       | 884       | * | 805       | 79    | * |
| Andrig                                     | Miller       | 1,221     | * | 1,221     |       |   |
| Christopher                                | Mills        | 299       | * | 228       | 71    | * |
| James                                      | Moran        | 679       | * | 595       | 84    | * |
| Rob  | Morrison     | 647       | * | 560       | 87    | * |
| Brian                                      | Murdoch (7)  | 27,112    | * | 25,204    | 1,908 | * |
| Martin                                     | Musierowicz  | 1,260     | * | 1,260     |       |   |
| Donald                                     | Neely        | 434       | * | 339       | 95    | * |
| Christian                                  | Nelson       | 2,953     | * | 2,733     | 220   | * |
| Mark                                       | Newton       | 403       | * | 308       | 95    | * |
| Andrew                                     | Oliver       | 5,472     | * | 5,262     | 210   | * |
| Thomas                                     | Peuss        | 3,024     | * | 3,024     |       |   |
| Pinnacle Ventures I Affiliates, L.P. (14)  |              | 607       | * | 607       |       |   |

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|  |                  |         |   |         |       |   |
|--|------------------|---------|---|---------|-------|---|
| Pinnacle Ventures I (Q) Equity Holdings, L.L.C. (14) |                  | 29,791  | * | 29,791  |       |   |
| Katie  | Poplin           | 581     | * | 546     | 35    | * |
| Laurence   | Poussot          | 665     | * | 665     |       |   |
| Mark   | Proctor          | 1,680   | * | 1,680   |       |   |
| Matthew  | Quinlan          | 1,236   | * | 1,166   | 70    | * |
| Steven   | Raby (7)         | 3,382   | * | 3,203   | 179   | * |
| Emilie   | Ray              | 293     | * | 275     | 18    | * |
| David  | Rea              | 787     | * | 747     | 40    | * |
| Francisco  | Reverbel         | 3,024   | * | 3,024   |       |   |
| Norman   | Richards         | 1,277   | * | 1,210   | 67    | * |
| Noel   | Rocher           | 549     | * | 525     | 24    | * |
| Lawrence   | Rosen            | 5,965   | * | 5,965   |       |   |
| Roy  | Russo            | 395     | * | 373     | 22    | * |
| Seth   | Ryan             | 357     | * | 292     | 65    | * |
| Benjamin   | Sabrin           | 109,314 | * | 109,314 |       |   |
| Andrew   | Sacks            | 709     | * | 646     | 63    | * |
| Anil   | Saldhana         | 1,189   | * | 1,116   | 73    | * |
| William  | Sengstacken      | 373     | * | 249     | 124   | * |
| Sohil  | Shah             | 433     | * | 341     | 92    | * |
| Shawn  | Sickler          | 839     | * | 798     | 41    | * |
| Damon  | Sicore           | 706     | * | 643     | 63    | * |
| Stan   | Silvert          | 1,122   | * | 1,075   | 47    | * |
| Norm   | Smith            | 3,370   | * | 3,229   | 141   | * |
| Donald Cary  | Smith (7), (15)  | 43,053  | * | 41,586  | 1,467 | * |
| Scott  | Stark (7)        | 485,242 | * | 485,242 |       |   |
| Subramaniam  | Satyamoorthy (7) | 1,394   | * | 1,299   | 95    | * |
| Clebert  | Suconic          | 1060    | * | 965     | 95    | * |
| Luc  | Texier           | 1,200   | * | 1,089   | 111   | * |
| Gail   | Tolbert          | 656     | * | 656     |       |   |
| Mladen   | Turk             | 1,467   | * | 1,378   | 89    | * |
| Julien   | Viet             | 5,296   | * | 5,176   | 120   | * |
| Victor   | Vogel            | 318     | * | 249     | 69    | * |
| Wieland  | Volkert          | 15,158  | * | 15,158  |       |   |
| Ben  | Wang             | 2,585   | * | 2,520   | 65    | * |
| Weston & Co. VII LLC (16)                            |                  | 6,814   | * | 6,814   |       |   |
| Gregory  | Wilkins          | 268     | * | 268     |       |   |
| James  | Williams         | 324     | * | 255     | 69    | * |
| Tom  | Wix              | 4,434   | * | 4,240   | 194   | * |
| Alizah   | Wolfe            | 286     | * | 234     | 52    | * |
| Juntao   | Yuan             | 723     | * | 662     | 61    | * |

\* Less than one percent.

