

Two public offerings, six acquisitions, vast internal and global expansion, an ever-growing list of powerful enterprise customers — fiscal 2000 was a truly momentous year for Red Hat.

Still, fiscal 2000 is but a small step to what stands before us. With the momentum created by these accomplishments, Red Hat will continue to be the global leader in delivering open source solutions for building the Internet infrastructure.

The Internet as we know it today did not exist a few years ago, yet, it is estimated that the business-to-business commerce opportunity the Internet provides will exceed \$1.3 trillion by 2003. Clearly, the Internet opened the door to dramatic, disruptive, and fundamental change. Credit the open source development model.

Indeed, the Internet has advanced so quickly because the core technologies supporting the Internet infrastructure — email, Web, FTP, domain name service (DNS), TCP/IP — have been developed with the source code available to anyone, thus assembling tens of thousands of the world's brightest minds to develop truly revolutionary solutions. This convergence of the Internet and the open source development model is unprecedented in its ability to deliver the speed of innovation and breadth of choice necessary for businesses worldwide to compete in today's economy — capabilities proprietary development models simply cannot match.

Red Hat's fiscal year ended 2/29/00  
Source: Forrester Research

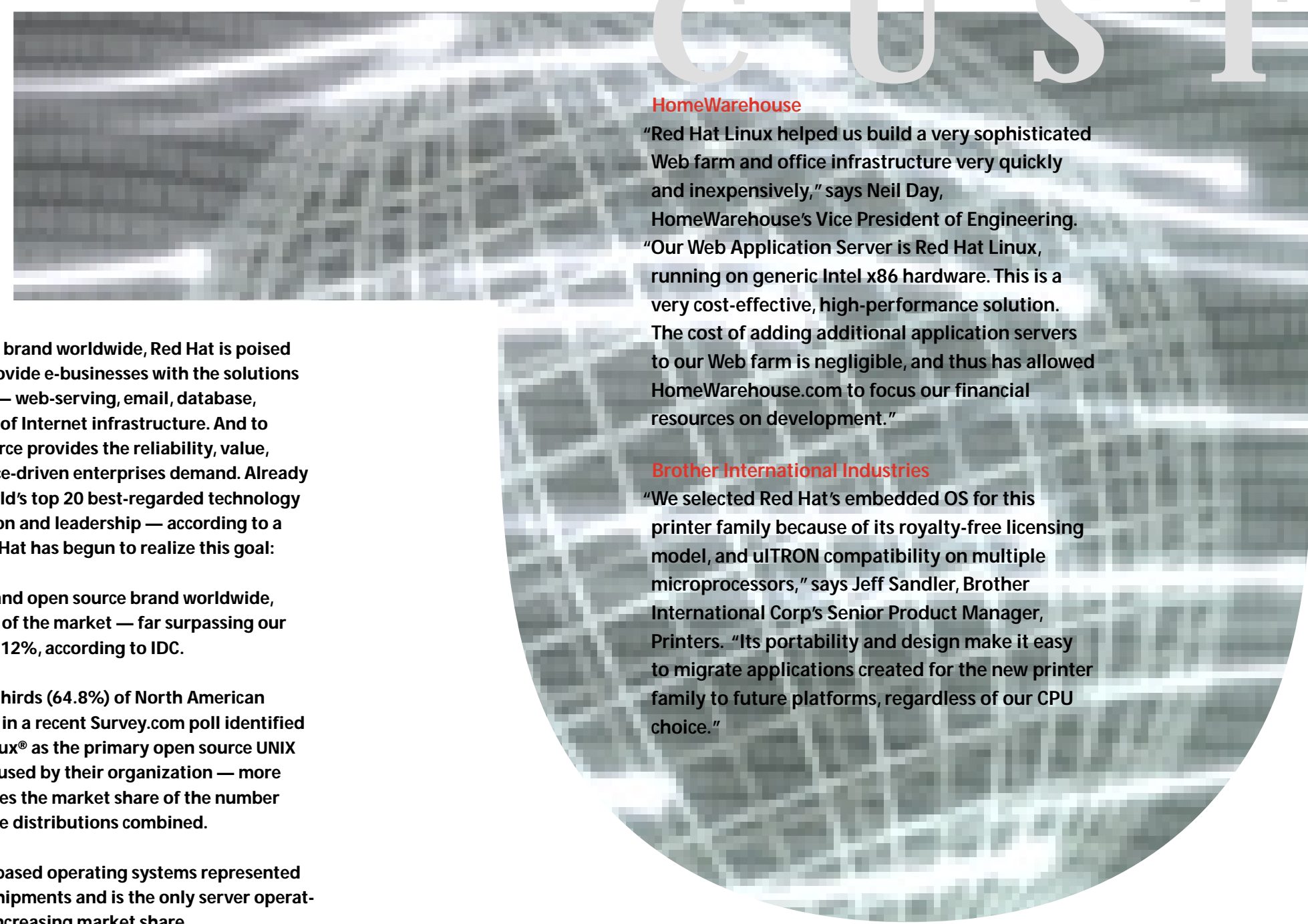


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redhat.com

# CUSTOMERS



*letter continues:*

As the premier open source brand worldwide, Red Hat is poised to deliver on our goal to provide e-businesses with the solutions to deploy the applications — web-serving, email, database, e-commerce — at the heart of Internet infrastructure. And to demonstrate how open source provides the reliability, value, and control that e-commerce-driven enterprises demand. Already identified as one of the world's top 20 best-regarded technology companies — top 10 in vision and leadership — according to a Harris Interactive poll, Red Hat has begun to realize this goal.

