

FORMFACTOR INC  
Form 424B3  
May 20, 2016  
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**Filed Pursuant to Rule 424(b)(3)**  
**Registration No. 333-210549**

**PROXY STATEMENT FOR THE SPECIAL MEETING OF SHAREHOLDERS OF CASCADE  
MICROTECH, INC.**

**and**

**PROSPECTUS OF FORMFACTOR, INC.**

May 20, 2016

Dear Cascade Microtech, Inc. Shareholder:

You are cordially invited to attend a special meeting of shareholders of Cascade Microtech, to be held on June 23, 2016, at the offices of Perkins Coie LLP, located at 1120 N.W. Couch Street, Tenth Floor, Portland, Oregon 97209, at 10:00 a.m., local time. At the Cascade Microtech special meeting, you will be asked to approve and adopt the Agreement and Plan of Merger, dated as of February 3, 2016, the merger pursuant to that agreement in which Cascade Microtech will become a wholly owned subsidiary of FormFactor, Inc. and the related transactions contemplated by that agreement. Cascade Microtech's board of directors unanimously determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are advisable for, fair to, and in the best interests of Cascade Microtech and its shareholders and unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement.

If the merger is consummated, you will have the right to receive, subject to the terms of the merger agreement and in exchange for each share of Cascade Microtech common stock you own immediately prior to the merger, \$16.00 in cash, without interest, and 0.6534 of a share of FormFactor common stock. The value of the per share cash consideration is fixed at \$16.00, except that, if the number of shares of FormFactor common stock issuable as a result of the merger would, in the aggregate, exceed 19.9% of the issued and outstanding shares of FormFactor common stock immediately prior to the consummation of the merger, the exchange ratio will be reduced to the minimum extent necessary such that the aggregate number of shares of FormFactor common stock issuable in the merger would equal 19.9% of the issued and outstanding shares of FormFactor common stock immediately prior to the consummation of the merger. If this adjustment occurs, you will receive an increase in the amount of cash you receive as part of the merger consideration per share equal to the decrease in value of the stock portion of the merger consideration that results from the reduction of the exchange ratio. Additionally, the value of the stock portion of the merger consideration will fluctuate as the market price of FormFactor common stock fluctuates, because the amount of FormFactor common stock that Cascade Microtech's shareholders are entitled to receive will be adjusted only in the circumstances described in this proxy statement/prospectus and will not be adjusted to preserve the value of the stock portion of the merger consideration in the face of changes in the market price of FormFactor common stock. Based on the closing stock price of a share of FormFactor common stock of \$6.70 on the NASDAQ Global Market on May 17, 2016, the most recent practicable date prior to the date of this proxy statement/prospectus, the value of the merger consideration was \$20.38 per share of Cascade Microtech common stock, which includes the value of the stock portion of the merger consideration of \$4.38 per share and the cash portion of the merger consideration of \$16.00 per share of Cascade Microtech common stock. As a result, the value of the merger consideration that Cascade Microtech

stockholders will receive upon completion of the merger could be greater than, less than or the same as the value of the merger consideration on the date of this proxy statement/prospectus or at the time of the Cascade Microtech special meeting. Shares of Cascade Microtech common stock and FormFactor common stock are traded on the NASDAQ Global Market under the symbols CSCD and FORM, respectively.

We cannot consummate the merger unless Cascade Microtech shareholders approve and adopt the merger agreement, the merger pursuant to merger agreement and the related transactions contemplated by the merger agreement. **Your vote is very important, regardless of the number of shares you own. Whether or not you expect to attend the Cascade Microtech special meeting in person, please vote or otherwise submit a proxy to vote your shares as promptly as possible so that your shares may be represented and voted at the Cascade Microtech special meeting.**

In addition, at the Cascade Microtech special meeting you also will be asked to approve the adjournment of the Cascade Microtech special meeting under certain circumstances and to approve, on an advisory (non-binding) basis, the merger-related compensation that will or may be paid to Cascade Microtech's named executive officers in connection with the merger.

**The Cascade Microtech board of directors unanimously recommends that Cascade Microtech shareholders vote FOR the approval and adoption of the merger agreement, the merger pursuant to merger agreement and the**

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**related transactions contemplated by the merger agreement, FOR the adjournment of the Cascade Microtech special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve and adopt the merger agreement, the merger pursuant to the merger agreement and the related transactions contemplated by the merger agreement at the time of the Cascade Microtech special meeting and FOR the named executive officer merger-related compensation proposal.**

The accompanying proxy statement/prospectus provides important information regarding the Cascade Microtech special meeting and a detailed description of the merger agreement, the merger, the related transactions contemplated by the merger agreement, the adjournment proposal and the named executive officer merger-related compensation proposal. **We urge you to read carefully the accompanying proxy statement/prospectus (and any documents incorporated by reference in the accompanying proxy statement/prospectus). Please pay particular attention to the section entitled Risk Factors beginning on page 47.** You can also obtain information about Cascade Microtech and FormFactor from documents that Cascade Microtech and FormFactor previously have filed, or subsequently file, with the Securities and Exchange Commission.

If you have any questions about the merger or about how to vote your shares, please contact Cascade Microtech Investor Relations at (503) 601-1000 or write to Cascade Microtech, Inc., 9100 S.W. Gemini Drive, Beaverton, Oregon 97008, Attention: Investor Relations.

We hope to see you at the Cascade Microtech special meeting and look forward to the successful consummation of the merger.

Sincerely,

Michael D. Burger

Director, President and Chief Executive Officer

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under the accompanying proxy statement/prospectus or determined that the accompanying proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.**

The accompanying proxy statement/prospectus is dated May 20, 2016 and is first being mailed to the shareholders of Cascade Microtech on or about May 23, 2016.

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**ADDITIONAL INFORMATION**

The accompanying document is the proxy statement of Cascade Microtech, Inc. for its special meeting of shareholders and the prospectus of FormFactor, Inc. for the shares of FormFactor common stock to be issued as consideration for the merger. The accompanying proxy statement/prospectus incorporates important business and financial information about FormFactor, Inc. and Cascade Microtech, Inc. from documents that are not included in or delivered with the accompanying proxy statement/prospectus. This information is available to you without charge upon request. You can obtain documents incorporated by reference in the accompanying proxy statement/prospectus by requesting them in writing or by telephone from FormFactor, Inc. or Cascade Microtech, Inc. at the following addresses and telephone numbers:

FormFactor, Inc.  
7005 Southfront Road  
Livermore, California 94551  
Attn: Investor Relations  
Telephone: (925) 290-4000

Cascade Microtech, Inc.  
9100 S.W. Gemini Drive  
Beaverton, Oregon 97008  
Attention: Investor Relations  
Telephone: (503) 601-1000

In addition, if you have questions about the merger or the accompanying proxy statement/prospectus, would like additional copies of the accompanying proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, please contact Georgeson LLC, the proxy solicitor for Cascade Microtech at (866) 413-5899. You will not be charged for any of these documents that you request.

**If you would like to request documents, please do so by June 16, 2016 in order to receive them before the special meeting.**

See **Where You Can Find More Information** beginning on page 136 of the accompanying proxy statement/prospectus for further information.

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**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

To the Shareholders of Cascade Microtech, Inc.:

A special meeting of shareholders of Cascade Microtech, Inc. will be held on June 23, 2016, at the offices of Perkins Coie LLP, located at 1120 N.W. Couch Street, Tenth Floor, Portland, Oregon 97209, at 10:00 a.m., local time, for the following purposes:

to consider and vote on a proposal to approve and adopt (a) the Agreement and Plan of Merger, dated as of February 3, 2016, by and among Cascade Microtech, FormFactor, Inc., a Delaware corporation, and Cardinal Merger Subsidiary, Inc., an Oregon corporation, (b) the merger pursuant to that merger agreement in which Cascade Microtech will become a wholly owned subsidiary of FormFactor, Inc. and (c) the related transactions contemplated by the merger agreement (a copy of the merger agreement is attached as Annex A to the proxy statement/prospectus accompanying this notice);

to consider and vote on a proposal to approve the adjournment of the Cascade Microtech special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve and adopt the merger agreement, the merger pursuant to merger agreement and the related transactions contemplated by the merger agreement at the time of the Cascade Microtech special meeting; and

to consider and vote on a proposal to approve, on an advisory (non-binding) basis, the merger-related compensation that will or may be paid to Cascade Microtech's named executive officers in connection with the merger.

The Cascade Microtech board of directors has fixed the close of business on May 5, 2016, as the record date for determination of the shareholders entitled to vote at the Cascade Microtech special meeting or any adjournment or postponement of the Cascade Microtech special meeting. Only shareholders of record at the record date are entitled to notice of, and to vote at, the Cascade Microtech special meeting or any adjournment or postponement of the Cascade Microtech special meeting.

If you hold shares in your name at the record date, please be prepared to provide proper identification, such as a driver's license, to gain admission to the Cascade Microtech special meeting.

If you are a beneficial owner of Cascade Microtech common stock held in street name, meaning that your shares are held by a broker, bank or other holder of record, at the record date, in addition to proper identification, you will also need to provide proof of ownership at the record date to be admitted to the Cascade Microtech special meeting. A brokerage statement or letter from a bank or broker are examples of proof of ownership. If you want to vote your shares of Cascade Microtech common stock held in street name in person at the Cascade Microtech special meeting, you will have to get a written proxy in your name from the broker, bank or other holder of record who holds your shares.

Approval and adoption of the merger agreement, the merger pursuant to merger agreement and the related transactions contemplated by the merger agreement requires the affirmative vote of holders of a majority of the shares of Cascade Microtech common stock outstanding and entitled to vote on the proposal. The adjournment proposal requires the

approval of a majority of the shares of Cascade Microtech common stock present at the special meeting, in person or by proxy, whether or not a quorum. The named executive officer merger-related compensation proposal will be approved, on an advisory (non-binding) basis, if a quorum exists and the votes cast in favor of the proposal exceed the votes cast against it. **After careful consideration, the Cascade Microtech board of directors unanimously determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are advisable for, fair to and in the best interests of Cascade Microtech and its shareholders and unanimously adopted and approved the merger agreement, the merger and the other transactions contemplated by the merger agreement and unanimously recommends that Cascade Microtech shareholders vote FOR the approval and adoption of the merger agreement, the merger pursuant to merger agreement and the related transactions contemplated by the merger agreement, FOR the adjournment of the Cascade Microtech special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve and adopt the merger agreement, the merger pursuant to merger agreement and the related transactions contemplated by the merger agreement at the time of the Cascade Microtech special meeting and FOR the named executive officer merger-related compensation proposal.**

By order of the Board of Directors,

Beaverton, Oregon  
May 20, 2016

Michael D. Burger

Director, President and Chief Executive Officer

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**YOUR VOTE IS IMPORTANT!**

**WHETHER OR NOT YOU EXPECT TO ATTEND THE CASCADE MICROTECH SPECIAL MEETING IN PERSON, WE URGE YOU TO SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE (1) THROUGH THE INTERNET, (2) BY TELEPHONE OR (3) BY MARKING, SIGNING AND DATING THE ENCLOSED PROXY CARD AND RETURNING IT IN THE POSTAGE-PAID ENVELOPE PROVIDED.** You may revoke your proxy or change your vote at any time before the Cascade Microtech special meeting. If your shares are held in the name of a bank, broker or other fiduciary, please follow the instructions on the voting instruction card furnished to you by such record holder.

We urge you to read carefully the accompanying proxy statement/prospectus, including all documents incorporated by reference in the accompanying proxy statement/prospectus, and its annexes in their entirety. If you have any questions concerning the merger, the special meeting or the accompanying proxy statement/prospectus, would like additional copies of the accompanying proxy statement/prospectus or need help voting your shares of Cascade Microtech common stock, please contact:

Georgeson LLC

480 Washington Blvd., 26th Floor

Jersey City, New Jersey 07310

Telephone: (866) 413-5899

or

Cascade Microtech, Inc.

9100 S.W. Gemini Drive

Beaverton, Oregon 97008

Attention: Investor Relations

Telephone: (503) 601-1000

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING**

*The following are some questions that you, as a shareholder of Cascade Microtech, may have regarding the merger and the special meeting, and brief answers to those questions. You are urged to read carefully this proxy statement/prospectus and the other documents referred to in this proxy statement/prospectus in their entirety because this section may not provide all of the information that is important to you with respect to the merger and the special meeting. Additional important information is contained in the annexes to, and the documents incorporated by reference in, this proxy statement/prospectus.*

**Q. Why am I receiving these proxy materials?**

- A. On February 3, 2016, Cascade Microtech entered into the merger agreement providing for the merger of Merger Sub with and into Cascade Microtech, pursuant to which Cascade Microtech will survive the merger as a wholly owned subsidiary of FormFactor. You are receiving this proxy statement/prospectus in connection with the solicitation by the Cascade Microtech board of director of proxies of Cascade Microtech shareholders in favor of (1) approving and adopting the merger agreement, the merger pursuant to the merger agreement and the related transactions contemplated by the merger agreement, which proposal is referred to in this section of this proxy statement/prospectus as the merger proposal, and (2) the other matters to be voted on at the special meeting.

**Q. What is the proposed transaction?**

- A. If the merger proposal is approved by Cascade Microtech's shareholders and the other conditions to the consummation of the merger contained in the merger agreement are satisfied or waived, Merger Sub will merge with and into Cascade Microtech. Cascade Microtech will be the surviving corporation in the merger and will be privately held as a wholly owned subsidiary of FormFactor.

**Q. What will I receive in the merger?**

- A. Under the terms of the merger agreement, if the merger is consummated, you will be entitled to receive, with respect to each share of Cascade Microtech common stock you own immediately prior to the merger, \$16.00 in cash, without interest, and 0.6534 of a share of FormFactor common stock (as each component may be adjusted as described below under *The Merger Agreement Exchange Ratio Adjustment* beginning on page 95 of this proxy statement/prospectus), with cash payable in lieu of any fractional shares of FormFactor common stock as described below under *The Merger Agreement Fractional Shares* beginning on page 97 of this proxy statement/prospectus. For example, assuming no adjustment to the exchange ratio, if you own 100 shares of Cascade Microtech common stock, you will be entitled to receive \$1,600 in cash and 65 shares of FormFactor common stock (plus an amount in cash for the market value of 0.34 of a share of FormFactor common stock at the FormFactor closing VWAP) in exchange for your shares, without interest and less any applicable withholding taxes.

Based on the closing stock price of a share of FormFactor common stock of \$6.70 on the NASDAQ Global Market on May 17, 2016, the most recent practicable date prior to the date of this proxy statement/prospectus, the value of the

merger consideration was \$20.38 per share of Cascade Microtech common stock, which includes the value of the stock portion of the merger consideration of \$4.38 per share and the cash portion of the merger consideration of \$16.00 per share of Cascade Microtech common stock.

**Q. Where and when is the special meeting, and who may attend?**

- A. The special meeting will be held at the offices of Perkins Coie LLP, located at 1120 N.W. Couch Street, Tenth Floor, Portland, Oregon 97209 on June 23, 2016, at 10:00 a.m., local time. Shareholders who are entitled to vote may attend the meeting. Beneficial owners of shares held in street name should bring a copy of an account statement reflecting their ownership of Cascade Microtech common stock as of the record date, which is the close of business on May 5, 2016. All shareholders should bring photo identification.

