GRAY JAMES W Form 5 February 14, 2005

FORM 5

OMB APPROVAL

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB 3235-0362 Number: January 31,

no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction

Check this box if

Expires: 2005 Estimated average

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

burden hours per response... 1.0

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, 1(b). Form 3 Holdings Section 17(a) of the Public Utility Holding Company Act of 1935 or Section Reported

Form 4 Transactions

Reported

30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person * 2. Issuer Name and Ticker or Trading 5. Relationship of Reporting Person(s) to Issuer **GRAY JAMES W** Symbol PEOPLES HOLDING CO [PHC] (Check all applicable) (Last) (First) (Middle) 3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) Director 10% Owner Other (specify _X__ Officer (give title 12/31/2004 below) below) C/O PEOPLES BANK & TRUST **Executive Vice President** CO, 209 TROY STREET (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Reporting

Filed(Month/Day/Year)

(check applicable line)

TUPELO, MSÂ 38802-0709

(State)

(City)

X Form Filed by One Reporting Person Form Filed by More than One Reporting

(City)	(State)	Table Table	e I - Non-Deri	vative Sec	curitie	s Acqu	ired, Disposed of	, or Beneficial	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securit Acquired Disposed (Instr. 3,	(A) or of (D))	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	Â	Â	Â	Â	Â	Â	58.12	D	Â
Common Stock	Â	Â	Â	Â	Â	Â	363.0301	I	Spouse
Common Stock	Â	Â	Â	Â	Â	Â	5,097.4219	I	By IRA
Common Stock	Â	Â	Â	Â	Â	Â	2,612.883	I	By 401K

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 2270

(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. P Der Sec (Ins
					(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Employee Stock Option (Right to Buy)	Â	Â	Â	Â	Â	À	(3)	(3)	Common Stock	15,750	
Phantom Stock	Â	Â	Â	Â	Â	À	(2)	(2)	Common Stock	276.19	

Relationships

Reporting Owners

Reporting Owner Name / Address	Relationships							
• 0	Director	10% Owner	Officer	Other				
GRAY JAMES W C/O PEOPLES BANK & TRUST CO 209 TROY STREET TUPELO, MS 38802-0709	Â	Â	Executive Vice President	Â				

Signatures

Jim Gray	02/14/2005			
**Signature of Reporting Person	Date			

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Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The conversion or exercise price is one phantom stock unit for one share of the Company's common stock.
- (2) The stock units are to be settled 100% in common stock upon the reporting person's retirement or upon approved request for hardship reasons.
- Equal installments of 33 1/3 of the option shares granted will become exercisable on the completion of one, two and three years of service measured from the grant date, respectively. The options will expire ten (10) years from the grant date. 5,250 options granted 1-2-02 have a strike price of \$23.47 per share, 5,250 options granted 1-2-03 have a strike price of \$28.15 per share, and 5,250 options granted 1-1-04 have a strike price of \$33.35 per share.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.