- We are the leading Linux and open source brand worldwide, commanding a 55% share of the market — far surpassing our nearest competitor at 12%, according to IDC.
- Almost two-thirds (64.8%) of North American respondents in a recent Survey.com poll identified Red Hat® Linux® as the primary open source UNIX distribution used by their organization — more than five times the market share of the number two and three distributions combined.
- IDC also reports Linux-based operating systems represented 25% of all new server shipments and is the only server operating environment with increasing market share.

**HomeWarehouse**  
 "Red Hat Linux helped us build a very sophisticated Web farm and office infrastructure very quickly and inexpensively," says Neil Day, HomeWarehouse's Vice President of Engineering. "Our Web Application Server is Red Hat Linux, running on generic Intel x86 hardware. This is a very cost-effective, high-performance solution. The cost of adding additional application servers to our Web farm is negligible, and thus has allowed HomeWarehouse.com to focus our financial resources on development."

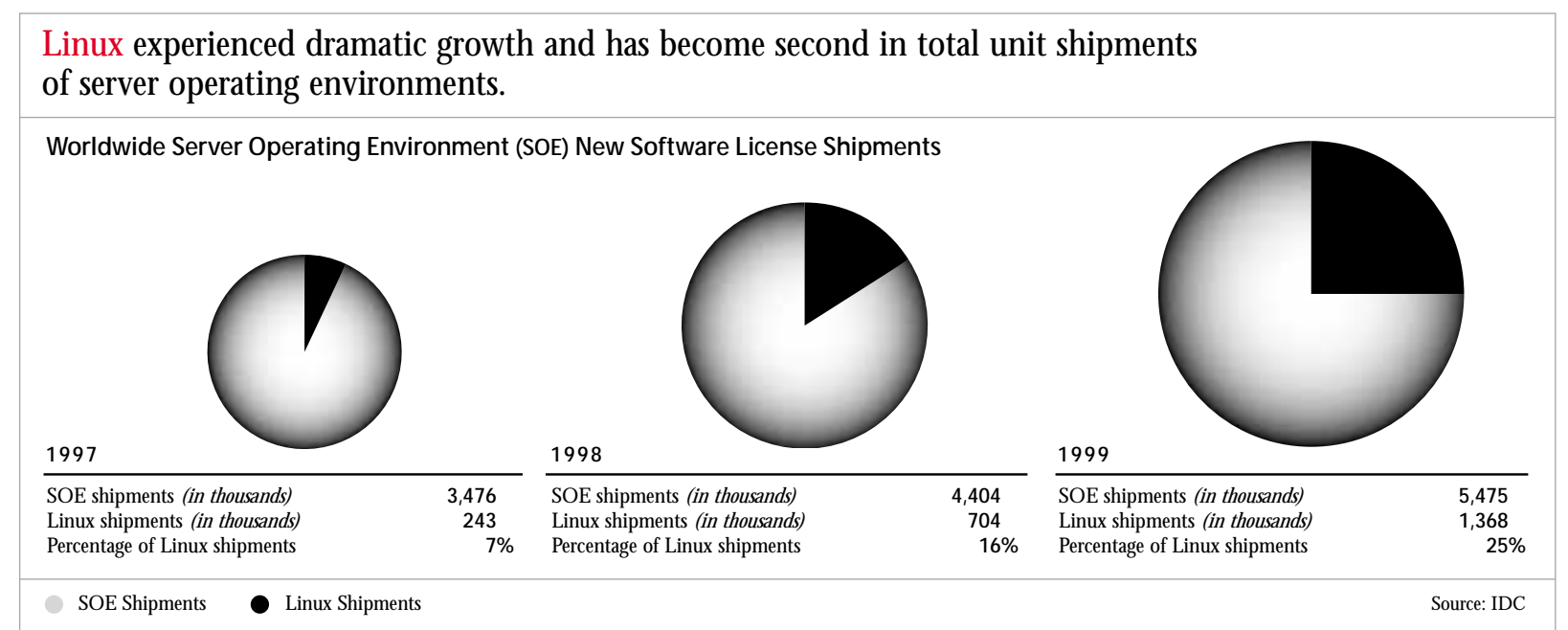
**Brother International Industries**  
 "We selected Red Hat's embedded OS for this printer family because of its royalty-free licensing model, and uTRON compatibility on multiple microprocessors," says Jeff Sandler, Brother International Corp's Senior Product Manager, Printers. "Its portability and design make it easy to migrate applications created for the new printer family to future platforms, regardless of our CPU choice."