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**Q. Who can vote at the Special Meeting?**

- A. All Cascade Microtech shareholders of record as of the record date for the Cascade Microtech special meeting are entitled to receive notice of, attend and vote at the Cascade Microtech special meeting, or any adjournment or postponement thereof. Each share of Cascade Microtech common stock is entitled to one vote on all matters that come before the meeting. At the close of business on the record date, there were 15,949,492 shares of Cascade Microtech common stock issued and outstanding.

**Q. What matters will be voted on at the special meeting?**

- A. At the special meeting, you will be asked to consider and vote on the following proposals:

the merger proposal;

the named executive officer merger-related compensation proposal;

if applicable, the special meeting adjournment proposal; and

to transact such other business as may properly come before the special meeting or any adjournments or postponements of the special meeting.

**Q. How does the Cascade Microtech board of directors recommend that I vote on the proposals?**

- A. The Cascade Microtech board of directors unanimously recommends that you vote:

FOR the merger proposal;

FOR the named executive officer merger-related compensation proposal; and

FOR the adjournment proposal.

**Q. What vote is required to approve the merger proposal?**

- A.

The merger proposal will be approved if shareholders holding at least a majority of the shares of Cascade Microtech common stock outstanding and entitled to vote at the close of business on the record date vote **FOR** the proposal.

**Q. What vote is required to approve the other proposals?**

- A. The adjournment proposal will be approved if a majority of the votes cast at the special meeting vote **FOR** the proposal, even if a quorum is not present. The named executive officer merger-related compensation proposal will be approved, on an advisory (non-binding) basis, if a quorum exists and the votes cast **FOR** the proposal exceed the votes cast against it.

**Q. Do you expect the merger to be taxable to Cascade Microtech shareholders?**

- A. The exchange of Cascade Microtech common stock for cash and shares of FormFactor common stock in the merger will be a taxable transaction for U.S. federal income tax purposes and may also be taxable under state, local or other tax laws. For a discussion of the U.S. federal income tax consequences of the merger, see **Material U.S. Federal Income Tax Consequences** beginning on page 89 of this proxy statement/prospectus. You are also encouraged to consult your own tax advisors regarding the U.S. federal income tax consequences of the merger to you in your particular circumstances, as well as tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

**Q. What other effects will the merger have on Cascade Microtech?**

- A. If the merger is consummated, Cascade Microtech common stock will be delisted from NASDAQ and deregistered under the Exchange Act, and Cascade Microtech will no longer be required to file periodic reports with the U.S. Securities and Exchange Commission, which is referred to in this proxy statement/



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prospectus as the SEC, with respect to Cascade Microtech common stock, in each case in accordance with applicable law, rules and regulations. Following the consummation of the merger, Cascade Microtech common stock will no longer be publicly traded and you will no longer have any interest in Cascade Microtech's future earnings or growth; each share of Cascade Microtech common stock you hold will represent only the right to receive the merger consideration, as described above under "What will I receive in the merger?", without interest and less any applicable withholding taxes.

**Q. When is the merger expected to be consummated?**

A. The parties to the merger agreement expect to consummate the merger in mid-2016. However, consummation of the merger is subject to the satisfaction or, to the extent permitted by applicable law, waiver of the various conditions to consummation of the merger. There can be no assurances as to when, or if, the merger will occur.

**Q. What happens if the merger is not consummated?**

A. If the merger is not consummated, either because the merger proposal is not approved by Cascade Microtech shareholders or for any other reason, Cascade Microtech shareholders will not receive any payment for their shares of Cascade Microtech common stock in connection with the merger. Instead, Cascade Microtech will remain an independent public company and Cascade Microtech's common stock will continue to be registered under the Exchange Act and listed and traded on the NASDAQ Global Market. If the merger agreement is terminated under specified circumstances, Cascade Microtech may be required to pay FormFactor a termination fee of \$10,830,000. For a discussion of the circumstances under which either party will be required to pay a termination fee, see "The Merger Agreement Termination Fees and Expenses" beginning on page 117 of this proxy statement/prospectus.

**Q. Why am I being asked to consider and vote on the named executive officer merger-related compensation proposal?**

A. SEC rules require Cascade Microtech to seek approval on a non-binding, advisory basis with respect to certain payments that will or may be made to Cascade Microtech's named executive officers in connection with the merger. Approval of the named executive officer merger-related compensation proposal is not required to consummate the merger.

**Q. What do I need to do now?**

A. Carefully read and consider the information contained in and incorporated by reference into this proxy statement/prospectus, including the attached annexes. Whether or not you expect to attend the special meeting in person, please submit a proxy to vote your shares as promptly as possible so that your shares may be represented and voted at the special meeting.

**Q. How do I vote if my shares are registered directly in my name?**

- A. If your shares are registered directly in your name with our transfer agent, you are considered a shareholder of record and there are four methods by which you may vote your shares at the special meeting:

*Internet:* To vote over the internet, go to <http://www.envisionreports.com/CSCD> and follow the steps outlined on the secured website. Please have your proxy card available for reference because you will need the validation details that are located on your proxy card in order to cast your vote over the internet. If you vote over the internet, you do not have to mail in a proxy card.

*Telephone:* To vote by telephone, call toll-free 1-800-652-VOTE (8683) any time on a touchtone phone. Please have your proxy card available for reference because you will need the validation details

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that are located on your proxy card in order to cast your vote by telephone. If you vote by telephone, you do not have to mail in a proxy card.

*Mail:* To vote by mail, complete, sign and date a proxy card and return it promptly to the address indicated on the proxy card in the postage paid envelope provided. If you return your signed proxy card to Cascade Microtech before the special meeting and do not subsequently revoke your proxy, your shares will be voted as you direct.

*In Person:* You may attend the special meeting and vote your shares in person, rather than voting your shares by mail, over the internet or by telephone. You may request a ballot when you arrive at the special meeting. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person if you have already voted by proxy. Please choose only one method to cast your vote by proxy. We encourage you to vote over the internet or by telephone, both of which are convenient, cost-effective and reliable alternatives to returning a proxy card by mail.

**Q. How do I vote if my shares are held in the name of my broker, bank or other nominee?**

A. If your shares are held by your broker, bank or other nominee, you are considered the beneficial owner of shares held in street name and you will receive a form from your broker, bank or other nominee seeking instruction from you as to how your shares should be voted. If you are a beneficial owner and you wish to vote in person at the special meeting, you must bring to the special meeting a legal proxy from the broker, bank or other nominee that holds your shares authorizing you to vote in person at the special meeting.

**Q. Can I change or revoke my proxy after it has been submitted?**

A. Yes. You can change or revoke your proxy at any time before the final vote at the special meeting. If you are the record holder of your shares, you may change or revoke your proxy by:

voting again over the internet or by telephone prior to 11:59 p.m., Eastern Time, on June 22, 2016;

timely sending a written notice that you are revoking your proxy to Cascade Microtech's Secretary;

timely delivering a valid, later-dated proxy; or

attending the special meeting and notifying the election officials that you wish to revoke your proxy to vote in person. Simply attending the special meeting will not, by itself, revoke your proxy.

If you are the beneficial owner of shares held in street name, you will have to follow the instructions provided by your broker, bank or other nominee to change or revoke your proxy.

**Q. How many shares of Cascade Microtech common stock must be present to constitute a quorum for the meeting?**

- A. The presence at the special meeting, in person or by proxy, of a majority of the shares of Cascade Microtech common stock outstanding on the record date will constitute a quorum. There must be a quorum for business to be conducted at the special meeting. However, even if a quorum does not exist, the holders of a majority of the shares of Cascade Microtech common stock present or represented by proxy at the special meeting and entitled to vote may adjourn the special meeting to another place, date or time. Failure of a quorum to be present at the special meeting will necessitate an adjournment or postponement of the special meeting and will subject Cascade Microtech to additional expense. As of the record date, there were 15,949,492 shares of Cascade Microtech common stock outstanding. Accordingly, 7,974,747 shares of Cascade Microtech common stock must be present or represented by proxy at the special meeting to constitute a quorum.

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**Q. What if I abstain from voting on any proposal?**

- A. If you attend the special meeting or submit a proxy card, but abstain from voting on any proposal, your shares will still be counted for the purpose of determining whether a quorum exists, but will not be voted on any proposal. Applicable law provides that your abstention from voting will have the same effect as a vote **AGAINST** the merger proposal and the adjournment proposal, but will have no effect on the outcome of the named executive officer merger-related compensation proposal.

**Q. Will my shares be voted if I do not sign and return my proxy card or vote by telephone or over the internet or in person at the special meeting?**

- A. If you are a shareholder of record and you do not sign and return your proxy card or vote by telephone, over the internet or in person, your shares will not be voted at the special meeting and will not be counted for purposes of determining whether a quorum exists. The vote to approve the merger proposal is based on the total number of shares of Cascade Microtech common stock outstanding on the record date, not just the votes cast at the special meeting. As a result, if you fail to return your proxy card or otherwise vote your shares at the special meeting, it will have the same effect as a vote **AGAINST** the merger proposal. If a quorum exists at the special meeting, the failure to return your proxy card or otherwise vote your shares at the special meeting will have no effect on the outcome of the named executive officer merger-related compensation proposal or the adjournment proposal.

You will have the right to receive the merger consideration if the merger proposal is approved and the merger is consummated even if your shares are not voted at the special meeting. However, as discussed above, if your shares are not voted at the special meeting, it will have the same effect as a vote **AGAINST** the merger proposal.

**Q. My shares are held in street name by my broker. Will my broker automatically vote my shares for me?**

- A. No. A broker non-vote occurs when (i) your shares are held in street name by brokers, banks or other nominees and (ii) the broker, bank or other nominee submits a proxy card for your shares of Cascade Microtech common stock held in street name but does not vote on a particular proposal because you have not instructed the broker, bank or other nominee regarding how to vote on such proposal and your broker does not have discretionary authority to vote. In the case of a broker non-vote on a particular proposal, your shares will not be voted on that proposal. Because, under applicable rules, brokers, banks and other nominees holding shares in street name do not have discretionary voting authority with respect to any of the three proposals described in this proxy statement/prospectus, broker non-votes, if any, (x) will not be counted as present in person or by proxy at the special meeting for purposes of determining the presence or absence of a quorum unless the broker has been instructed to vote on at least one of the proposals presented in this proxy statement/prospectus and (y) those shares will not be voted on any proposal for which a broker non-vote occurs. The failure to issue voting instructions to your broker, bank or other nominee will have no effect on the outcome of the named executive officer merger-related compensation proposal. However, the vote to approve the merger proposal is based on the total number of shares of Cascade Microtech common stock outstanding on the record date, not just the votes cast at the special meeting. As a result, if you fail to issue voting instructions to your broker, bank or other nominee, it will have the same effect as a vote **AGAINST** the merger proposal. Additionally, the vote on the adjournment proposal is based on the number of votes represented at a meeting of shareholders, not just the votes cast at the

special meeting. As a result, if your shares are represented at the meeting and you do not give voting instructions to your broker, bank or other nominee on the adjournment proposal, it will have the same effect as a vote AGAINST the adjournment proposal.

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**Q. Will my shares held in street name or another form of record ownership be combined for voting purposes with shares I hold of record?**

A. No. Because any shares you may hold in street name will be deemed to be held by a different shareholder than any shares you hold of record, any shares held in street name will not be combined for voting purposes with shares you hold of record. Similarly, if you own shares in various registered forms, such as jointly with your spouse, as trustee of a trust or as custodian for a minor, you will receive a separate proxy card for those shares and need to vote them separately because they are held in a different form of record ownership. Shares held by a corporation or business entity must be voted by an authorized officer of the entity. Shares held in an individual retirement account must be voted under the rules governing the account.

**Q. Am I entitled to exercise dissenters' rights instead of receiving the merger consideration for my shares of Cascade Microtech common stock?**

A. No. In accordance with Section 60.554(3) of the Oregon Business Corporation Act, no dissenters' rights will be available to the holders of Cascade Microtech common stock in connection with the merger or the other transactions contemplated by the merger agreement. See Proposal I: The Merger No Dissenters' or Appraisal Rights beginning on page 89 of this proxy statement/prospectus.

**Q. What happens if I sell my shares of Cascade Microtech common stock before the consummation of the merger?**

A. If you transfer your shares of Cascade Microtech common stock, you will have transferred your right to receive the merger consideration in the merger. In order to receive the merger consideration, you must hold your shares of Cascade Microtech common stock through the consummation of the merger.

**Q. Should I send in my stock certificates or other evidence of ownership now?**

A. No. After the merger is consummated, you will receive a letter of transmittal from the exchange agent for the merger with detailed written instructions for exchanging your shares of Cascade Microtech common stock for the consideration to be paid to former Cascade Microtech shareholders in connection with the merger. See The Merger Agreement Procedure for Surrendering Cascade Microtech Stock Certificates beginning on page 97 of this proxy statement/prospectus. Do not send in your stock certificates now. If you are the beneficial owner of shares of Cascade Microtech common stock held in street name, you may receive instructions from your broker, bank or other nominee as to what action, if any, you need to take to effect the surrender of such shares.

**Q. What does it mean if I get more than one proxy card or voting instruction card?**

A.

If your shares are registered differently or are held in more than one account, you will receive more than one proxy card or voting instruction card. Please complete and return all of the proxy cards or voting instruction cards you receive (or submit each of your proxies over the internet or by telephone) to ensure that all of your shares are voted.

**Q. What is householding and how does it affect me?**

- A. The SEC permits companies to send a single set of proxy materials to any household at which two or more shareholders reside, unless contrary instructions have been received, but only if the applicable company provides advance notice and follows certain procedures. In such cases, each shareholder continues to receive a separate notice of meeting and proxy card. Certain brokerage firms may have instituted householding for beneficial owners of common stock held through brokerage firms. If your family has multiple accounts holding common stock, you may have already received a householding notification from your broker. Please contact your broker directly if you have any questions or require additional copies of this proxy statement/



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prospectus. The broker will arrange for delivery of a separate copy of this proxy statement/prospectus promptly upon your written or oral request. You may decide at any time to revoke your decision to household, and thereby receive multiple copies of proxy materials.

**Q. When will Cascade Microtech announce the voting results of the special meeting, and where can I find the voting results?**

A. Cascade Microtech intends to announce the preliminary voting results at the special meeting, and will report the final voting results of the special meeting in a Current Report on Form 8-K filed with the SEC. All reports that Cascade Microtech files with the SEC are publicly available on Cascade Microtech's page on the SEC's EDGAR site when filed.

**Q: Who can help answer my other questions?**

A: If you have questions about the merger, require assistance in submitting your proxy or voting your shares, or need additional copies of this proxy statement/prospectus or the enclosed proxy card, please contact Georgeson LLC, which is acting as the proxy solicitation agent for Cascade Microtech in connection with the merger.

Georgeson LLC

480 Washington Blvd., 26th Floor

Jersey City, New Jersey 07310

Telephone: (866) 413-5899

If your broker, bank or other nominee holds your shares, you should also call your broker, bank or other nominee for additional information.

