

NEXUS TELOCATION SYSTEMS LTD
Form 6-K
July 27, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of July, 2004

NEXUS TELOCATION SYSTEMS LTD.

1 Korazin Street
Givatayim, 53583
Israel

Indicate by check mark whether the registrant files or will file annual reports under cover of
Form 20-F or Form 40-F.

Form 40-F Form 20-F

Indicate by check mark whether by furnishing the information contained in this Form, the
registrant is also thereby furnishing the information to the Commission pursuant to Rule
12g3-2(b) under the Securities Exchange Act of 1934.

No Yes

If Yes is marked, indicate below the file number assigned to the registrant in connection
with Rule 12g3-2(b): 82-

**Nexus Telocation Systems Ltd. Announces its Board of Directors
Approved In Principal the Purchase of the Activities and Assets of Shagrir**

Givatayim, Israel, July 27, 2004. Nexus Telocation Systems Ltd. (OTC Bulletin Board: NXUS.OB), a leading provider of Stolen Vehicle Retrieval services, announced that its Board of Directors approved in principal the purchase, either directly by Nexus or through a subsidiary, of the activities and assets of Shagrir Towing Services Ltd. and Shagrir (1985) Ltd., in consideration for approximately NIS 200 million, of which NIS 190 million is for Shagrir's goodwill and the remaining balance to equal the difference between Shagrir's assets and liabilities as of the closing date. NIS 50 million of the consideration is to be funded by a loan to be provided by Shagrir.

Nexus is in advanced stages of negotiations with financial institutions and strategic investors for raising money in order to obtain the required funds for the purchase of Shagrir's activities and assets.

Shagrir is one of the leading companies in Israel in the field of automobile repair services and towing services. Shagrir has approximately 730,000 subscribers throughout Israel and its fleet of vehicles include approximately 130 service cars, mobile garages and towing vehicles.

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The completion of the transaction is subject to the reaching of definitive agreements; the completion of due diligence review to the satisfaction of Nexus; obtaining financing for the transaction; receipt of regulatory approvals; and reaching services agreements with insurance companies.

Nexus Telocation Systems Ltd. develops, manufactures and markets low energy and cost effective wireless communications and location based information systems through the application of digital spread spectrum technologies deployed in Stolen Vehicle Retrieval applications.

This press release contains forward-looking statements with respect to the business, financial condition and results of operations of Nexus and its affiliates. These forward-looking statements are based on the current expectations of the management of Nexus, only, and are subject to risk and uncertainties relating to changes in technology and market requirements, the company's concentration on one industry in limited territories, decline in demand for the company's products and those of its affiliates, inability to timely develop and introduce new technologies, products and applications, and loss of market share and pressure on pricing resulting from competition, which could cause the actual results or performance of the company to differ materially from those contemplated in such forward-looking statements. Nexus undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. For a more detailed description of the risks and uncertainties affecting the company, reference is made to the company's reports filed from time to time with the Securities and Exchange Commission.

Contact: Ronen Stein, V.P. and Chief Financial Officer

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NEXUS TELOCATION SYSTEMS LTD.

BY: /S/ Arik Avni

Arik Avni
CEO

Date: July 27, 2004
