



New Economy Internet Companies Embrace Red Hat Linux for Oracle 8i; Red Hat Linux Chosen for its Integration with Oracle Databases and Ability to Increase Operation Speeds

RESEARCH TRIANGLE PARK, N.C.--(BUSINESS WIRE)--Nov. 28, 2000--Red Hat, Inc. (Nasdaq:RHAT) the leader in developing, deploying and managing open source Internet infrastructure solutions, today announced that new economy companies are using Red Hat Linux Enterprise Edition for Oracle 8i™. eDelights.com, Empower IT, Inc., Idaho Medicaide, Internection, Pace Analytical Services, Inc., Really Easy Internet and StreetZebra.com all leverage Red Hat Linux Enterprise Edition for Oracle 8i to optimize performance and usability improvements for their enterprise-class database operations. For more information on what these companies and others are saying about Oracle on Red Hat Linux, please visit <http://success.redhat.com>.

Red Hat Linux Enterprise Edition for Oracle 8i is an optimized, certified version of Red Hat's award-winning open source operating system. It includes the Red Hat Linux OS, with fully open source kernel and system-level optimizations for running I/O-intensive database applications as well as usability and installation enhancements, featuring a fully supported, certified Java Runtime Environment (JRE) and Motif 2.1.

"Oracle selected Red Hat Linux because of our leadership in the industry and ability to improve enterprise-class database operations," said Paul McNamara, vice president, products & platforms at Red Hat. "As one of the first major database vendors to embrace Linux, Oracle has proven to be the database of choice. Together we deliver a solution that offers enhanced performance and usability that e-businesses require to manage their mission-critical enterprise applications."

Enterprise Edition is designed for deployment on production database servers and includes an annual system support contract, as well as annual OS maintenance and updates. Expert Red Hat support and OS maintenance help ensure that production databases are updated and supported year-round, providing maximum reliability. Server support provides for unlimited incidents over a 12-month period, and offers resources for problem determination by both Oracle and Red Hat.

Pricing and Availability

Red Hat Linux Enterprise Edition Optimized for Oracle 8i is available through Compaq's and Red Hat's value-added distribution channels, including Keylink/Pioneer (www.keylink.pios.com) and Hallmark/AVNet (www.hallmark.avnet.com). Available in the U.S. and internationally, the enterprise edition can be purchased through value-added distribution and can be ordered directly from www.redhat.com or by calling (800) 884-9842 or (919) 547-0012.

Open Source Momentum

International Data Corp. (IDC) research states that paid Linux shipments grew faster than any other server operating system over the past two years, and their preliminary figures for 1999 show Linux shipments hold 24.6 percent of the server operating system market, up from 15.8 in 1998. IDC also states that Red Hat holds 50.2 percent of Linux vendor market share and that Red Hat Linux is by far the most popular distribution, preferred by 68.7 percent of U.S. Linux users.

Research firm Netcraft, Inc. (www.netcraft.com), states that as of May 2000, 30 percent of all public Web sites run on Linux-based operating systems, making Linux the most popular choice for deploying public Web sites. IDC research shows 40 percent of all spending on Linux servers is for Internet related applications, firmly entrenching Linux servers in the Internet infrastructure.

Finally, 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.

Red Hat's numerous alliances with industry leaders and the demand for Linux-based applications has created open source support from many of the industry's leading software and hardware manufacturers, including Dell, Compaq, Computer Associates, Hewlett-Packard, IBM, Netscape, Novell, Oracle and SAP.

Red Hat, Inc.

Founded in 1994, Red Hat (Nasdaq:RHAT), is the leader in development, deployment and management of Linux and open

source solutions for Internet infrastructure ranging from small embedded devices to high availability clusters and secure Web servers. In addition to the award-winning Red Hat Linux server operating system, Red Hat is the principle provider of GNU-based developer tools and support solutions for a wide variety of embedded processors. Red Hat provides run-time solutions, developer tools, Linux kernel expertise and offers support and engineering services to organizations in all embedded and Linux markets.

Red Hat applies its technological leadership to create open source solutions for all points on the Internet and in pervasive computing environments, offers services backed by the best understanding of open source and the most comprehensive resources, and delivers the brand of a widely trusted open source leader and corporate partner. Red Hat offers users one single, trusted point of contact and a common platform for developing, deploying and managing open source across the Internet and devices that connect to the Internet.

Red Hat is based in Research Triangle Park, N.C. and has offices worldwide. Please visit Red Hat on the Web at www.redhat.com.

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FORWARD-LOOKING STATEMENTS

Forward-looking statements in this press release are made pursuant to the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934. Investors are cautioned that statements in this press release that are not strictly historical statements, including, without limitation, management's plans and objectives for future operations, and management's assessment of market factors, constitute forward-looking statements which involve risks and uncertainties. These risks and uncertainties include, without limitation, product plans and performance, the ability to continue to develop the Linux kernel and other software, reliance upon strategic relationships, Red Hat's dependence upon an open source business model, reliance upon independent third-party Linux developers, management of growth, expansion of Red Hat's business focus and operations, the possibility of undetected software errors, the enforceability of the GNU General Public License and other licenses under which Red Hat's products are developed and licensed, the scarcity of Linux-based applications, the risks of economic downturns generally, and in Red Hat's industry specifically, the risks associated with competition and competitive pricing pressures, the viability of the Internet, and other risks detailed in Red Hat's filings with the Securities and Exchange Commission, copies of which may be accessed through the SEC's Web site at <http://www.sec.gov>.

CONTACT: Red Hat, Inc.

Melissa London
(919) 547-0012
melissa@redhat.com

or

Schwartz Communications for Red Hat
Bryan Scanlon/Christina Guilbert
(781) 684-0770
redhat@schwartz-pr.com