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**SUMMARY**

*This summary highlights selected information from this proxy statement/prospectus. It may not contain all of the information that is important to you. You are urged to read carefully the entire proxy statement/prospectus and the other documents referred to in this proxy statement/prospectus in their entirety in order to fully understand the merger agreement and the proposed merger. See *Where You Can Find More Information* beginning on page 136 of this proxy statement/prospectus. Each item in this summary refers to the page of this proxy statement/prospectus on which that subject is discussed in more detail.*

**Information about FormFactor, Cascade Microtech and Cardinal Merger Subsidiary, Inc. (See Page 55)**

***FormFactor, Inc.***

FormFactor, Inc., which is referred to in this proxy statement/prospectus as FormFactor, was incorporated in the State of Delaware in 1993. FormFactor helps semiconductor manufacturers test the integrated circuits that power consumer mobile devices, as well as computing, automotive and other applications. FormFactor is one of the world's leading providers of essential wafer test technologies and expertise, with an extensive portfolio of high-performance probe cards for DRAM, Flash and System on Chip devices. Customers use FormFactor's products and services to lower overall production costs, improve their yields and enable complex next-generation integrated circuits. Headquartered in Livermore, California, FormFactor services its customers from a network of facilities in Europe, Asia and North America.

The principal trading market for FormFactor's common stock (NASDAQ: FORM) is the NASDAQ Global Market. The principal executive offices of FormFactor are located at 7005 Southfront Road, Livermore, California 94551; its telephone number is (925) 290-4000; and its website is [www.FormFactor.com](http://www.FormFactor.com). The information and other content contained on its website is not incorporated by reference in this proxy statement/prospectus.

***Cascade Microtech, Inc.***

Cascade Microtech, Inc., which is referred to in this proxy statement/prospectus as Cascade Microtech, was incorporated in the State of Oregon in 1984. Cascade Microtech is a worldwide leader in precision contact, electrical measurement and test of integrated circuits, optical devices and other small structures. For technology businesses and scientific institutions that need to evaluate small structures, Cascade Microtech delivers access to electrical data from wafers, integrated circuits, integrated circuit packages, circuit boards and modules, MEMS, 3D TSV, LED devices and more. Cascade Microtech's leading-edge stations, probes, probe cards, advanced thermal subsystems and integrated systems deliver precision accuracy and superior performance both in the lab and during production manufacturing of high-speed and high-density semiconductor chips.

The principal trading market for Cascade Microtech's common stock (NASDAQ: CSCD) is the NASDAQ Global Market. The principal executive offices of Cascade Microtech are located at 9100 S.W. Gemini Drive, Beaverton, Oregon 97008; its telephone number is (503) 601-1000; and its website is [www.cascademicrotech.com](http://www.cascademicrotech.com). The information and other content contained on its website is not incorporated by reference in this proxy statement/prospectus.

***Cardinal Merger Subsidiary, Inc.***

Cardinal Merger Subsidiary, Inc., which is referred to in this proxy statement/prospectus as Merger Sub, is an Oregon corporation and a wholly owned subsidiary of FormFactor. Merger Sub was incorporated on February 1, 2016 solely

for the purpose of consummating a merger with Cascade Microtech. Merger Sub has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the merger.

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The principal executive offices of Merger Sub are located at 7005 Southfront Road, Livermore, California 94551 and its telephone number is (925) 290-4000.

### **The Merger (See Page 61).**

FormFactor, Merger Sub and Cascade Microtech have entered into the Agreement and Plan of Merger, dated as of February 3, 2016, which, as it may be amended from time to time, is referred to in this proxy statement/prospectus as the merger agreement. Subject to the terms and conditions of the merger agreement and in accordance with Oregon law, Merger Sub will be merged with and into Cascade Microtech, with Cascade Microtech continuing as the surviving corporation. Upon completion of this transaction, which is referred to in this proxy statement/prospectus as the merger, Cascade Microtech will be a wholly owned subsidiary of FormFactor, and Cascade Microtech common stock will no longer be publicly traded.

A copy of the merger agreement is attached as Annex A to this proxy statement/prospectus. You should read the merger agreement carefully because it is the legal document that governs the merger.

### **Special Meeting of Cascade Microtech's Shareholders (See Page 56).**

**Meeting.** The special meeting will be held at the offices of Perkins Coie LLP, located at 1120 N.W. Couch Street, Tenth Floor, Portland, Oregon 97209 on June 23, 2016 at 10:00 a.m., local time. At the special meeting, Cascade Microtech shareholders will be asked to vote on the following proposals:

to approve and adopt the merger agreement, the merger pursuant to merger agreement and the related transactions contemplated by the merger agreement;

to approve the adjournment of the special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve and adopt the merger agreement, the merger pursuant to merger agreement and the related transactions contemplated by the merger agreement at the time of the special meeting; and

to approve, on an advisory (non-binding) basis, the merger-related compensation that will or may be paid to Cascade Microtech's named executive officers in connection with the merger.

**Record Date.** Only Cascade Microtech shareholders of record at the close of business on May 5, 2016 will be entitled to receive notice of and to vote at the special meeting or any adjournment of the special meeting. As of the close of business on the record date of May 5, 2016, there were 15,949,492 shares of Cascade Microtech common stock outstanding and entitled to vote at the special meeting. Each holder of Cascade Microtech common stock is entitled to one vote for each share of Cascade Microtech common stock owned as of the record date.

**Quorum.** A quorum of shareholders is necessary to have a valid meeting of Cascade Microtech shareholders. A majority of the shares of Cascade Microtech common stock issued and outstanding and entitled to vote on the record date must be present in person or by proxy at the Cascade Microtech special meeting in order for a quorum to be established. Abstentions and broker non-votes count as present for establishing the quorum described above. A broker may not vote on any of the Cascade Microtech proposals without instructions from the beneficial owner of the shares, and without such instructions a broker non-vote will occur.

**Required Vote.** Approval and adoption of the merger agreement, the merger pursuant to merger agreement and the related transactions contemplated by the merger agreement, requires the affirmative vote of holders of at least a majority of the outstanding shares of Cascade Microtech common stock entitled to vote thereon.

Approval of the adjournment of the special meeting requires the affirmative vote of holders of a majority of the shares of Cascade Microtech common stock present at the special meeting, in person or by proxy, whether or not a quorum.

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Approval, on an advisory (non-binding) basis, of the merger-related compensation that will or may be paid to Cascade Microtech's named executive officers in connection with the merger will occur if the votes cast in favor of the proposal exceed the votes cast against it.

***Stock Ownership of and Voting by Cascade Microtech's Directors and Executive Officers.*** At the close of business on the record date for the special meeting, Cascade Microtech's directors and executive officers and their affiliates beneficially owned and had the right to vote an aggregate of 2,120,616 shares of Cascade Microtech common stock at the special meeting, which represents approximately 13.3% of the shares of Cascade Microtech common stock then outstanding and entitled to vote at the special meeting.

It is expected that Cascade Microtech's directors and executive officers will vote their shares **FOR** the adoption of the merger agreement, although none of them has entered into any agreement requiring them to do so.

**What Cascade Microtech's Shareholders Will Receive in the Merger (See Page 95).**

If the merger is consummated, Cascade Microtech's shareholders will be entitled to receive in the merger, for each share of Cascade Microtech common stock that they own, a combination of \$16.00 in cash, without interest (which is referred to in this proxy statement/prospectus as the per share cash consideration), and 0.6534 of a share of FormFactor common stock (which, as adjusted, is referred to in this proxy statement/prospectus as the exchange ratio), in each case subject to adjustment in certain circumstances as described below under the heading "The Merger Agreement Exchange Ratio Adjustment" beginning on page 95 of this proxy statement/prospectus, which together with cash payable in lieu of any fractional shares as described below are collectively referred to in this proxy statement/prospectus as the merger consideration.

FormFactor will not issue any fractional shares of its common stock in the merger. Instead, the total number of shares of FormFactor common stock that each Cascade Microtech shareholder will receive in the merger will be rounded down to the nearest whole number, and each Cascade Microtech shareholder will receive cash, without interest, for any fractional shares of FormFactor common stock that he or she would otherwise receive in the merger. The amount of cash for fractional shares will be calculated by multiplying the fraction of a share of FormFactor common stock that the Cascade Microtech shareholder would otherwise be entitled to receive in the merger by the volume weighted average price for a share of FormFactor common stock on the NASDAQ Global Market for the ten consecutive trading days ending on the trading day immediately preceding the consummation of the merger, which average is referred to in this proxy statement/prospectus as the FormFactor closing VWAP.

*Example: Assuming there has been no adjustment to the exchange ratio, if you currently own 100 shares of Cascade Microtech common stock, you will be entitled to receive \$1,600.00 in cash and 65 shares of FormFactor common stock (plus an amount in cash for the market value of 0.34 of a share of FormFactor common stock at the FormFactor closing VWAP) in exchange for your shares, without interest and less any applicable withholding taxes.*

The exchange ratio, initially set at 0.6534 of a share of FormFactor common stock for each share of Cascade Microtech common stock, and the related per share cash consideration are only subject to adjustment in the circumstances described below and in "The Merger Agreement Exchange Ratio Adjustment" beginning on page 95 of this proxy statement/prospectus. Such adjustments, if any, are not designed to preserve the value of the stock portion of the merger consideration if the market price of FormFactor common stock or Cascade Microtech common stock changes between the signing of the merger agreement and the consummation of the merger. The value of the stock portion of the merger consideration will depend on the market price of FormFactor common stock at the time Cascade Microtech's shareholders receive FormFactor common stock in the merger. Based on the closing stock price of a share of FormFactor common stock of \$6.70 on the NASDAQ Global Market on May 17, 2016, the most recent practicable

date prior to the date of this proxy statement/prospectus, the value of the merger consideration was \$20.38 per share of Cascade Microtech common stock, which includes the value of the stock portion of the merger consideration of \$4.38 per share and the cash portion of the merger consideration of \$16.00 per share of Cascade Microtech common stock.

**The market price of**

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**FormFactor common stock will fluctuate prior to the merger, and, when received by Cascade Microtech's shareholders after the merger is consummated, could be greater, less than or the same as the current market price of FormFactor common stock or the market price at the time of the Cascade Microtech special meeting.**

### **Exchange Ratio Adjustment (See Page 95).**

The exchange ratio, initially set at 0.6534 shares of FormFactor common stock for each share of Cascade Microtech common stock, is subject to adjustment if the number of shares of FormFactor common stock that would be issued to Cascade Microtech common shareholders as part of the merger consideration plus the number of shares that would be subject to assumed equity awards upon consummation of the merger would, in the aggregate, exceed 19.9% of the issued and outstanding shares of FormFactor common stock immediately prior to the consummation of the merger. In such event, the exchange ratio will be reduced to the minimum extent necessary such that the aggregate number of shares issued in the merger or made subject to assumed equity awards using the adjusted exchange ratio would equal 19.9% of the issued and outstanding shares of FormFactor common stock immediately prior to the consummation of the merger. If this adjustment occurs, shareholders of Cascade Microtech common stock will receive an increase in the amount of cash they receive as part of the merger consideration per share equal to the amount by which the exchange ratio is reduced multiplied by the FormFactor closing VWAP. In no event will the exchange ratio be increased above 0.6534 shares of FormFactor common stock, nor will the per share cash consideration be reduced below \$16.00, in connection with an adjustment described in this paragraph. See The Merger Agreement Exchange Ratio Adjustment beginning on page 95 of this proxy statement/prospectus for a discussion of the factors that influence whether there will be an adjustment to the exchange ratio and the degree of any such adjustment, and the impact under certain illustrative scenarios of various changes to those factors.

The exchange ratio and per share cash consideration are also subject to customary adjustments in the event of a recapitalization, stock split or combination, stock dividend or similar change to the capital stock of FormFactor or Cascade Microtech between the date of the merger agreement and the consummation of the merger.

### **Treatment of Equity Awards (See Page 98).**

Upon consummation of the merger:

each option to purchase shares of Cascade Microtech common stock, which is outstanding and vested immediately prior to the consummation of the merger or that vests as a result of the consummation of the merger, will be cancelled and converted into the right to receive an amount in cash, without interest, with respect to each share of Cascade Microtech common stock underlying such option, equal to the excess, if any, of (a) the sum of (i) the per share cash consideration plus (ii) the product of the exchange ratio multiplied by the FormFactor closing VWAP (which sum is referred to in this proxy statement/prospectus as the closing date merger consideration value) over (b) the applicable per share exercise price of such option;

each Cascade Microtech restricted stock unit which is outstanding and vested immediately prior to the consummation of the merger will be cancelled and converted into the right to receive an amount of cash, without interest and with respect to each share of Cascade Microtech common stock underlying such restricted stock unit, equal to the closing date merger consideration value that would be due to each underlying share; and



each option to purchase Cascade Microtech common stock and each Cascade Microtech restricted stock unit which is outstanding and unvested immediately prior to the Merger and that is held by a person who will continue to provide services to the surviving corporation or FormFactor after the consummation of the merger will be assumed by FormFactor on substantially the same terms,

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including the vesting schedule, except that the number of shares of FormFactor common stock subject to such assumed awards and the exercise price of any assumed stock options will be determined pursuant to a formula set forth in the merger agreement intended to preserve the intrinsic value of the original award (see The Merger Agreement Treatment of Cascade Microtech Equity Awards Assumed Options and The Merger Agreement Treatment of Cascade Microtech Equity Awards Assumed RSU beginning on page 99 of this proxy statement/prospectus).

**Recommendation of the Cascade Microtech Board of Directors (See Page 69).**

Cascade Microtech's board of directors unanimously determined that the merger agreement, the merger and the related transactions contemplated by the merger agreement are advisable for, fair to and in the best interests of Cascade Microtech and its shareholders and unanimously approved the merger agreement, the merger and the transactions contemplated thereby. The Cascade Microtech board of directors unanimously recommends that Cascade Microtech's shareholders vote **FOR** approval and adoption of the merger agreement, the merger and the related transactions contemplated by the merger agreement. For a description of factors considered by the Cascade Microtech board of directors in reaching its decision to approve and adopt the merger agreement, the merger pursuant to merger agreement and the related transactions contemplated by the merger agreement, see Proposal I: The Merger Cascade Microtech Reasons for the Merger; Recommendation of Cascade Microtech's Board of Directors beginning on page 69 of this proxy statement/prospectus.

The Cascade Microtech board of directors unanimously recommends that Cascade Microtech's shareholders vote **FOR** the Cascade Microtech proposal to adjourn the special meeting, if necessary to solicit additional proxies if there are not sufficient votes to approve and adopt the merger agreement, the merger pursuant to merger agreement and the related transactions contemplated by the merger agreement at the time of the special meeting. See Proposal II: Adjournment of the Cascade Microtech Special Meeting beginning on page 125 of this proxy statement/prospectus.

The Cascade Microtech board of directors unanimously recommends that Cascade Microtech shareholders vote **FOR** the proposal to approve, on an advisory (non-binding) basis, the named executive officer merger-related compensation payments that will or may be paid by Cascade Microtech to its named executive officers in connection with the merger. See Proposal III: Advisory Vote On Named Executive Officer Merger-Related Compensation beginning on page 126 of this proxy statement/prospectus.

