

Profile:

Red Hat, the world's leading open source solutions provider, is headquartered in Raleigh, NC with satellite offices spanning the globe. Red Hat is leading Linux and open source solutions into the mainstream by making high-quality, low-cost technology accessible. The company provides an operating system platform, Red Hat Enterprise Linux, along with applications, management and middleware solutions, including the JBoss Enterprise Middleware Suite. Red Hat is accelerating the shift to service-oriented architectures and enabling the next generation of web-enabled applications running on a low-cost, secure, open source platform. Red Hat also offers support, training and consulting services to its customers worldwide and through top-tier partnerships. Red Hat's open source strategy offers customers a long term plan for building infrastructures that are based on and leverage open source technologies with focus on security and ease of management.

Basic Info:

Founded	1993
IPO	1999
Worldwide Offices	60
Employees	~2,635
Headquarters	Raleigh, NC
President & CEO	James M. Whitehurst
Exec VP & CFO	Charles E. Peters
Market	NYSE
Ticker Symbol	RHT
Shares Outstanding (08/31/08)	
Basic	191 million
Diluted	220 million
Market Cap (09/24/08: \$18.02/share)	\$3.4B
Convertible Bond	\$570 million
Transfer agent	Mellon Bank
	(800) 288-9541
	www.melloninvestor.com

Red Hat Sells Subscriptions

One subscription price covers everything:

Unique to Red Hat

RHT or Partner

- Technology
 - Product and documentation
- Certifications
 - Largest and best supported ecosystem in open source
- Maintenance
 - Red Hat Network delivers updates, patches and bug fixes
- Upgrades
 - Customers get new releases at no extra charge
 - Each release is supported for 7 years
- Level 3 Support (e.g. Code changes)
 - Only Red Hat determines what goes into RHEL
- Basics Support (e.g. Level 1 & 2)
 - Up to 24x7 with 1 hour response

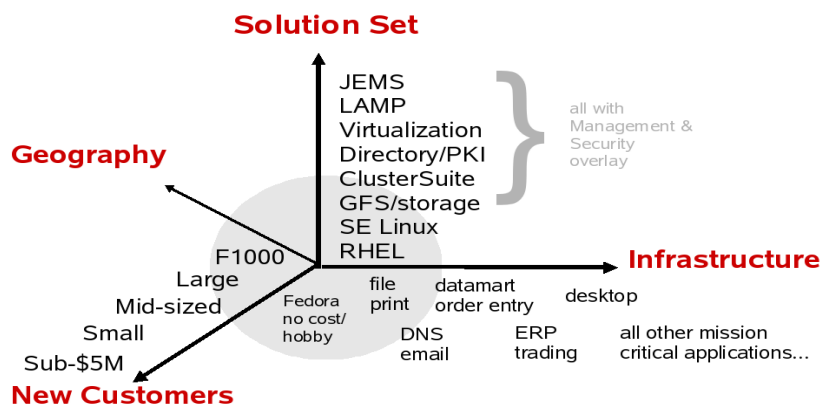
Named #1 Enterprise Software Vendor – Four Consecutive Years

TOP 10 FOR ENTERPRISE SOFTWARE 2007

RANK 07	RANK 06	RANK 05	VENDOR	OVERALL 07	VALUE	RELIABILITY	WOULD CONTINUE TO DO BUSINESS (%YES)
1	1	1	RED HAT	80%	80%	80%	97%
2	2	2	Citrix Systems	76%	76%	76%	93%
3	-	-	Adobe	73%	71%	76%	91%
4	7	6	SAP	64%	66%	62%	89%
5	6	7	Microsoft	62%	62%	61%	84%
6	8	3	Business Objects	61%	60%	62%	83%
7	5	5	Novell	60%	60%	60%	70%
8	8	10	Oracle (Including Hyperion)	58%	57%	59%	79%
9	11	9	CA	52%	51%	54%	68%
10	10	8	Cognos	51%	50%	52%	80%