**The Motley Fool**  
 "We use a farm of Red Hat Linux machines that queue up outgoing mail, address messages, massage the content of the emails, and send the messages along to their respective recipients. They also manage invalid replies and bounced messages," says G. Sumner Hayes, Penguin Tamer, The Motley Fool. "This setup is easy to administer remotely; with the large number of machines in the mail cluster, the low software price was also attractive."

**Google**  
 "Google selected Red Hat Linux because it was the most affordable and flexible way to support and maintain our large computing power needs," says Jim Reese, chief operations engineer at Google. "Red Hat Linux comes with all the development tools necessary to develop a high volume website."

**Intrusion.com**  
 "Red Hat's services and support are unmatched in their dependability and flexibility," says Billy Austin, Vice President of Marketing and Sales. "Red Hat gives us the ability to modify and scale our service program to satisfy our specific support needs and gives us the most reliable and secure Linux-based solution."

**Amerada Hess**  
 "We would have spent approximately a million dollars a year leasing supercomputing technology to do the same sort of work," notes Jeff Davis, Senior Systems Programmer at Amerada Hess. "But with Red Hat Linux, the total one-time cost of purchasing the equipment and setting everything up has come to about \$100,000. It's an inexpensive operating system running on inexpensive equipment — and it's doing the same work!"