**Opinion of Cascade Microtech's Financial Advisor (See Page 77).**

On February 3, 2016, Stifel, Nicolaus & Company, Incorporated, which is referred to in this proxy statement/prospectus as Stifel, Cascade Microtech's financial advisor, rendered an opinion to Cascade Microtech's board of directors that, based upon and subject to the procedures followed, assumptions made, qualifications, and limitations on the review undertaken and other matters contained in such opinion, the merger consideration of (i) \$16.00 in cash, and (ii) 0.6534 shares of FormFactor's common stock, subject to adjustment and on terms and conditions more fully set forth in the merger agreement, to be received by Cascade Microtech's shareholders in the merger pursuant to the terms of the merger agreement was fair, from a financial point of view, to such holders of Cascade Microtech common stock, as of such date. **The full text of Stifel's written opinion is attached as Annex B to this proxy statement/prospectus. You should read the entire opinion for a discussion of, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Stifel in rendering its opinion. Stifel provided its opinion to Cascade Microtech's board of directors (in its capacity as such) for the information and assistance of Cascade Microtech's board of directors in connection with its consideration of the financial terms of the merger. Stifel's opinion does not constitute a recommendation to Cascade Microtech's board of directors as to how the board should vote on the merger agreement, the merger or the related transactions contemplated by the merger agreement or to any shareholder of Cascade**

**Microtech as to how any such**

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shareholder should vote at Cascade Microtech's special meeting of shareholders or any other shareholders meeting at which the merger is considered. In addition, Stifel's opinion does not compare the relative merits of the merger with any other alternative transactions or business strategies which may have been available to Cascade Microtech and does not address the underlying business decision of Cascade Microtech's board of directors or Cascade Microtech to proceed with or effect the merger. See **Proposal I: The Merger Opinion of Cascade Microtech's Financial Advisor** beginning on page 77 for additional information.

**Ownership of FormFactor After the Merger (See Page 61).**

Based on the number of shares of Cascade Microtech common stock outstanding as of May 17, 2016, FormFactor expects to issue approximately 10,438,799 shares of its common stock to Cascade Microtech's shareholders pursuant to the merger. The actual number of shares of FormFactor common stock to be issued and reserved for issuance pursuant to the merger will be determined at the consummation of the merger based on the exchange ratio of 0.6534, subject to adjustment in certain circumstances as described below under the heading **The Merger Agreement Exchange Ratio Adjustment** beginning on page 95 of this proxy statement/prospectus, and the number of shares of Cascade Microtech common stock outstanding at such time. Immediately after consummation of the merger, it is expected that former Cascade Microtech's shareholders will own approximately 14.9% of the outstanding FormFactor common stock, based on the number of shares of Cascade Microtech and FormFactor common stock outstanding, as of May 17, 2016.

**FormFactor Shareholder Approval Is Not Required.**

FormFactor shareholders are not required to approve and adopt the merger agreement, the merger pursuant to merger agreement or the related transactions contemplated by the merger agreement or approve the issuance of the shares of FormFactor common stock in connection with the merger.

**Interests of Certain Persons in the Merger (See Page 120).**

In considering the recommendation of the Cascade Microtech board of directors with respect to the merger agreement, Cascade Microtech's shareholders should be aware that Cascade Microtech's directors and executive officers have interests in the merger that may be different from, or in addition to, Cascade Microtech's shareholders generally. The Cascade Microtech board of directors was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and in recommending to Cascade Microtech's shareholders that the merger agreement be approved.

These interests and arrangements include:

each executive officer, and one director, of Cascade Microtech currently holds equity awards relating to shares of Cascade Microtech common stock and will receive payment for such equity awards that are vested immediately prior to the merger (or that vest as a result of the consummation of the merger), as described below under the headings **Proposal I: The Merger Interests of Certain Persons in the Merger** and **The Merger Agreement Treatment of Cascade Microtech Equity Awards** beginning on pages 120 and 98, respectively, of this proxy statement/prospectus; and

cash payments to the executive officers of Cascade Microtech pursuant to short-term cash incentive and retention awards that will be payable in connection with the consummation of the merger;

restrictive covenants to which each executive officer is subject, which will survive the consummation of the merger; and

rights to continuing indemnification, exculpation and directors and officers liability insurance.

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**Listing of FormFactor Common Stock and Delisting and Deregistration of Cascade Microtech Common Stock (See Page 91).**

FormFactor will apply to have the shares of its common stock to be issued in the merger approved for listing on the NASDAQ Global Market, where FormFactor common stock currently is traded. If the merger is consummated, Cascade Microtech shares will no longer be listed on the NASDAQ Global Market, and will be deregistered under the Securities Exchange Act of 1934, as amended, which is referred to in this proxy statement/prospectus as the Exchange Act.

**No Dissenters or Appraisal Rights (See Page 89)**

Under Oregon law, Cascade Microtech shareholders are not entitled to dissenters or appraisal rights in connection with any matters to be considered at the Cascade Microtech special meeting. See Proposal I: The Merger No Dissenters or Appraisal Rights beginning on page 89 of this proxy statement/prospectus.

**Consummation of the Merger Is Subject to Certain Conditions (See Page 100).**

The obligations of each of FormFactor, Cascade Microtech and Merger Sub to consummate the merger is subject to the satisfaction (or, to the extent permitted by applicable law, waiver) of a number of conditions, including the following:

adoption of the merger agreement by holders of a majority of the outstanding shares of Cascade Microtech common stock;

absence of any applicable law or governmental injunction being in effect that prohibits consummation of the merger;

the expiration or termination of any applicable waiting period relating to the merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder, which is referred to in this proxy statement/prospectus as the HSR Act, relating to the merger (which waiting period expired on March 21, 2016);

effectiveness of, and absence of any stop order with respect to, the registration statement on Form S-4 of which this proxy statement/prospectus forms a part; and

approval for the listing on the NASDAQ Global Market of the shares of FormFactor common stock to be issued in the merger.

In addition, the obligations of FormFactor and Merger Sub to consummate the merger are subject to the satisfaction (or, to the extent permitted by applicable law, waiver) of the following conditions:

performance in all material respects by Cascade Microtech of all of its obligations under the merger agreement required to be performed by it at or prior to the effective time of the merger;

the truth and accuracy of the representations and warranties of Cascade Microtech made in the merger agreement, subject to certain materiality thresholds;

FormFactor's receipt of a certificate of an executive officer of Cascade Microtech certifying as to the two preceding bullets;

no restraining order, preliminary or permanent injunction or other similar order by any governmental authority being in effect and no action or proceeding by any governmental authority being instituted or pending, in any such case:

prohibiting, challenging or seeking to make illegal or otherwise directly or indirectly seeking to restrain or prohibit the consummation of the merger;

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seeking to restrain or prohibit FormFactor's ability effectively to exercise full rights of ownership of the stock of the surviving corporation following the consummation of the merger;

seeking to restrain or prohibit FormFactor's ownership or operation of any material portion of the business or assets of FormFactor and its subsidiaries, taken as a whole, or of Cascade Microtech and its subsidiaries, taken as a whole; or

seeking to compel FormFactor or any of its subsidiaries or affiliates to dispose of or hold separate all or any material portion of the business or assets of FormFactor and its subsidiaries, taken as a whole, or of Cascade Microtech and its subsidiaries, taken as a whole; and

no company material adverse effect having occurred. (See The Merger Agreement Definition of Company Material Adverse Effect beginning on page 102 of this proxy statement/prospectus for a definition of company material adverse effect ).

In addition, the obligations of Cascade Microtech to consummate the merger are subject to the satisfaction (or, to the extent permitted by applicable law, waiver) of the following conditions:

performance in all material respects by each of FormFactor and Merger Sub of all of their obligations under the merger agreement required to be performed by them at or prior to the effective time of the merger;

the truth and accuracy of the representations and warranties of FormFactor and Merger Sub made in the merger agreement, subject to certain materiality thresholds;

Cascade Microtech's receipt of a certificate of an executive officer of FormFactor certifying as to the two preceding bullets; and

no parent material adverse effect having occurred. (See The Merger Agreement Definition of Parent Material Adverse Effect beginning on page 103 of this proxy statement/prospectus for a definition of parent material adverse effect ).

FormFactor and Cascade Microtech cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be consummated.

**The Merger May Not Be Consummated Without All Required Regulatory Approvals (See Page 88).**

As mentioned above, consummation of the merger is conditioned upon the expiration or early termination of the waiting period relating to the merger under the HSR Act. FormFactor and Cascade Microtech each filed its required HSR notification and report form with respect to the merger on February 18, 2016. The waiting period relating to the merger under the HSR Act expired on March 21, 2016. FormFactor and Cascade Microtech have agreed to use their respective reasonable best efforts to take all actions required to consummate the merger, including effecting all necessary filings, notices, petitions and other documents and obtaining and maintaining all approvals, consents,



authorizations and other confirmations required to be obtained from any governmental authority or other third party, except that neither party is required under the merger agreement to enter into a settlement, consent decree or other agreement with a governmental authority in connection with the merger or divest, hold separate or take any other action with respect to any of its or the surviving corporation's subsidiaries or any portion of their respective affiliate's businesses, assets or properties.

**Financing (See Page 92).**

The merger agreement is not subject to a financing condition. On February 3, 2016, FormFactor entered into a debt commitment letter pursuant to which HSBC Bank USA, National Association, MUFG Union Bank, N.A., Comerica Bank, and Silicon Valley Bank, which are referred to in this proxy statement/prospectus as the lenders,

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have committed to provide a senior secured term loan facility in an aggregate amount of \$150 million, which is referred to in this proxy statement/prospectus as the term loan facility, to finance in part, the cash consideration for the merger, which is referred to in this proxy statement/prospectus as the financing. The lenders' commitment to provide the term loan facility is subject to certain conditions, including, among others, the execution of definitive financing documentation, the consummation of the merger in accordance with the merger agreement substantially simultaneously with the initial funding of the term loan facility, the absence of a company material adverse effect (see The Merger Agreement Definition of Company Material Adverse Effect beginning on page 102 of this proxy statement/prospectus for a definition of company material adverse effect), a minimum liquidity condition, the delivery to the lenders of certain financial statements and forecasts, perfection of security interests and other customary closing conditions as fully set forth in the commitment letter. For a more complete description of FormFactor's debt financing for the merger, see Proposal I: The Merger Description of Debt Financing beginning on page 92 of this proxy statement/prospectus.

**The Merger Is Expected to Occur in Mid-2016 (See Page 95).**

The merger will occur within two business days after the conditions to its completion have been satisfied or, to the extent legally permissible, waived, unless otherwise mutually agreed upon by the parties. As of the date of this proxy statement/prospectus, the merger is expected to occur in mid-2016. However, there can be no assurance as to when, or if, the merger will occur.

**No Solicitation by Cascade Microtech (See Page 106).**

The merger agreement provides that neither Cascade Microtech nor any of its subsidiaries will, and Cascade Microtech and its subsidiaries will not permit or authorize their officers, directors, employees and other representatives to, (i) solicit, initiate or take any action to facilitate or encourage the submission of any competing acquisition proposal from any third party relating to an acquisition of Cascade Microtech (see The Merger Agreement No Solicitation by Cascade Microtech beginning on page 106 of this proxy statement/prospectus for a definition of acquisition proposal), (ii) enter into or participate in any discussions or negotiations regarding any such proposal or furnish any information relating to Cascade Microtech or its subsidiaries to any third party that has made or is seeking to make any such proposal, (iii) fail to make, withdraw or modify in a manner adverse to FormFactor the recommendation of the Cascade Microtech board of directors in favor of the adoption of the merger agreement, recommend for or fail to recommend against any competing acquisition proposal from any third party relating to an acquisition of Cascade Microtech within five business days after such competing acquisition proposal is made public, make any public statement inconsistent with the board recommendation, or publicly propose to do any of the foregoing (any of these activities in this clause (iii) are referred to in this proxy statement/prospectus as an adverse recommendation change), (iv) fail to enforce or grant any waiver or release under a standstill or similar agreement with respect to any equity securities of Cascade Microtech or its subsidiaries, (v) approve any transaction, or any person becoming an interested shareholder under, the Oregon Revised Statutes, Sections 60.825 to 60.845 or cause the Oregon Control Share Act to become applicable to the merger or the transactions contemplated by the merger agreement or (vi) enter into an agreement, letter of intent or similar instrument relating to a competing acquisition proposal. However, the merger agreement provides that, notwithstanding these restrictions and under specified circumstances at any time prior to the adoption of the merger agreement by Cascade Microtech's shareholders:

Cascade Microtech may (i) engage in negotiations or discussions with any third party that has made a superior proposal or a *bona fide* written acquisition proposal that Cascade Microtech's board of directors reasonably believes will lead to a superior proposal (see The Merger Agreement No Solicitation by Cascade

Microtech beginning on page 106 of this proxy statement/prospectus for the definitions of acquisition proposal and superior proposal ), (ii) furnish non-public information to such third party pursuant to a confidentiality agreement containing terms no less favorable to Cascade Microtech than the confidentiality agreement between FormFactor and Cascade Microtech (provided

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that all such information has been or will be provided or made available to FormFactor prior to or substantially concurrently with the time it is provided to any such third party) and (iii) take any nonappealable, final action that any court of competent jurisdiction orders Cascade Microtech to take, in each case only if, after consultation with legal counsel, Cascade Microtech's board of directors determines in good faith that failure to take such action would constitute a breach of its fiduciary duties under Oregon law.

Cascade Microtech's board of directors may make an adverse recommendation change either (i) following receipt of a superior proposal or (ii) in response to a material event, change, effect, development or occurrence not related to a competing acquisition proposal and that was not known or reasonably foreseeable, or the material consequences of which were not known or reasonably foreseeable, to Cascade Microtech's board of directors (assuming reasonable consultation with the executive officers of Cascade Microtech) on the date of the merger agreement, which is referred to in this proxy statement/prospectus as an intervening event, in each case only if, after consultation with legal counsel, Cascade Microtech's board of directors determines in good faith that failure to take such action would constitute a breach of its fiduciary duties to Cascade Microtech's shareholders under Oregon law. However, the Cascade Microtech board of directors may not change its recommendation (or terminate the merger agreement to enter into a superior proposal) unless Cascade Microtech notifies FormFactor of its intention to do so at least five business days prior to taking such action, including with such notice (i) in the case of a change in recommendation following receipt of a superior proposal, the most current version of the proposal and the identity of the third party or (ii) in the case of a change in recommendation following an intervening event, a reasonably detailed description of the reasons for making such change in recommendation, and FormFactor does not, within five business days, make an offer that (x) in the case of a change in recommendation following receipt of a superior proposal, is at least as favorable to Cascade Microtech's shareholders as the superior proposal or (y) in the case of a change in recommendation following an intervening event, obviates the need for such recommendation change.

Prior to taking the actions described in the above bullets Cascade Microtech is required by the merger agreement to deliver a written notice to FormFactor and, after taking such actions, must continue to advise FormFactor on a current basis of the status and material terms of any discussions with a third party or, after a competing acquisition proposal is made, the status and material details of such competing acquisition proposal.

**Termination of the Merger Agreement (See Page 115).**

The merger agreement may be terminated at any time before the consummation of the merger by mutual written consent of FormFactor and Cascade Microtech.

The merger agreement may also be terminated by either FormFactor or Cascade Microtech prior to the consummation of the merger if:

the merger has not been consummated on or before August 4, 2016, subject to extension for up to 90 days as described under "The Merger Agreement Termination of the Merger Agreement" beginning on page 115 of this proxy statement/prospectus, which is referred to in this proxy statement/prospectus as the end date;

there is in effect any applicable law, including any final and non-appealable order of a governmental authority, making consummation of the merger illegal or prohibited or enjoining FormFactor or Cascade

Microtech from consummating the merger; or

Cascade Microtech's shareholders fail to approve and adopt the merger agreement, the merger pursuant to merger agreement and the related transactions contemplated by the merger agreement at the special meeting (or at any adjournment or postponement thereof).