Source CIO Insight Vendor Value survey

Multi-dimensional growth opportunity



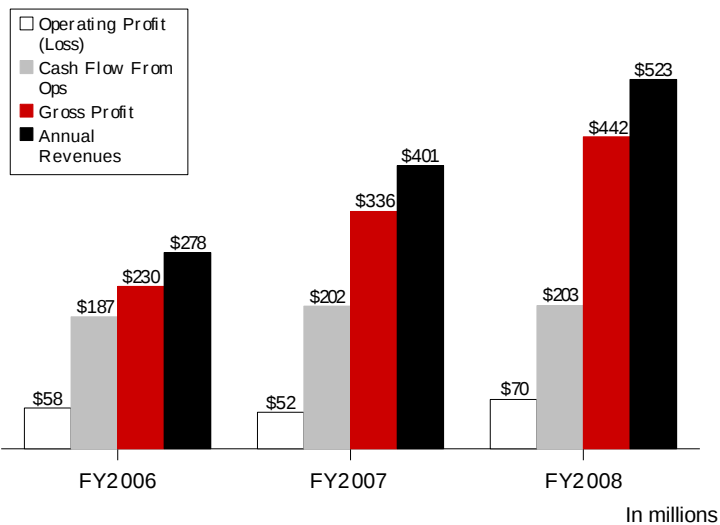
Q2 Financial Highlights

- Revenue: \$164.4 million, up 29% y/y
- Subscription Revenue: \$135.7 million, up 24% y/y
- Gross Margin approximately 83%
- Non-GAAP Operating Income up 22% y/y
- Cash & Investments balance: \$1.4 billion
- Deferred Revenue: \$497 million, up 32% y/y
- 52% of bookings through channel partners
- DSO within target range of 60 days in Q2
- Operating cash flow, up 10% y/y

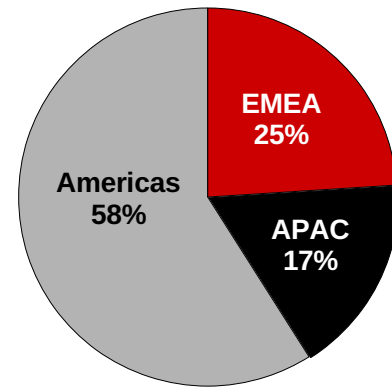
Q2 Operational Highlights

- Expanded our virtualization solution portfolio and established ourself in the nascent Virtual Desktop Infrastructure with the acquisition of Qumranet
- JBoss Enterprise Application Platform is now available along with Red Hat Enterprise Linux on the Amazon EC2 cloud
- Red Hat was named the 2008 Product of the Year by Channel Insider, in the Server Operating Systems category
- HP announced an extended relationship with Red Hat as we become one of a handful of key partners in the HP ecosystem for management software partners
- Announced the availability of Red Hat's security solution Identity, Policy and Audit (IPA)
- Renewed 25 of 25 top accounts at 120%

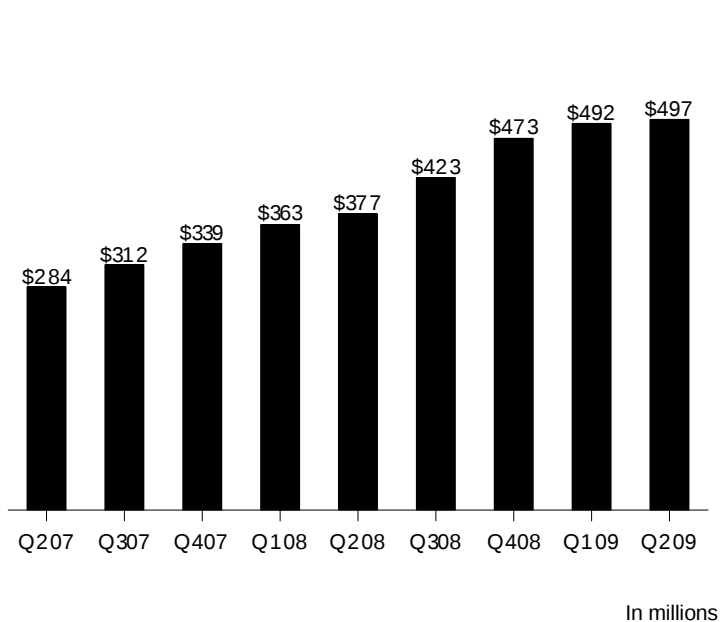
Annual GAAP Metrics



Q2'09 Bookings By Geography



Quarterly Deferred Revenue



Quarterly Revenue