# COMMUNITY

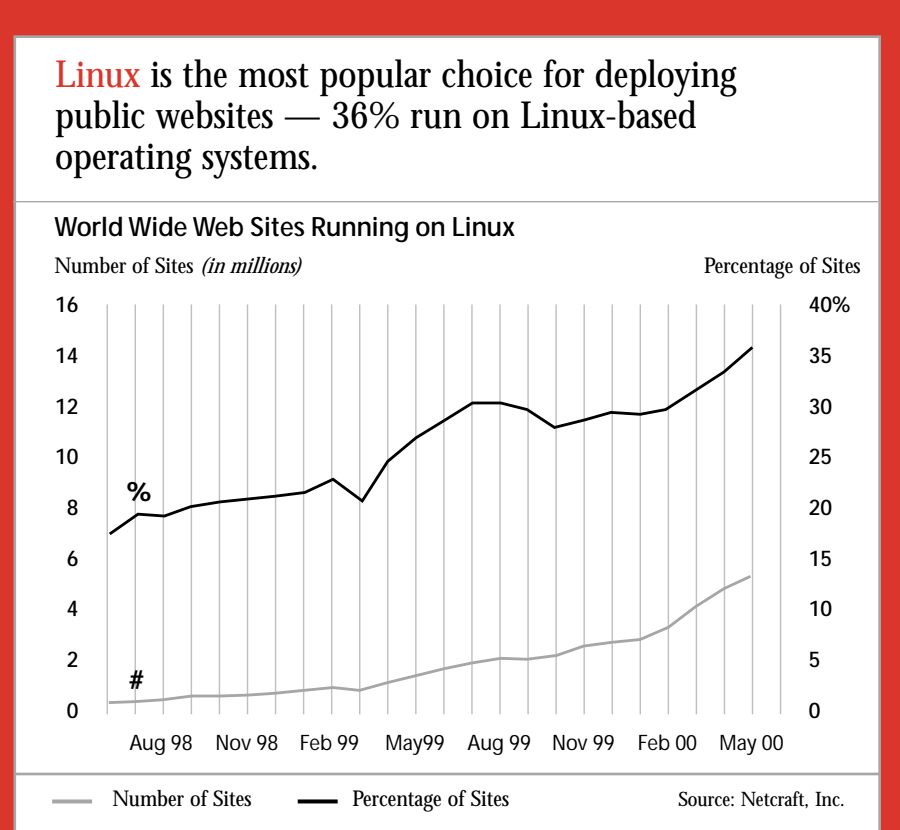
- Research firm Netcraft, Inc. states that as of May 2000, 36% of all public websites run on Linux-based operating systems, making Linux the most popular choice for deploying public websites.
- A study by WR Hambrecht predicts revenue from the market for Linux products and services is expected to explode with a compounded annual growth rate (CAGR) of 90%, growing from \$2 billion in 2000 to over \$12 billion in 2003. They also project revenue for Linux services, support, and training of \$380 million in 2000, growing at a CAGR of 111% to nearly \$4 billion in 2003.
- Fiscal 2000 Achievements  
 During fiscal 2000, we took decisive steps to improve our ability to serve our customers, as we:
- Increased our base of enterprise customers to more than 400.
- Built an experienced, senior, global management team and increased the number of Red Hat associates worldwide from 103 to 455.
- Acquired Cygnus Solutions, a global leader in embedded technologies and open source development tools. IDC predicts that by 2002, there will be more than 55 million handheld and notebook-style information appliance devices and that by 2005, shipments of these appliances will exceed shipments of PCs.
- Acquired Hell's Kitchen Systems, a pioneer in open source e-commerce solutions, to help our customers do business on the Web.
- Strengthened our strategic partnerships with other technology industry leaders such as Dell, Oracle, Intel, IBM, Novell, SAP, CA, and AOL.
- Opened new global Red Hat locations in England, Ireland, Canada, France, Italy, Germany, Australia, and Japan.
- Developed redhat.com into a leading Web destination for Linux and open source customers.
- Expanded our product line beyond the Red Hat Linux operating system to include developer tools and Red Hat Linux Enterprise Editions, which combine enterprise technology from Red Hat and industry-leading application providers.
- Increased our revenues from support, training, and consulting services to \$17 million — 40% of our total revenues for the year.
- Extended the Red Hat Certified Engineer Program (RHCE™) — widely regarded as the leading Linux certification — domestically and globally.
- Won numerous awards for Red Hat Linux technical innovation, including *InfoWorld's* Operating System Product of the Year for the fourth year in a row.



Our customers demand more control over their technology. With increased need for cross-platform computing, heterogeneous computing environments, integration of businesses, and faster times-to-market, they demand speed and flexibility to build the Internet infrastructure at the heart of the new economy. Our goal is to provide leadership and open source expertise — and the revolutionary technologies on which enterprises are built.

We'd like to thank our shareholders, customers, employees, open source developers, and partners as we work together to accelerate Red Hat's momentum and success.

# Red Hat is the global leader in delivering open source solutions for building the Internet infrastructure.



"Strong customer demand, market presence, and Red Hat's commitment to bring Linux into the enterprise environment led to Oracle's desire to make its products available for Red Hat Linux."

**Michael Rocha ORACLE**  
 Senior Vice President, Platform Technologies Division

"Red Hat's leading role in creating open source technology solutions — and our mutual commitment to delivering the best Linux experience through our One Source Alliance — helps us expand our position as world leaders in infrastructure computing for the Internet economy, while jointly making significant contributions to the open source community."