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The merger agreement may also be terminated by FormFactor prior to the consummation of the merger if:

prior to the special meeting, the Cascade Microtech board of directors makes an adverse recommendation change (see The Merger Agreement No Solicitation by Cascade Microtech beginning on page 106 of this proxy statement/prospectus);

at any time after receipt or public announcement of a competing acquisition proposal, the Cascade Microtech board of directors fails to publicly confirm its recommendation in favor of the adoption of the merger agreement within five business days after receipt of a written request to do so from FormFactor;

Cascade Microtech breaches any representation or warranty or fails to perform its obligation under any covenant or agreement in the merger agreement which would cause (i) any of the representations and warranties of Cascade Microtech made in the merger agreement to be incapable of being true and accurate as of the end date as if made on such date (or, in the case of representations and warranties which by their terms address matters only as of another specified time, incapable of being true and accurate as of such time), subject in some cases to certain materiality thresholds or (ii) any such covenants or agreements to be incapable of being performed in all material respects as of the end date; or

Cascade Microtech intentionally and materially breaches its obligation to call and hold a special meeting of its shareholders or its obligation not to solicit competing acquisition proposals or to comply with its obligations to FormFactor with respect to any such proposals.

The merger agreement may also be terminated prior to the consummation of the merger by Cascade Microtech if:

the Cascade Microtech board of directors makes an adverse recommendation change in response to a third party's competing acquisition proposal that it determines constitutes a superior proposal in order to enter into a definitive agreement with respect to such superior proposal, after complying with the notice and other conditions specified in the merger agreement and after payment to FormFactor of the termination fee specified in the merger agreement; or

FormFactor breaches any representation or warranty or fails to perform its obligation under any covenant or agreement in the merger agreement which would cause (i) any of the representations and warranties of FormFactor made in the merger agreement to be incapable of being true and accurate as of the end date as if made on such date (or, in the case of representations and warranties which by their terms address matters only as of another specified time, incapable of being true and accurate as of such time), subject in some cases to certain materiality thresholds or (ii) any such covenants or agreements to be incapable of being performed in all material respects as of the end date.

Under the merger agreement, the making of an adverse recommendation change by the Cascade Microtech board of directors in response to any event other than a superior proposal will not give Cascade Microtech the right to terminate the merger agreement, and, in such case, unless FormFactor terminates the merger agreement or Cascade Microtech has the right to terminate the merger agreement on other grounds, Cascade Microtech would remain obligated to call

and hold a special meeting of its shareholders for purposes of voting on a proposal to approve and adopt the merger agreement, the merger pursuant to merger agreement and the related transactions contemplated by the merger agreement.

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**Termination Fees and Expenses (See Page 117).**

Cascade Microtech has agreed to pay a fee of \$10,830,000 to FormFactor if the merger agreement is terminated:

by FormFactor, if prior to the special meeting of Cascade Microtech's shareholders, the Cascade Microtech board of directors makes an adverse recommendation change (see "The Merger Agreement - No Solicitation by Cascade Microtech" beginning on page 106 of this proxy statement/prospectus);

by FormFactor, if Cascade Microtech intentionally and materially breaches its obligation to call and hold a special meeting of its shareholders or its obligation not to solicit competing acquisition proposals or to comply with its obligations to FormFactor with respect to any such proposals;

by Cascade Microtech, if, after complying with the notice and other conditions specified in the merger agreement and after payment to FormFactor of the termination fee, the Cascade Microtech board of directors makes an adverse recommendation change in response to a third party's competing acquisition proposal that it determines constitutes a superior proposal and the merger agreement is terminated in order to enter into a definitive agreement with respect to such superior proposal; or

by FormFactor or Cascade, in certain circumstances if the merger has not been consummated on or before the end date, a competing acquisition proposal meeting certain requirements has been publicly announced or otherwise communicated to Cascade Microtech's board of directors or shareholders and within 12 months following the date of termination Cascade Microtech enters into a definitive agreement with respect to or recommends to its shareholders the acquisition proposal.

FormFactor has agreed to pay a fee of \$16,245,000 to Cascade Microtech if the merger agreement is terminated by either FormFactor or Cascade Microtech due to the failure of the merger to be consummated prior to the end date and all conditions to closing have been satisfied or waived other than one or more of the "regulatory conditions" relating to the absence of clearance of the merger under the HSR Act (which clearance was obtained through the expiration of the HSR Act waiting period on March 21, 2016) and as defined in "The Merger Agreement - Termination of the Merger Agreement" beginning on page 115 of this proxy statement/prospectus, except in the case where (x) the failure of any of these regulatory conditions was caused by an intentional and material breach by Cascade Microtech of its obligations with respect to such matters or (y) FormFactor has provided Cascade Microtech with a notice of its intention to extend the end date beyond August 4, 2016 and Cascade Microtech fails to provide its written consent accepting the extension by the second business day after receiving the notice. See "The Merger Agreement - Termination of the Merger Agreement" beginning on page 115 of this proxy statement/prospectus. Because the waiting period under the HSR Act relating to the merger expired on March 21, 2016, FormFactor will not be required to pay a termination fee to Cascade Microtech.

If either party pays the termination fee as described above, then, except in the case of fraud, the termination fee will constitute the other party's sole and exclusive remedy against the paying party and its affiliates, other than any injunctive relief otherwise provided for in the merger agreement.

See "The Merger Agreement - Termination Fee and Expenses" beginning on page 117 of this proxy statement/prospectus for a more complete description of the circumstances under which FormFactor or Cascade Microtech will be required



to pay a termination fee.

**Specific Performance; Remedies (See Page 119).**

Under the merger agreement, each of FormFactor and Cascade Microtech is entitled to seek an injunction to prevent breaches of the merger agreement or to enforce specifically the terms and provisions of the merger agreement, in addition to any other remedy to which that party may be entitled to at law or in equity.

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**Material U.S. Federal Income Tax Consequences (See Page 89).**

In general, U.S. Holders (as defined under Proposal I: The Merger Material U.S. Federal Income Tax Consequences ) will recognize capital gain or loss for U.S. federal income tax purposes on the exchange of their Cascade Microtech common stock for shares of FormFactor common stock and cash in an amount equal to the difference, if any, between (i) the sum of the fair market value of the FormFactor common stock on the date of the exchange and the amount of cash received (including cash received in lieu of a fractional share of FormFactor common stock) and (ii) the U.S. Holder's adjusted tax basis in the Cascade Microtech common stock surrendered in the exchange.

**The U.S. federal income tax consequences described above may not apply to all holders of Cascade Microtech common stock, including certain holders specifically referred to on page 89 of this proxy statement/prospectus. Your tax consequences will depend on your own situation. You should consult your tax advisor to determine the particular tax consequences of the merger to you.**

**Accounting Treatment (See Page 91).**

In accordance with accounting principles generally accepted in the United States, which are referred to in this proxy statement/prospectus as GAAP, FormFactor will account for the merger as an acquisition of a business.

**Rights of Cascade Microtech's Shareholders Will Change as a Result of the Merger (See Page 130).**

Cascade Microtech's shareholders will have different rights once they become FormFactor stockholders due to differences in applicable law and differences between the organizational documents of FormFactor and Cascade Microtech. These differences are described in more detail under Comparison of Shareholder Rights beginning on page 130 of this proxy statement/prospectus.

**Litigation Relating to the Merger (See Page 91).**

Two putative class actions have been filed against Cascade Microtech, its directors, FormFactor, and Merger Sub in connection with Cascade Microtech entering into the merger agreement. See Proposal I: The Merger Litigation Relating to the Merger beginning on page 91 of this proxy statement/prospectus.

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF FORMFACTOR**

The following consolidated statement of operations data of FormFactor for each of the years ended December 26, 2015, December 27, 2014 and December 28, 2013 and consolidated balance sheet data of FormFactor as of December 26, 2015 and December 27, 2014 has been derived from FormFactor's audited consolidated financial statements and related notes contained in its Annual Report on Form 10-K for the year ended December 26, 2015, which is incorporated by reference in this proxy statement/prospectus. The consolidated statement of operations data of FormFactor for each of the years ended December 29, 2012 and December 31, 2011 and consolidated balance sheet data of FormFactor as of December 28, 2013, December 29, 2012 and December 31, 2011 have been derived from FormFactor's audited consolidated financial statements for such years, which have not been incorporated in this proxy statement/prospectus by reference. The unaudited consolidated statement of operations data of FormFactor for the three months ended March 26, 2016 and March 28, 2015 and unaudited consolidated balance sheet data as of March 26, 2016 and March 28, 2015 are derived from FormFactor's unaudited condensed consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the quarter ended March 26, 2016, which is incorporated by reference into this proxy statement/prospectus. FormFactor's management believes that its unaudited condensed consolidated financial data have been prepared on a basis consistent with its audited financial statements and include all normal and recurring adjustments necessary for a fair presentation of the results for each interim period. Results for past periods are not necessarily indicative of results that may be expected for fiscal year 2016 or for any other period.

	<b>Three Months Ended</b>		<b>Fiscal</b>	<b>Fiscal</b>	<b>Fiscal</b>	<b>Fiscal</b>	<b>Fiscal</b>
	<b>March 26,</b>	<b>March 28,</b>	<b>2015<sup>(1)(3)</sup></b>	<b>2014<sup>(1)(2)</sup></b>	<b>2013<sup>(1)(2)(4)</sup></b>	<b>2012<sup>(1)(2)(5)(7)</sup></b>	<b>2011<sup>(1)(2)(5)(6)</sup></b>
	<b>2016</b>	<b>2015<sup>(8)</sup></b>					
	<b>(unaudited)</b>		<b>(in thousands, except per share data)</b>				
<b>Consolidated Statements of Operations Data:</b>							
Revenues	\$ 53,611	\$ 70,829	\$ 282,358	\$ 268,530	\$ 231,533	\$ 178,535	\$ 169,325
Gross profit	9,792	22,789	85,738	77,439	42,284	25,331	20,958
Net income (loss)	(13,800)	783	(1,523)	(19,185)	(57,683)	(35,546)	(65,981)
Basic net income (loss) per share	\$ (0.24)	\$ 0.01	\$ (0.03)	\$ (0.34)	\$ (1.06)	\$ (0.70)	\$ (1.31)
Diluted net income (loss) per share	\$ (0.24)	\$ 0.01	\$ (0.03)	\$ (0.34)	\$ (1.06)	\$ (0.70)	\$ (1.31)
<b>Consolidated Balance Sheets Data:</b>							
Cash, cash equivalents and marketable securities	\$ 187,183	\$ 171,653	\$ 187,589	\$ 163,837	\$ 151,091	\$ 165,788	\$ 296,691
Working capital	208,689	206,168	214,437	196,412	173,881	194,125	308,380
Total assets	340,528	341,519	342,723	344,243	340,708	395,682	383,071
Capital leases, net of current portion						340	
Total stockholders equity	\$ 286,211	\$ 295,369	\$ 294,681	\$ 289,436	\$ 294,086	\$ 339,258	\$ 346,652
Number of employees	965	915	958	907	961	1,021	709

- (1) Fiscal 2015, 2014, 2013, 2012 and 2011 net losses include restructuring charges, net of \$0.6 million, \$2.7 million, \$4.7 million, \$2.9 million and \$0.5 million, respectively, relating to FormFactor's global restructuring and reorganization actions. See Note 4 *Restructuring Charges* of the Notes to the Consolidated Financial Statements contained in FormFactor's Annual Report on Form 10-K for the year ended December 26, 2015.

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- (2) Fiscal 2014, 2013, 2012 and 2011 net losses include impairment charges of \$1.2 million, \$0.8 million, \$0.4 million and \$0.5 million, respectively. See Note 6 *Impairment of Long-lived Assets* of the Notes to the Consolidated Financial Statements contained in FormFactor's Annual Report on Form 10-K for the year ended December 26, 2015.
- (3) Fiscal 2015 includes the following: a) a \$1.5 million gain from a business interruption insurance claim relating to a factory fire at a customer. See Note-16, *Business Interruption Insurance Claim Recovery* of the Notes to the Consolidated Financial Statements contained in FormFactor's Annual Report on Form 10-K for the year ended December 26, 2015, and b) a \$1.0 million net gain from the sale of intellectual property. See Note 9-*Commitments and contingencies* of the Notes to Consolidated Financial Statements contained in FormFactor's Annual Report on Form 10-K for the year ended December 26, 2015.
- (4) Fiscal 2013 net loss includes \$0.3 million attributable to loss on sale of a subsidiary.
- (5) Fiscal 2012 includes a \$25.5 million tax benefit from the release of deferred tax asset valuation allowances due to deferred tax liabilities established on the acquired identifiable intangible assets from FormFactor's acquisition of Astria Semiconductor Holdings, Inc., including its subsidiary Micro-Probe Incorporated, which we refer to in this proxy statement/prospectus as the MicroProbe acquisition. Additionally, fiscal 2011 includes a \$2.5 million tax benefit from the release of the deferred tax asset valuation allowance for a non-U.S. jurisdiction.
- (6) Fiscal 2011 includes a \$0.3 million net benefit from collections on amounts previously reserved as bad debts.
- (7) Fiscal 2012 includes the following as a result of the MicroProbe acquisition: \$19.8 million in revenue, \$5.4 million in the amortization of intangibles expense, \$2.6 million release of pre-existing backlog, \$0.2 million charge for step-up depreciation on the fair value of fixed assets, resulting in a \$6.4 million net loss. As part of the MicroProbe acquisition, a patent lawsuit was settled with a benefit of \$3.3 million.
- (8) The three months ended March 28, 2015 includes restructuring charges, net of \$0.5 million relating to the modification of an equity-based award. See Note 4 *Restructuring Charges* of the Notes to the Condensed Consolidated Financial Statements (Unaudited) contained in FormFactor's Quarterly Report on Form 10-Q for the quarterly period ended March 26, 2016.

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF CASCADE MICROTECH**

The following consolidated statement of operations data of Cascade Microtech for each of the years ended December 31, 2015, 2014 and 2013 and consolidated balance sheet data of Cascade Microtech as of December 31, 2015 and 2014 has been derived from Cascade Microtech's audited consolidated financial statements and related notes contained in its Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference in this proxy statement/prospectus. The consolidated statement of operations data of Cascade Microtech for each of the years ended December 31, 2012 and 2011 and consolidated balance sheet data of Cascade Microtech as of December 31, 2013, 2012 and 2011 have been derived from Cascade Microtech's audited consolidated financial statements for such years, which have not been incorporated in this proxy statement/prospectus by reference. The unaudited consolidated statement of operations data of Cascade Microtech for the three months ended, March 31, 2016 and 2015 and unaudited consolidated balance sheet data as of March 31, 2016 and 2015, are derived from Cascade Microtech's unaudited condensed consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, which is incorporated by reference into this proxy statement/prospectus. Cascade Microtech's management believes that its unaudited condensed consolidated financial data have been prepared on a basis consistent with its audited financial statements and include all normal and recurring adjustments necessary for a fair presentation of the results for each interim period. Results for past periods are not necessarily indicative of results that may be expected for fiscal year 2016 or for any other period.