- (1) Except for the following, each of the individuals listed as a selling stockholder is an employee or former employee of Red Hat, Inc. and/or JBoss, Inc. or its subsidiaries: Michel Goossens, Lawrence Rosen, Jan Bartel, Igor Fedorenko, Daniel Fleury, Tobias Frech, Jeffrey Haynie, Robert McWhirter, Chris Kimpton, Norbert Lataille, and Christoph Georg Jung.

- (2) We do not know when or in what amounts a selling stockholder may offer shares for sale. The selling stockholders might not sell any or all of the shares offered by this prospectus. Because the selling stockholders may offer all or some of the shares pursuant to this offering, and because there are currently no agreements, arrangements or understandings with respect to the sale of any of the shares, we cannot estimate the number of the shares that will be held by the selling stockholders after completion of the offering. For purposes of this table, we have assumed that, after completion of the offering, none of the shares covered by this prospectus (including shares held by certain key employees that are subject to contractual lockups in connection with their employment agreements with Red Hat) will be held by the selling stockholders.
- (3) The general partner of Accel VIII L.P. is Accel VIII Associates L.L.C., and the managing members of the general partner are James W. Breyer, Arthur C. Patterson, Theresia Gouw Ranzetta, James R. Swartz and J. Peter Wagner.
- (4) The general partner of Accel Internet Fund IV L.P. is Accel VIII Associates L.L.C., and the managing members of the general partner are James W. Breyer, Arthur C. Patterson, Theresia Gouw Ranzetta, James R. Swartz and J. Peter Wagner.
- (5) The managing members of Accel Investors 2004 L.L.C. are James W. Breyer, Arthur C. Patterson, Theresia Gouw Ranzetta, James R. Swartz and J. Peter Wagner.
- (6) Steve Caughey has voting and/or investment power over the shares held by Arjuna Technologies Limited.
- (7) Directors or former directors of JBoss, Inc. or its subsidiaries.
- (8) Includes shares held as to which voting and/or investment power is shared through joint ownership with Marlise Bickel.
- (9) Domenic Ferrante is the managing member of Brookside Capital Management, LLC, which is the sole general partner of Brookside Capital Investors, L.P., which is the general partner of Brookside Capital Partners Fund, L.P.
- (10) Includes 288,254 shares held by the Nathalie Mason-Fleury 2006 A GRAT, 14,416 shares held by the Nathalie Mason-Fleury 2006 B GRAT, and 14,416 shares held by the Nathalie Mason-Fleury 2006 C GRAT. Nathalie Mason-Fleury, as Trustee, has sole voting and investment power over the shares held by the Nathalie Mason-Fleury 2006 A GRAT, the Nathalie Mason-Fleury 2006 B GRAT, and the Nathalie Mason-Fleury 2006 C GRAT.
- (11) Includes 288,254 shares held by the Marc Fleury 2006 GRAT. Marc Fleury, as Trustee, has sole voting and investment power over the shares held by the Marc Fleury 2006 GRAT.

- (12) Red Hat, Inc. and its affiliates are party to commercial and technical agreements with Intel Corporation, the parent company of Intel Capital Corporation, and/or its affiliates. Ravi Jacob exercises voting and investment power over the securities beneficially owned by Intel Capital Corporation.
- (13) Consists of shares held by the limited partners of Matrix Partners VII, L.P. and the members of its general partner, Matrix VII Management Company, L.L.C., as a group.
- (14) The general partner of Pinnacle Ventures I Affiliates, L.P. and Pinnacle Ventures I (Q) Equity Holdings, L.L.C. is Pinnacle Ventures Management I, L.L.C. Kenneth R. Pelowski and Robert A. Curley, Jr. are the managing members of Pinnacle Ventures Management I, L.L.C.
- (15) Includes shares held as to which voting and/or investment power is shared through joint ownership with Julie Smith.
- (16) Weston & Co VII LLC ( Weston VII ) consists of a group of holders for whom Weston VII serves as nominee. Matrix Partners Management Services, L.P. ( MPMS ) is the sole member of Weston VII, and Matrix Partners Management Services GP, LLC. ( MPMS GP ) is the general partner of MPMS. Mr. David Skok is an authorized member of MPMS GP, and as such, he may exercise certain rights regarding the Weston VII shares in accordance with instructions provided by the beneficial owners. MPMS, MPMS GP, and Mr. Skok each disclaim beneficial ownership of these shares, and the reporting herein of such shares shall not be construed as an admission that either MPMS, MPMS GP, or Mr. Skok is a beneficial owner of any such shares for purposes of Section 16 of the Exchange Act or for any other purpose.