**Michael Lambert DELL**  
 Senior Vice President, Enterprise Systems Group

*Matthew Szulik*  
 Matthew Szulik  
 President and Chief Executive Officer

*Bob Young*  
 Bob Young  
 Chairman

# COLLABORATION

# Linux kernel version 0.01

This is the original release of the Linux kernel as published by Linus Torvalds in November 1991. We include this historical document in recognition of Linus Torvalds and the thousands of open source developers who contribute to the advancement of Linux.

```
...
#include <linux/errno.h>
#include <linux/fs.h>
#include <linux/init.h>
#include <linux/kernel.h>
#include <linux/kern_levels.h>
#include <linux/limits.h>
#include <linux/list.h>
#include <linux/math.h>
#include <linux/mutex.h>
#include <linux/net.h>
#include <linux/poll.h>
#include <linux/proc_fs.h>
#include <linux/seq_file.h>
#include <linux/sched.h>
#include <linux/sem.h>
#include <linux/seq.h>
#include <linux/signal.h>
#include <linux/slab.h>
#include <linux/smp.h>
#include <linux/spinlock.h>
#include <linux/string.h>
#include <linux/sunrpc.h>
#include <linux/sysctl.h>
#include <linux/time.h>
#include <linux/timer.h>
#include <linux/unistd.h>
#include <linux/utsname.h>
#include <linux/uuid.h>
#include <linux/vermagic.h>
#include <linux/wait.h>
#include <linux/workqueue.h>
#include <linux/xfs.h>
#include <linux/xz.h>
#include <linux/zlib.h>
#include <linux/zstd.h>
#include <linux/zip.h>
#include <linux/zipfs.h>
#include <linux/zipfs2.h>
#include <linux/zipfs3.h>
#include <linux/zipfs4.h>
#include <linux/zipfs5.h>
#include <linux/zipfs6.h>
#include <linux/zipfs7.h>
#include <linux/zipfs8.h>
#include <linux/zipfs9.h>
#include <linux/zipfs10.h>
#include <linux/zipfs11.h>
#include <linux/zipfs12.h>
#include <linux/zipfs13.h>
#include <linux/zipfs14.h>
#include <linux/zipfs15.h>
#include <linux/zipfs16.h>
#include <linux/zipfs17.h>
#include <linux/zipfs18.h>
#include <linux/zipfs19.h>
#include <linux/zipfs20.h>
...

```

### Red Hat, Inc. Corporate Information

**BOARD OF DIRECTORS**  
Robert E. Young, Chairman of the Board  
Matthew J. Szulik, President and Chief Executive Officer  
William S. Kaiser, CEO  
Gregory Management Corporation, Partner  
Inventures Group, Partner  
Kevin Harvey, Member, General Partner  
Benchmark Capital Partners, Benchmark Capital Partners  
Marc Ewing, Co-Founder, Red Hat, Inc. Philanthropist

### SENIOR CORPORATE EXECUTIVES

Matthew J. Szulik, President and Chief Executive Officer  
Timothy J. Buckley, Sr. Vice President and Chief Operating Officer  
Harold A. Covert, Sr. Vice President and Chief Financial Officer  
Secretary/Treasurer  
Michael Timmann, Chief Technology Officer  
Mark H. Weibing, General Counsel

### STOCKHOLDER INFORMATION

**FORM 10-K**  
Copies of the Company's Annual Report on Form 10-K for the year ended February 29, 2020 (including exhibits thereto) are available without charge, upon request, to Corporate Secretary, Red Hat, Inc., 2600 Meridian Parkway, Durham, NC 27713.

### Red Hat, Inc. Website

For more information on the Company, please visit its website at [www.redhat.com/about/](http://www.redhat.com/about/)

**Corporate Headquarters**  
2600 Meridian Parkway  
Durham, NC 27713  
919.576.7072

### Transfer Agent and Registrar

Chasemelon Shareholder Services, LLC  
85 Challenger Road, NJ 07600  
Tel. Fax Number: 800-388-9541  
Web Site Address: [www.chasemelon.com](http://www.chasemelon.com)

### Market Price of Common Stock

The following table sets forth the range of high and low sale prices for the Company's Common Stock during the periods indicated and reflects all stock splits effected by the Company.

For the quarter ended:	Low	High
August 31, 1999	\$45.34	\$20.00
November 30, 1999	\$17.00	\$16.00
February 29, 2000	\$15.13	\$60.50

### For the quarter ended:

The Company has never declared nor has it paid any cash dividends on its Common Stock. The Company currently intends to retain its earnings to finance future growth and therefore does not anticipate paying cash dividends on its Common Stock in the foreseeable future.

As of February 29, 2000, the approximate number of stockholders of record of Common stock was 98,000 including the number of persons whose stock is in nominee or "street name" accounts through brokers.

### Exchange Information

The Company's Common Stock is traded on the NASDAQ Stock Market under the symbol "RHAT".

### Independent Auditors

PricewaterhouseCoopers LLP  
Raleigh, NC

### Legal Counsel

Teitel, Haurwitz & Thibault LLP  
Boston, MA