(In thousands, except per share amounts)	Three Months Ended		For the Year Ended December 31,				
	March 31, 2016 <sup>(6)</sup>	2015 <sup>(7)</sup>	2015 <sup>(1)</sup>	2014 <sup>(1)(2)</sup>	2013 <sup>(1)(3)(4)</sup>	2012	2011 <sup>(5)</sup>
<b>Statement of Operations Data</b>							
Revenue	\$ 34,803	\$ 31,742	\$ 143,978	\$ 136,022	\$ 120,010	\$ 112,963	\$ 104,610
Cost of sales	14,122	14,720	63,892	65,708	65,286	63,012	63,194
Gross profit	20,681	17,022	80,086	70,314	54,724	49,951	41,416
Operating expenses:							
Research and development	5,144	3,676	16,965	13,821	10,961	11,017	11,807
Selling, general and administrative	12,660	10,547	45,230	43,209	36,430	31,377	33,799
Total operating expenses	17,804	14,223	62,195	57,030	47,391	42,394	45,606
Income (loss) from operations	2,877	2,799	17,891	13,284	7,333	7,557	(4,190)
Other income (expense), net	(76)	217	(1)	(620)	(252)	(749)	572
Income (loss) from continuing operations before income taxes	2,801	3,016	17,890	12,664	7,081	6,808	(3,618)
Provision for (benefit from) income taxes	809	843	5,540	2,734	(6,337)	709	180
Income (loss) from continuing operations	1,992	2,173	12,350	9,930	13,418	6,099	(3,798)
Loss from discontinued operations, net of tax							(2,004)
Net income (loss)	\$ 1,992	\$ 2,173	\$ 12,350	\$ 9,930	\$ 13,418	\$ 6,099	\$ (5,802)

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Basic income (loss) per share from continuing operations	\$	\$	\$ 0.75	\$ 0.61	\$ 0.91	\$ 0.43	\$ (0.26)
Basic loss per share from discontinued operations							(0.14)
Basic net income (loss) per share	\$ 0.13	\$ 0.13	\$ 0.75	\$ 0.61	\$ 0.91	\$ 0.43	\$ (0.40)
Diluted income (loss) per share from continuing operations	\$ 0.12	\$ 0.13	\$ 0.73	\$ 0.59	\$ 0.89	\$ 0.42	\$ (0.26)
Diluted loss per share from discontinued operations							(0.14)
Diluted net income (loss) per share	\$ 0.12	\$ 0.13	\$ 0.73	\$ 0.59	\$ 0.89	\$ 0.42	\$ (0.40)
Shares used in basic per share calculations	15,893	16,523	16,396	16,323	14,792	14,182	14,583
Shares used in diluted per share calculations	16,516	17,037	16,957	16,828	15,150	14,390	14,583

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Balance Sheet Data	March 31,		December 31,				
	2016 (Unaudited)	2015 (Unaudited)	2015	2014	2013	2012	2011
Cash and cash equivalents, short-term marketable securities and restricted cash	\$ 38,476	\$ 40,987	\$ 35,775	\$ 39,794	\$ 22,532	\$ 24,318	\$ 14,782
Working capital	76,461	76,066	74,378	70,573	59,708	56,119	47,063
Total assets	135,473	128,278	132,311	130,976	118,511	85,280	83,064
Long-term liabilities	3,894	1,920	3,976	4,435	2,667	3,296	4,473
Shareholders equity	112,924	107,920	109,396	107,461	97,201	65,918	59,297

- (1) Fiscal 2015, 2014 and 2013 operating income includes restructuring charges of \$0.3 million, \$1.2 million and \$0.2 million, respectively.
- (2) Fiscal 2014 operating income includes credits related to 2013 acquisitions of \$0.6 million.
- (3) Fiscal 2013 operating income includes acquisition-related costs of \$1.4 million.
- (4) Fiscal 2013 benefit for income taxes is related to a release of the valuation allowance against deferred tax assets.
- (5) Fiscal 2011 loss from operations includes restructuring charges of \$3.4 million, and factory relocation-related costs of \$1.2 million.
- (6) First quarter 2016 operating income includes acquisition-related costs of \$1.5 million.
- (7) First quarter 2015 operating income includes restructuring charges of \$0.1 million.



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**Table of Contents****COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA**

The following table sets forth selected historical and unaudited pro forma combined per share information for FormFactor and Cascade Microtech.

***Historical Per Share Information of FormFactor and Cascade Microtech.*** The historical per share information of each of FormFactor and Cascade Microtech below is derived from the audited consolidated financial statements of FormFactor as of and for the year ended, December 26, 2015 and Cascade Microtech as of and for the year ended, December 31, 2015 and the unaudited condensed consolidated financial statements of FormFactor as of and for the three months ended March 26, 2016 and Cascade Microtech as of and for the three months ended March 31, 2016.

***Unaudited Pro Forma Combined FormFactor Common Share Data.*** The unaudited pro forma combined FormFactor common share data set forth below gives effect to the merger under the acquisition method of accounting, as if the merger had been effective on December 28, 2014, the first day of FormFactor's fiscal year ended December 26, 2015, in the case of income (loss) from operations and cash dividends data and at March 26, 2016, in the case of book value per share data, and assuming that each outstanding share of Cascade Microtech common stock had been converted into shares of FormFactor common stock based on the exchange ratio (0.6534 of a share of FormFactor common stock for each share of Cascade Microtech common stock, assuming no adjustments). The exchange ratio does not include the cash portion of the merger consideration.

The unaudited pro forma combined FormFactor common share data is derived from the audited consolidated financial statements of FormFactor as of and for the year ended, December 26, 2015 and Cascade Microtech as of and for the year ended December 31, 2015 and the unaudited condensed consolidated financial statements of FormFactor as of and for the three months ended March 26, 2016 and Cascade Microtech as of and for the three months ended March 31, 2016.

The acquisition method of accounting is based on Financial Accounting Standards Board, Accounting Standards Codification (which is referred to in this proxy statement/prospectus as ASC) 805, *Business Combinations*, and uses the fair value concepts defined in ASC 820, *Fair Value Measurements and Disclosures*, which FormFactor has adopted as required. Acquisition accounting requires, among other things, that most assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date. The acquisition accounting is dependent upon certain valuations of Cascade Microtech's assets and liabilities and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measurement. Accordingly, the pro forma adjustments reflect the assets and liabilities of Cascade Microtech at their preliminary estimated fair values. Differences between these preliminary estimates and the final acquisition accounting will occur, and these differences could have a material impact on the unaudited pro forma combined per share information set forth in the following table.

The unaudited pro forma condensed combined financial information has been presented for informational purposes only. The unaudited pro forma combined FormFactor common share data does not purport to represent the actual results of operations that FormFactor would have achieved had the companies been combined during the given period or to project the future results of operations that FormFactor may achieve after the merger. The unaudited pro forma condensed combined financial information does not reflect the realization of any cost savings following consummation of the merger and also does not reflect any related restructuring and integration charges to achieve those cost savings.

***Unaudited Pro Forma Combined Cascade Microtech Equivalent Share Data.*** The unaudited pro forma combined Cascade Microtech equivalent share data set forth below shows the effect of the merger from the



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perspective of an owner of Cascade Microtech common stock. The information was calculated by multiplying the unaudited pro forma combined FormFactor common share amounts by the exchange ratio of 0.6534 (assuming no adjustments).

You should read the below information in conjunction with the selected historical consolidated financial information included elsewhere in this proxy statement/prospectus and the historical consolidated financial statements of FormFactor and Cascade Microtech and related notes that have been filed with the SEC certain of which are incorporated by reference into this proxy statement/prospectus. See Selected Historical Consolidated Financial Data of FormFactor, Selected Historical Consolidated Financial Data of Cascade Microtech and Where You Can Find More Information beginning on pages 21, 23 and 136, respectively, of this proxy statement/prospectus. The unaudited pro forma combined FormFactor common share data and the unaudited pro forma combined Cascade Microtech equivalent share data is derived from, and should be read in conjunction with, the FormFactor and Cascade Microtech unaudited pro forma condensed combined financial statements and related notes included in this proxy statement/prospectus. See Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 29 of this proxy statement/prospectus.

	<b>As of/For the First Quarter of Fiscal 2016 (Unaudited)</b>	<b>2015</b>	<b>Fiscal 2014</b>	<b>2013</b>
<b>FormFactor Historical Per Common Share Data:</b>				
Net income (loss)	\$ (0.24)	\$ (0.03)	\$ (0.34)	\$ (1.06)
Net income (loss) assuming dilution	\$ (0.24)	\$ (0.03)	\$ (0.34)	\$ (1.06)
Cash dividends				
Book value	\$ 4.90	\$ 5.09	\$ 5.18	\$ 5.43
<b>Pro Forma Combined Per FormFactor Common Share Data:</b>				
Net income (loss)	\$ (0.22)	\$ (0.21)	\$ (0.55)	\$ (1.31)
Net income (loss) assuming dilution	\$ (0.22)	\$ (0.21)	\$ (0.55)	\$ (1.31)
Cash dividends				
Book value	\$ 5.95	\$ 6.14	\$ 6.24	\$ 6.57
<b>Cascade Microtech Historical Per Common Share Data:</b>				
Net income (loss)	\$ 0.13	\$ 0.75	\$ 0.61	\$ 0.91
Net income (loss) assuming dilution	\$ 0.12	\$ 0.73	\$ 0.59	\$ 0.89
Cash dividends				
Book value	\$ 7.11	\$ 6.67	\$ 6.58	\$ 6.57
<b>Pro Forma Combined Per Cascade Microtech Equivalent Common Share Data:</b>				
Net income (loss)	\$ (0.15)	\$ (0.14)	\$ (0.36)	\$ (0.85)
Net income (loss) assuming dilution	\$ (0.15)	\$ (0.14)	\$ (0.36)	\$ (0.85)
Cash dividends				
Book value	\$ 3.89	\$ 4.02	\$ 4.08	\$ 4.30



**Table of Contents****COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION****Market Prices**

The following table sets forth, for the fiscal periods indicated, the high and low sales prices per share for FormFactor common stock and Cascade Microtech common stock as reported on the NASDAQ Global Market, which is the principal trading market for both FormFactor common stock, which is listed under the symbol FORM, and Cascade Microtech common stock, which is listed under the symbol CSCD.

	FormFactor Common Stock		Cascade Microtech Common Stock	
	High	Low	High	Low
<b>2013:</b>				
First Fiscal Quarter	\$ 5.15	4.56	\$ 8.00	\$ 5.62
Second Fiscal Quarter	6.96	4.39	7.20	6.26
Third Fiscal Quarter	7.66	6.00	9.18	6.50
Fourth Fiscal Quarter	6.86	5.00	11.20	8.88
<b>2014:</b>				
First Fiscal Quarter	\$ 7.19	\$ 6.01	\$ 11.39	\$ 8.71
Second Fiscal Quarter	8.09	5.41	13.95	9.00
Third Fiscal Quarter	8.41	6.61	13.91	9.77
Fourth Fiscal Quarter	8.93	6.18	14.89	9.37
<b>2015:</b>				
First Fiscal Quarter	\$ 10.26	\$ 7.55	\$ 14.79	\$ 12.12
Second Fiscal Quarter	9.51	7.97	16.38	12.98
Third Fiscal Quarter	9.20	5.93	16.09	12.27
Fourth Fiscal Quarter	9.13	6.49	17.09	13.60
<b>2016:</b>				
First Fiscal Quarter	\$9.37	\$6.15	\$21.19	\$14.06
Second Fiscal Quarter (through May 17, 2016)	\$8.52	\$6.67	\$21.47	\$19.20

The following table sets forth the closing sale price per share of FormFactor and Cascade Microtech common stock as reported on the NASDAQ Global Market as of February 3, 2016, the last trading day before the public announcement of the merger agreement, and as of May 17, 2016, the most recent practicable trading day prior to the date of this proxy statement/prospectus. The table also shows the implied value of the merger consideration proposed for each share of Cascade Microtech common stock as of the same two dates. This implied value was calculated by multiplying the closing sale price of FormFactor common stock on the relevant date by the exchange ratio of 0.6534 (assuming no adjustments) and adding the cash portion of the merger consideration, or \$16.00 (assuming no adjustments).

FormFactor Common Stock	Cascade Microtech Common Stock	Implied Per Share Value
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			<b>of Merger Consideration</b>
February 3, 2016	\$ 7.85	\$ 15.28	\$ 21.13
May 17, 2016	\$ 6.70	\$ 20.24	\$ 20.38

The market prices of FormFactor and Cascade Microtech common stock may fluctuate between the date of this proxy statement/prospectus and the consummation of the merger. No assurance can be given concerning the market prices of FormFactor or Cascade Microtech common stock before the consummation of the merger or

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FormFactor common stock after the consummation of the merger. Because the exchange ratio is only subject to adjustment in circumstances which are not designed to preserve the value of the stock portion of the merger consideration if the market price of FormFactor common stock or Cascade Microtech common stock changes between the signing of the merger agreement and the completion of the merger, the market value of the FormFactor common stock that Cascade Microtech's shareholders will receive in connection with the merger may vary significantly from the prices shown in the table above. See Unaudited Pro Forma Condensed Combined Financial Statements Note 2. Estimated Cascade Microtech Purchase Consideration and Preliminary Purchase Price Allocation beginning on page 36 of this proxy statement/prospectus and The Merger Agreement Exchange Ratio Adjustment beginning on page 95 of this proxy statement/prospectus. Accordingly, Cascade Microtech's shareholders are advised to obtain current market quotations for FormFactor and Cascade Microtech common stock in deciding whether to vote for adoption of the merger agreement.

## **Dividends**

Neither FormFactor nor Cascade Microtech have ever declared or paid cash dividends on its common stock and each expects to retain all available funds and any future earnings for use in the operation and development of its respective business. Accordingly, neither FormFactor nor Cascade Microtech anticipate declaring or paying cash dividends on its common stock in the foreseeable future.

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**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

**Introduction**

The following unaudited pro forma condensed combined financial information is presented to illustrate the estimated effects of the pending merger of Merger Sub with and into Cascade Microtech, with Cascade Microtech continuing as the surviving corporation and as a wholly owned subsidiary of FormFactor and the related financing transactions, which were announced on February 4, 2016.

The merger has not yet closed. Under the terms of the merger agreement, FormFactor is offering to acquire each outstanding share of common stock of Cascade Microtech common stock (other than any shares held by any subsidiary of Cascade Microtech or FormFactor, which will be converted into shares of the surviving corporation) in exchange for \$16.00 in cash and 0.6534 of a share of FormFactor common stock, which is referred to in this proxy statement/prospectus as the merger consideration.

**Pro Forma Information**

The unaudited pro forma condensed combined statements of operations for the three months ended March 26, 2016 and year ended December 26, 2015 combine the historical consolidated statements of operations of FormFactor for the quarter ended March 26, 2016 and for the fiscal year ended December 26, 2015 respectively, and Cascade Microtech for the quarter ended March 31, 2016 and for the fiscal year ended December 31, 2015. The unaudited pro forma condensed combined balance sheet as of March 26, 2016 combines the historical consolidated balance sheet of FormFactor as of March 26, 2016 with Cascade Microtech as of March 31, 2016, giving effect to the merger as if it had occurred on March 26, 2016. The historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial information to give effect to pro forma events that are (i) directly attributable to the merger, (ii) factually supportable and (iii) with respect to the statements of operations, expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial information has been prepared by FormFactor using the acquisition method of accounting in accordance with GAAP.

