



100 East Davie Street, Raleigh, North Carolina 27601

www.redhat.com

tmccallum@redhat.com

(919) 754-4630

Tom McCallum, VP Investor Relations

Profile:

Red Hat, the world's leading provider of open source solutions and an S&P 500 company, is headquartered in Raleigh, NC with 85 offices spanning the globe. Red Hat provides enterprise-strength, mission critical software and services in today's most important IT areas: Operating Systems, Virtualization, Middleware, Storage, and Cloud Computing. Red Hat's open source model supplies enterprise computing solutions across physical, virtual and cloud environments that can reduce costs and improve performance, reliability and security. Red Hat also offers support, training and consulting services to its customers worldwide and through top-tier partnerships.

Basic Info:

Founded	1993
IPO	1999
Employees	~9,860
Headquarters	Raleigh, NC
President & CEO	James M. Whitehurst
Exec VP & CFO	Frank A. Calderoni
Market	NYSE
Ticker Symbol	RHT
Shares Outstanding (8/31/16)	
Basic	180 million
Diluted	183 million
Market Cap (8/31/16: \$72.98/share)	\$13B
Debt rating	'BBB'
Transfer agent	Computershare (888) 542-4427

Red Hat Sells Subscriptions

One subscription price covers everything:

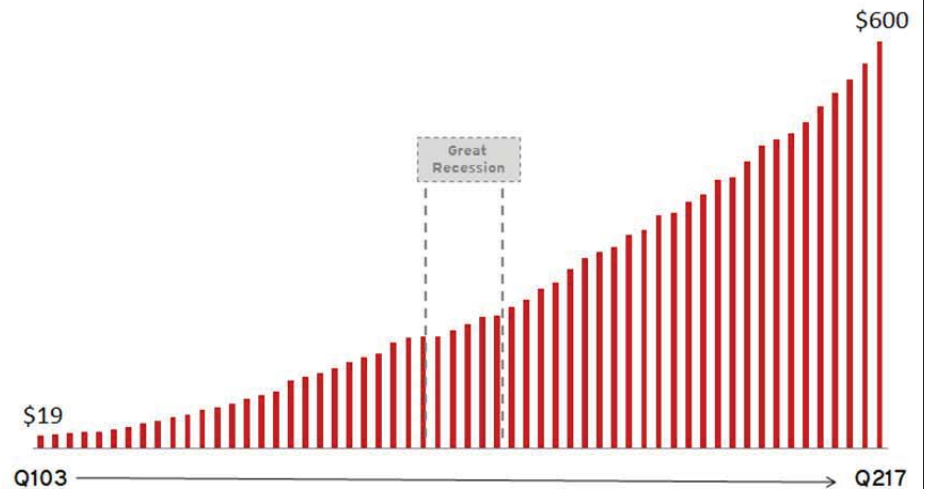
- Technology
 - Product and documentation
 - Certifications
 - Large ecosystem with thousands of certified applications, hardware and ISV partners
 - Maintenance
 - Red Hat Network delivers updates, patches and bug fixes
 - Upgrades
 - Customers get new releases at no extra charge
 - Each release is supported for 3-10 years
 - Level 3 Support (e.g. Code changes)
 - Only Red Hat determines what goes into RHEL
- First Line Customer Support + Portal
- Up to 24x7 with 1 hour response

Unique to Red Hat

RHT or Partner

58 Quarters of Revenue Growth

(in millions, fiscal years)



Q217 Financial Highlights

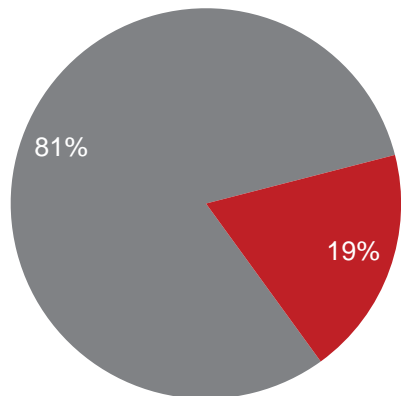
- Revenue \$600 million, up 19% y/y
- Subscription Revenue \$531 million, up 20% y/y
 - Infrastructure related: \$427 million, up 18% y/y
 - App dev related & emerging tech: \$104 million, up 33% y/y
- Subscription Revenue 89% of total revenue
- Training & Services Revenue \$69 million, up 10% y/y
- Cash & Investments balance: \$2.04 billion
- Repurchased 1.8 million shares of common stock
- Deferred Revenue \$1.68 billion, up 19% y/y
- Number of deals over \$1 million up 60% y/y

This should be read in conjunction with Red Hat's earnings press release issued on September 21, 2016 as well as Red Hat's SEC filings found on <http://investors.redhat.com>

Q217 Operational Highlights

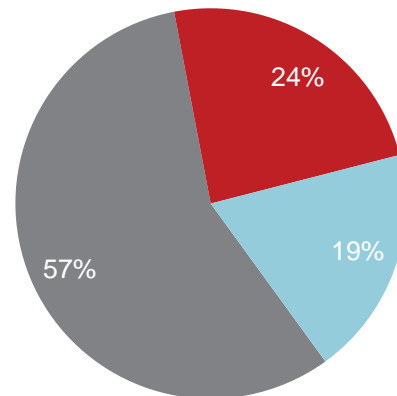
- Launched Red Hat OpenStack Platform 9, a scalable, open Infrastructure-as-a-Service (IaaS) platform designed to deploy, scale and manage private cloud, public cloud and Network Functions Virtualization (NFV) environments.
- Released Red Hat Virtualization 4, a KVM-powered virtualization platform, designed to easily integrate with existing IT investments while providing a foundation for emerging technology deployments, including containerized and cloud-native applications.
- Red Hat Enterprise Virtualization was positioned by Gartner, Inc. in the "Visionaries" quadrant of the August 2016 x86 Server Virtualization Infrastructure Magic Quadrant.
- Introduced Ansible Tower 3, an enterprise-grade agentless automation platform.
- Recognized by Forbes on its Top 25 "World's Most Innovative Companies" list.

Q217 Bookings By Channel



■ Indirect ■ Direct

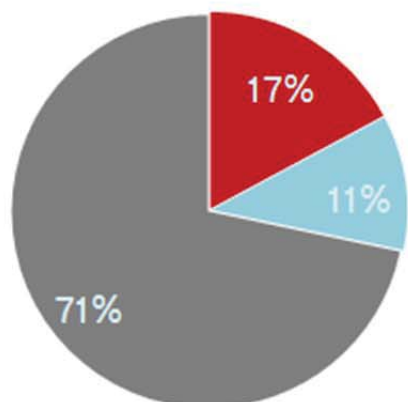
Q217 Bookings By Geography



■ Americas ■ EMEA ■ APAC

Technology Mix of Subscription Revenue

% OF TOTAL REVENUE



- App Dev & emerging tech
- Infrastructure-related tech
- Training & Consulting

Q217 Y/Y Growth

App Dev & emerging tech	33%
Infrastructure-related tech	18%
Training & Consulting	10%
Total Revenue	19%