The unaudited pro forma condensed combined financial information should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined financial information. In addition, the unaudited pro forma condensed combined financial information is based on and should be read in conjunction with the following historical consolidated financial statements and accompanying notes, which are incorporated by reference in this proxy statement/prospectus:

separate historical financial statements of FormFactor as of and for the three months ended March 26, 2016 and as of and for the year ended December 26, 2015, and the related notes included in FormFactor's Quarterly Report for the quarter ended March 26, 2016 on Form 10-Q, and the related notes included in FormFactor's Annual Report for the year ended December 26, 2015 on Form 10-K and

separate historical financial statements of Cascade Microtech's as of and for the three months ended March 31, 2016 and as of and for the year ended December 31, 2015, and the related notes included in Cascade Microtech's Quarterly Report for the quarter ended March 31, 2016 on Form 10-Q, and the related notes included in Cascade Microtech's Annual Report for the year ended December 31, 2015 on Form 10-K.





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The unaudited pro forma condensed combined financial information reflects the estimated aggregate consideration of approximately \$350.8 million for the acquisition, as calculated below (in thousands, except number of shares and price per share):

Number of shares of Cascade Microtech common stock issued and outstanding as of May 2, 2016	15,949,492
Multiplied by exchange ratio per the merger agreement	0.6534
Number of shares of FormFactor common stock to be issued*	10,421,398
Multiplied by price of FormFactor common stock*	\$ 7.33
Fair value of shares of common stock to be issued to Cascade Microtech stockholders	\$ 76,389
Cash consideration to be paid to Cascade Microtech shareholders and equity award holders	\$ 269,737
Estimated replacement equity awards attributable to pre-acquisition service	\$ 4,714
Estimated merger consideration	\$ 350,840

\* The estimated merger consideration has been determined based on the closing price of FormFactor common stock on May 2, 2016. Pursuant to business combination accounting rules, the final consideration will be based on the number of shares of Cascade Microtech common stock outstanding and the price of FormFactor common stock as of the closing date. The exchange ratio and cash consideration to be paid to Cascade Microtech shareholders and equity award holders assumes no adjustment to the exchange ratio. See the Merger Agreement Exchange Ratio Adjustment beginning as page 95 of this proxy statement/prospectus.

In accordance with the acquisition method of accounting, the actual consolidated financial statements of FormFactor will reflect the Cascade Microtech acquisition only from and after the date of the completion of the acquisition. FormFactor has performed a preliminary valuation analysis of the fair value of Cascade Microtech's assets to be acquired and liabilities to be assumed. The assets and liabilities of Cascade Microtech have been measured based on various preliminary estimates using assumptions that FormFactor believes are reasonable based on information that is currently available. Differences between these preliminary estimates and the final acquisition accounting will occur, and those differences could have a material impact on the accompanying unaudited pro forma condensed combined financial information and the combined company's future results of operations and financial position. The pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial statements prepared in accordance with the rules and regulations of the SEC.

FormFactor intends to commence the necessary valuation and other studies required to complete the acquisition accounting promptly upon consummation of the merger and will finalize the acquisition accounting as soon as practicable within the required measurement period in accordance with Accounting Standards Codification (ASC) Topic 805, but in no event later than one year following consummation of the merger.

The unaudited pro forma condensed combined financial information has been presented for informational purposes only. The unaudited pro forma condensed combined financial information does not purport to represent the actual results of operations that FormFactor and Cascade Microtech would have achieved had the companies been combined during these periods and is not intended to project the future results of operations that the combined company may achieve after the merger. The unaudited pro forma condensed combined financial information does not reflect the realization of any cost savings following consummation of the merger and also does not reflect any related restructuring and integration charges to achieve those cost savings.

Table of Contents**Unaudited Pro Forma Condensed Combined Balance Sheet**

As of March 26, 2016

(in thousands)

	Historical As of 3/26/2016	As of 3/31/2016	Financing, Tax and Other Adjustments	Pro Forma Adjustments	As of 3/26/2016 Pro Forma Consolidated
	FormFactor	Cascade Reclassification Microtech	Adjustments (Note 1)		
<b>Current assets</b>					
Cash and cash equivalents	\$ 151,913	\$ 34,905	\$	\$ 145,950 (a)	\$ (275,438)(a)
Marketable securities	35,270	3,560			38,830
Restricted cash		11	(11)		
Accounts receivable, net	35,743	25,392			61,135
Inventories, net	30,993	25,402		3,988 (b)	60,383
Prepaid expenses and other current assets	4,417	5,846	11		10,274
<b>Total current assets</b>	<b>258,336</b>	<b>95,116</b>		<b>145,950</b>	<b>(271,450)</b>
Restricted cash	435				435
Property and equipment, net	23,707	13,326		3,383 (c)	40,416
Goodwill	30,731	12,069		145,817 (d)	188,617
Intangibles, net	22,823	8,920		144,803 (e)	176,546
Deferred tax assets	3,339	5,345		(5,070)(f)	3,614
Other assets	1,157	697			1,854
<b>TOTAL ASSETS</b>	<b>340,528</b>	<b>135,473</b>		<b>145,950</b>	<b>17,483</b>
<b>Current liabilities</b>					
Accounts payable	28,611	7,480			36,091
Accrued liabilities	17,477	8,418		906 (g)	26,801
Income taxes payable	153			684 (f)	837
Deferred revenue	3,406	2,757		(983)(h)	5,180
Current portion of long-term debt				7,425 (i)	7,425
<b>Total current liabilities</b>	<b>49,647</b>	<b>18,655</b>		<b>7,425</b>	<b>607</b>
Long-term debt				142,200 (i)	142,200
Deferred revenue		519	(519)		
	1,026				1,026

Long-term income taxes payable					
Deferred tax liabilities		1,920		(45,978)(f)	49,737 (f)
Deferred rent and other liabilities	3,644	1,455	519		(1,040)(j)
<b>TOTAL LIABILITIES</b>	<b>54,317</b>	<b>22,549</b>		<b>103,647</b>	<b>49,304</b>
229,817					
Commitments and contingencies					
Stockholders' equity:					
Preferred stock					
Common stock	59	159		(148)(k)	70
Additional paid-in capital	723,592	103,616		(22,524)(l)	804,684
Accumulated other comprehensive loss	(1,581)	(4,136)		4,136(m)	(1,581)
Retained earnings (accumulated deficit)	(435,859)	13,285		42,303 (n)	(13,285)(n)
(393,556)					
<b>Total stockholders' equity</b>	<b>286,211</b>	<b>112,924</b>		<b>42,303</b>	<b>(31,821)</b>
409,617					
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>\$ 340,528</b>	<b>\$ 135,473</b>	<b>\$</b>	<b>\$ 145,950</b>	<b>\$ 17,483</b>
\$ 639,434					

**Table of Contents****Unaudited Pro Forma Condensed Combined Statement of Operations****For the three months ended March 26, 2016****(in thousands, except per share amounts)**

	<b>Historical</b>					
	<b>Three Months</b>	<b>Three Months</b>				
	<b>Ended</b>	<b>Ended</b>				
	<b>3/26/2016</b>	<b>3/31/2016</b>				
	<b>FormFactor</b>	<b>Cascade</b>	<b>Reclassification</b>	<b>Financing</b>	<b>Pro</b>	<b>Pro</b>
		<b>Microtech</b>	<b>Adjustments</b>	<b>Adjustments</b>	<b>Forma</b>	<b>Forma</b>
			<b>(Note 1)</b>		<b>Adjustments</b>	<b>Consolidated</b>
Revenues	\$ 53,611	\$ 34,803	\$	\$	\$	\$ 88,414
Cost of revenues	43,819	14,122	412		5,113 (o)	63,466
Gross profit	9,792	20,681	(412)		(5,113)	24,948
Research and development	10,849	5,144			(128)(p)	15,865
Selling, general and administrative	12,516	12,660	(412)	(2,127)(q)	(579)(q)	22,058
Restructuring charges, net						
Impairment of long-lived assets						
Total operating expenses	23,365	17,804	(412)	(2,127)	(707)	37,923
Operating income (loss)	(13,573)	2,877		2,127	(4,406)	(12,975)
Interest income (expense), net	117	11		(938)(r)	(36)(r)	(846)
Other income (expense), net	(314)	(87)				(401)
Income (loss) before income taxes	(13,770)	2,801		1,189	(4,442)	(14,222)
Benefit (expense) from income taxes	(30)	(809)			(404)(s)	(1,243)
Net income (loss)	\$ (13,800)	\$ 1,992	\$	\$ 1,189	\$ (4,846)	\$ (15,465)
Per share information:						
Income (loss) from continuing operations - Basic/diluted	\$ (0.24)					\$ (0.22)

Weighted average shares  
outstanding:

Basic/diluted	58,431	68,852(t)
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Table of Contents**Unaudited Pro Forma Condensed Combined Statement of Operations****For the year ended December 26, 2015****(in thousands, except per share amounts)**

	<b>Historical</b>					<b>Fiscal</b>
	<b>Fiscal</b>	<b>Fiscal Year</b>				<b>Year</b>
	<b>Ended</b>	<b>Ended</b>				<b>Ended</b>
	<b>12/26/2015</b>	<b>12/31/2015</b>				<b>12/26/2015</b>
	<b>FormFactor</b>	<b>Cascade</b>	<b>Reclassification</b>	<b>Financing</b>	<b>Pro</b>	<b>Pro</b>
		<b>Microtech</b>	<b>Adjustments</b>	<b>Adjustments</b>	<b>Forma</b>	<b>Forma</b>
			<b>(Note 1)</b>		<b>Adjustments</b>	<b>Consolidated</b>
Revenues	\$ 282,358	\$ 143,978	\$	\$	\$	\$ 426,336
Cost of revenues	196,620	63,892	1,901		20,351 (o)	282,764
Gross profit	85,738	80,086	(1,901)		(20,351)	143,572
Research and development	44,184	16,965			124 (p)	61,273
Selling, general and administrative	45,090	45,230	(1,901)	(33)(q)	4,971 (q)	93,357
Restructuring charges, net	559					559
Impairment of long-lived assets	8					8
Total operating expenses	89,841	62,195	(1,901)	(33)	5,095	155,197
Operating income (loss)	(4,103)	17,891		33	(25,446)	(11,625)
Interest income (expense), net	285	15		(3,876)(r)	(144)(r)	(3,720)
Other income (expense), net	2,547	(16)				2,531
Income (loss) before income taxes	(1,271)	17,890		(3,843)	(25,590)	(12,814)
Benefit (expense) from income taxes	(252)	(5,540)			4,433 (s)	(1,359)
Net income (loss)	\$ (1,523)	\$ 12,350	\$	\$ (3,843)	\$ (21,157)	\$ (14,173)
Per share information:						
	\$ (0.03)					\$ (0.21)



Income (loss) from  
continuing operations -  
Basic/diluted

Weighted average shares  
outstanding:

Basic/diluted	57,850	68,271(t)
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**FormFactor, Inc.**

**Notes to Unaudited Pro Forma Condensed Combined Financial Information**

**Note 1. Basis of Pro Forma Presentation**

The unaudited pro forma condensed combined financial information is based on FormFactor's and Cascade Microtech's historical consolidated financial statements as adjusted to give effect to the acquisition of Cascade Microtech and the debt issuance necessary to finance the acquisition. The unaudited pro forma condensed combined statements of operations for the three months ended March 26, 2016 and for the year ended December 26, 2015 give effect to the Cascade Microtech acquisition as if it had occurred on December 28, 2014. The unaudited condensed combined pro forma balance sheet as of March 26, 2016 gives effect to the Cascade Microtech acquisition as if it had occurred on March 26, 2016.

The unaudited pro forma condensed combined financial information is prepared in accordance with Article 11 of Regulation S-X. The historical financial information has been adjusted to give effect to transactions that are (i) directly attributable to the merger, (ii) factually supportable and (iii) with respect to the unaudited pro forma condensed combined statement of operations, expected to have a continuing impact on the operating results of the combined company. The historical information of FormFactor and Cascade Microtech is presented in accordance with GAAP. FormFactor is not currently aware of any significant accounting policy differences between FormFactor and Cascade Microtech, other than the pro forma reclassification of the amortization expense for acquired intangible assets from the selling, general and administrative to the cost of revenues as detailed in the reclassification schedule below. The pro forma reclassification of (1) short-term restricted cash to prepaid expenses and other current assets and (2) long term deferred revenues to long-term deferred rent and other liabilities have been made to conform Cascade Microtech's presentation of financial information to FormFactor's presentation. Following the acquisition and during the ASC Topic 805 measurement period, management will conduct a final review of Cascade Microtech's accounting policies in an effort to determine if differences in accounting policies require adjustment or reclassification of Cascade Microtech's results of operations or reclassification of assets or liabilities to conform to FormFactor's accounting policies and classifications. As a result of this review, management may identify differences that, when conformed, could have a material impact on this unaudited pro forma condensed combined financial information.

The acquisition method of accounting is based on ASC Topic 805, Business Combinations, which uses the fair value concepts defined in ASC Topic 820, Fair Value Measurements and Disclosures.

ASC Topic 805 requires, among other things, that assets and liabilities acquired be recognized at their fair values as of the acquisition date. Financial statements of FormFactor issued after completion of the Cascade Microtech acquisition will reflect such fair values, measured as of the acquisition date, which may be different than the estimated fair values included in this unaudited pro forma condensed combined financial information. In addition, ASC Topic 805 establishes that the consideration transferred be measured at the closing date of the Cascade Microtech acquisition at the then-current fair value, which will likely result in acquisition consideration that is different from the amount assumed in this unaudited pro forma condensed combined financial information.

ASC Topic 820 defines the term "fair value" and sets forth the valuation requirements for any asset or liability measured at fair value, expands related disclosure requirements and specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the fair value measures. Fair value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." This is an exit price concept for the valuation of the asset or liability. In addition, market participants are assumed to be buyers and sellers unrelated to FormFactor in the principal (or the most advantageous) market for the

asset or liability. Fair value measurements for an asset assume the highest and best use by these market participants. As a result of these standards, FormFactor may be required to record assets

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which are not intended to be used or sold and/or to value assets at fair value measures that do not reflect FormFactor's intended use of those assets. Many of these fair value measurements can be highly subjective and it is also possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts.

Under ASC Topic 805, acquisition-related transaction costs (such as advisory, legal, valuation, other professional fees) are not included as a component of acquisition consideration and are excluded from the unaudited pro forma condensed combined statements of operations. Such costs will be expensed in the historical statements of operations in the periods incurred. FormFactor expects to incur total acquisition-related transaction costs of approximately \$5.8 million and Cascade Microtech expects to incur total acquisition-related transaction costs of approximately \$7.5 million.

The unaudited pro forma condensed combined financial information are presented solely for informational purposes and are not necessarily indicative of the combined results of operations or financial position that might have been achieved for the periods or dates indicated, nor is the unaudited pro forma condensed combined financial information necessarily indicative of the future results of the combined company.

The unaudited pro forma condensed combined financial information does not reflect any cost savings from future operating synergies or integration activities, or any revenue, tax, or other synergies that could result from the acquisition.

Certain reclassification adjustments presented below have been made to Cascade Microtech's historical balance sheet as of March 31, 2016 and consolidated results of operations for the three months ended March 31, 2016 and for the year ended December 31, 2015 to conform to FormFactor's presentation (in thousands):

**Balance Sheet as of March 31, 2016**

	<b>Before Reclassification</b>	<b>Reclassification</b>	<b>After Reclassification</b>
Prepaid expenses and other current assets		11 <sup>(i)</sup>	11
Restricted cash	11	(11) <sup>(i)</sup>	
Deferred rent and other liabilities		519 <sup>(ii)</sup>	519
Deferred revenue	519	(519) <sup>(ii)</sup>	

(i) Represents the reclassification of Restricted cash to the Prepaid expenses and other current assets line item in the table set forth above.

(ii) Represents the reclassification of Deferred revenue to the Deferred rent and other liabilities line item in the table set forth above.

**Statement of Operations for the three months ended March 31, 2016****Reclassification**

	<b>Before Reclassification</b>		<b>After Reclassification</b>
Cost of revenues	14,122	412 <sup>(iii)</sup>	14,534
Selling, general and administrative	12,660	(412) <sup>(iii)</sup>	12,248
<i>Statement of Operations for the year ended December 31, 2015</i>			

	<b>Before Reclassification</b>	<b>Reclassification</b>	<b>After Reclassification</b>
Cost of revenues	63,892	1,901 <sup>(iii)</sup>	65,793
Selling, general and administrative	45,230	(1,901) <sup>(iii)</sup>	43,329

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(iii) FormFactor allocates the amortization of acquired intangible assets to both cost of revenue and selling, general and administrative expense, while Cascade Microtech recognizes these costs in selling, general and administrative expense. Therefore, this adjustment conforms the presentation of amortization of acquired intangible assets to FormFactor's presentation.

**Note 2. Estimated Cascade Microtech Purchase Consideration and Preliminary Purchase Price Allocation**

The following summarizes the preliminary allocation of the purchase price for Cascade Microtech based on the terms of the merger agreement and FormFactor's preliminary estimates of fair value of assets and liabilities as if the acquisition had occurred on May 2, 2016. The final determination of the allocation of the purchase price will be based on the fair value of such assets and liabilities as of the actual merger date (in thousands):

<b>Purchase price allocation</b>	
Cash and cash equivalents	\$ 29,204
Marketable securities	3,560
Accounts receivable	25,392
Inventories	29,390
Prepaid expenses and other current assets	5,857
Property and equipment	16,709
Intangibles	153,723
Deferred tax assets	275
Other assets	697
<b>Total assets</b>	<b>264,807</b>
Accounts payable	7,480
Accrued liabilities	9,324
Income tax payable	684
Deferred revenue	1,774
Deferred tax liabilities	51,657
Deferred rent and other liabilities	934
<b>Total liabilities</b>	<b>71,853</b>
<b>Net assets acquired<sup>(a)</sup></b>	<b>192,954</b>
Estimated purchase consideration <sup>(b)</sup>	350,840
<b>Estimated goodwill<sup>(b)-(a)</sup></b>	<b>\$ 157,886</b>

This preliminary purchase price allocation has been used to prepare pro forma adjustments in the unaudited pro forma condensed combined balance sheet and unaudited pro forma condensed combined statement of operations. The final purchase price allocation will be determined when FormFactor has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation used in the pro forma adjustments. The final allocation may include (1) changes in fair values of property, plant and equipment, (2) changes in allocations to intangible assets such as technology and customer relationships as well as goodwill, and (3) other changes to assets and liabilities.

Estimated goodwill represents the excess of the preliminary estimated purchase price over the estimated fair value of the underlying net assets acquired. Estimated goodwill is not amortized but instead is reviewed for impairment at least annually, absent any indicators of impairment. Goodwill recognized in the merger is not expected to be deductible for tax purposes.

*Estimated Purchase Consideration Sensitivity.* The table below illustrates the potential impact to the total estimated purchase price for Cascade Microtech resulting from a 10% increase or decrease in the price of

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FormFactor common stock of \$7.33 on May 2, 2016. For the purpose of this calculation, the total number of shares and equity awards (vested and unvested) has been assumed to be the same as in the table above (in thousands):

	Stock Price	Purchase Price	Goodwill
<b>10% increase in FormFactor's share price</b>			
Stock Consideration	\$ 8.06	84,028	
Cash Consideration <sup>(a)</sup>		270,206	
Replacement Award Consideration		4,784	
		<b>\$ 359,018</b>	<b>\$ 166,064</b>
<b>10% decrease in FormFactor's share price</b>			
Stock Consideration	\$ 6.60	68,750	
Cash Consideration <sup>(a)</sup>		269,269	
Replacement Award Consideration		4,650	
		<b>\$ 342,669</b>	<b>\$ 149,715</b>

(a) For pro forma purposes, FormFactor has assumed the cash portion of the transaction will be funded with a combination of available cash as well as a borrowing of approximately \$150.0 million under the term loan facility that FormFactor intends to enter into in connection with the merger pursuant to the debt commitment letter. Borrowing on the term loan facility will fluctuate depending on the timing of the closing of the merger and the available cash at that time. For a more complete description of FormFactor's debt financing for the merger, see Proposal I: The Merger Description of Debt Financing.

**Note 3. Pro Forma Adjustments**

*Balance Sheet Adjustments.* The unaudited pro forma adjustments related to Cascade Microtech included in the unaudited pro forma condensed combined balance sheet are as follows (in thousands):

*(a) Cash and cash equivalents*

	<b>March 26, 2016</b>
Cash consideration paid for shares and vested equity awards	\$ (269,737)
Cash provided from borrowing	150,000
Cash paid for debt financing costs	(375)
Estimated Cascade Microtech transaction costs anticipated to be paid concurrent with the closing of the merger	(5,701)
Estimated FormFactor transaction costs anticipated to be paid concurrent with the closing of the merger	(3,675)
Total adjustments to Cash and cash equivalents	\$ (129,488)



*(b) Inventory*

This adjustment represents the estimated adjustment to step up Cascade Microtech inventory to a fair value of approximately \$29.4 million, an increase of approximately \$4.0 million from the carrying value. The fair value estimate is preliminary and subject to change. The fair value was determined based on the estimated selling price of the inventory, less the remaining manufacturing and selling costs and a normal profit margin on those manufacturing and selling efforts. After the acquisition, the step-up in inventory fair value of approximately \$4.0 million will increase cost of sales over approximately two months as the inventory is sold. This increase is not reflected in the pro forma condensed combined statement of operations because it does not have a continuing impact.

**Table of Contents***(c) Property and equipment*

This adjustment represents the estimated adjustment to step up Cascade Microtech property and equipment to a fair value of approximately \$16.7 million, an increase of approximately \$3.4 million from the carrying value. The fair value estimate is preliminary and subject to change.

*(d) Goodwill*

	<b>March 26, 2016</b>
To eliminate the historical goodwill of Cascade Microtech	\$ (12,069)
To record preliminary goodwill for the purchase consideration in excess of the fair value of net assets acquired in connection with the Cascade Microtech acquisition	157,886
<b>Total adjustments to Goodwill</b>	<b>\$ 145,817</b>

*(e) Intangibles*

	<b>March 26, 2016</b>	<b>Estimated Useful Life (in years)</b>
To eliminate the historical net book value of Cascade Microtech's intangible assets	\$ (8,920)	
Developed technology	69,070	4-6
In-process research and development	20,700	n/a
Customer contracts and related relationships	32,845	7
Trade names / trademarks / domain names	16,300	7
Order backlog	14,808	1
<b>Total adjustments to Intangibles</b>	<b>\$ 144,803</b>	

Identifiable intangible assets and liabilities acquired include developed technology, customer relationships, trade names, backlog and in-process research and development. In-process research and development will be accounted for as an indefinite-lived intangible asset until the underlying projects are completed or abandoned. The fair value of intangible assets is based on FormFactor's preliminary valuation as of the deemed acquisition date of May 2, 2016. Estimated useful lives (where relevant for the purposes of these unaudited pro forma financial statements) are based on the time periods during which the intangibles are expected to result in incremental cash flows.

*(f) Deferred tax asset /liabilities and income tax payable*

Reflects the adjustment to deferred income tax assets and liabilities resulting from pro forma fair value adjustments for the assets and liabilities to be acquired and the release of deferred income tax asset valuation allowance of

FormFactor as a result of the U.S.-based acquired taxable temporary differences. This estimate of deferred taxes was determined based on the excess of the estimated fair values of the acquired assets and liabilities over the tax basis of the assets and liabilities to be acquired. The statutory tax rate was applied, as appropriate, to each adjustment based on the jurisdiction in which the adjustment is expected to occur. This estimate of deferred income tax assets and liabilities is preliminary and is subject to change based upon FormFactor's final determination of the fair value of assets acquired and liabilities assumed by jurisdiction.

**Table of Contents****Adjustments to non-current deferred tax asset:**

	<b>March 26, 2016</b>
Reversal of historical United States deferred tax assets of Cascade Microtech against deferred tax liabilities arising as a result of the acquisition	\$ (5,070)

**Adjustments to non-current deferred tax liabilities:**

	<b>March 26, 2016</b>
Fair value adjustments on identifiable intangible assets (see note (e))	\$ 52,164
Fair value adjustments on property, plant and equipment (see note (c))	1,165
Fair value adjustments on inventory (see note (b))	1,379
Fair value adjustments on unfavorable leases and deferred rent (see note (j))	362
Fair value adjustments on deferred revenue (see notes (h) & (j))	413
Fair value of awards assumed attributable to the pre-acquisition periods	(676)
Reversal of historical United States deferred tax assets of Cascade Microtech against deferred tax liabilities arising as a result of the acquisition	(5,070)
Total adjustments to non-current deferred tax liability	\$ 49,737

**Release of FormFactor's valuation allowance:**

	<b>March 26, 2016</b>
Reversal of valuation allowance related to FormFactor's deferred tax assets due to acquired taxable temporary differences. The deferred tax assets have been reflected as an off-set to the deferred tax liabilities due to the fact both have arisen on account of the Cascade Microtech acquisition and relate to the same tax jurisdiction. Due to the lack of continuing nature of this adjustment, this adjustment has not been reflected in the condensed combined consolidated pro forma statement of operations.	\$ (45,978)

**Adjustment to income tax payable:**

	<b>March 26, 2016</b>
To record the effect of changes in estimated taxes for the first quarter of fiscal 2016 as a result of the acquisition.	\$ 684

**Table of Contents***(g) Accrued liabilities*

	<b>March 26, 2016</b>
To eliminate the historical current deferred rent of Cascade Microtech	\$ (207)
To record fair value of Cascade Microtech payroll tax liability	1,113
<b>Total adjustments to Accrued liabilities</b>	<b>\$ 906</b>

*(h) Deferred revenue, current*

	<b>March 26, 2016</b>
To eliminate the historical current deferred revenue of Cascade Microtech	\$ (2,757)
To record preliminary fair value of current deferred revenue	1,774
<b>Total adjustments to Deferred revenue</b>	<b>\$ (983)</b>

After the acquisition, this adjustment will not have a continuing impact as the service contracts, extended warranties, and customer deposits are primarily provided over 12 months and, accordingly, have been excluded from the unaudited pro forma condensed combined statement of operations.

*(i) Debt*

	<b>March 26, 2016</b>
New debt financing	\$ 150,000
Debt issuance cost	(375)
<b>Total adjustments to Long-term debt</b>	<b>\$ 149,625</b>
Current portion of new debt financing	7,425
Long-term portion of new debt financing	142,200

*(j) Deferred rent and other liabilities*

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2016**

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To eliminate the historical non-current deferred rent of Cascade Microtech	\$ (827)
To eliminate the historical non-current deferred revenue of Cascade Microtech	(519)
To record preliminary fair value adjustment of non-current deferred revenue	385
To record preliminary fair value adjustment of unfavorable leases	(79)
<b>Total adjustments to Deferred rent and other liabilities</b>	<b>\$ (1,040)</b>

**Table of Contents***(k) Common stock*

	<b>March 26, 2016</b>
To eliminate the historical common stock of Cascade Microtech	(159)
To record the par value of common stock issued by FormFactor in connection with the transaction	10
To record the par value of common stock issued by FormFactor in connection with replacement awards	1
<b>Total adjustment to common stock</b>	<b>(148)</b>

*(l) Additional paid-in-capital*

	<b>March 26, 2016</b>
To eliminate the historical additional paid-in-capital of Cascade Microtech	\$ (103,616)
To record the additional paid-in-capital for estimated common stock issued by FormFactor in connection with the transaction	76,379
To record the replacement options and restricted stock awards attributable to pre-acquisition services	4,713
<b>Total adjustment to Additional paid-in-capital</b>	<b>\$ (22,524)</b>

*(m) Accumulated other comprehensive loss*

To eliminate \$4 million of historical accumulated other comprehensive loss of Cascade Microtech.

*(n) Retained earnings (accumulated deficit)*

	<b>March 26, 2016</b>
To eliminate the historical retained earnings of Cascade Microtech	\$ (13,285)
To record FormFactor estimated transaction costs	(3,675)
To record the tax valuation allowance release	45,978
<b>Total adjustment to retained earnings (accumulated deficit)</b>	<b>\$ 29,018</b>





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*Statement of Operations Adjustments.* The unaudited pro forma adjustments related to Cascade Microtech included in the unaudited pro forma condensed combined statements of operations for the three months ended March 26, 2016 and for the year ended December 26, 2015 are as follows (in thousands):

*(o) Cost of revenues*

	<b>Pro Forma Three Months Ended March 26, 2016</b>	<b>Pro Forma Fiscal Year Ended December 26, 2015</b>
To record the net impact of eliminating the historical depreciation and amortization expense related to PP&E and intangible assets included within the operating results of Cascade Microtech as well as adjusting for depreciation and amortization expense related to the fair value adjustments of PP&E and intangible assets as part of purchase accounting	\$ 5,152	\$ 20,393
To record the net decrease to stock based compensation for the difference in the historical stock based expense recorded by Cascade Microtech as compared to the stock based compensation expense for the replacements awards issued by FormFactor	(39)	(42)
<b>Total adjustments to Cost of revenue</b>	<b>\$ 5,113</b>	<b>\$ 20,351</b>

*(p) Research and development*

	<b>Pro Forma Three Months Ended March 26, 2016</b>	<b>Pro Forma Fiscal Year Ended December 26, 2015</b>
To record the net impact of eliminating the historical depreciation expense related to PP&E assets included within the operating results of Cascade Microtech as well as adjusting for depreciation expense related to the fair value adjustments of PP&E assets as part of purchase accounting	\$ (42)	\$ 224

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To record the net decrease to stock based compensation for the difference in the historical stock based expense recorded by Cascade Microtech as compared to the stock based compensation expense for the replacements awards issued by FormFactor	(86)	(100)
Total adjustments to Research and development	\$ (128)	\$ 124

**Table of Contents***(q) Selling, general and administrative*

	<b>Pro Forma Three Months Ended March 26, 2016</b>	<b>Pro Forma Fiscal Year Ended December 26, 2015</b>
To record the net impact of eliminating the historical depreciation and amortization expense related to PP&E and intangible assets included within the operating results of Cascade Microtech as well as adjusting for depreciation and amortization expense related to the fair value adjustments of PP&E and intangible assets as part of purchase accounting	\$ 1,432	\$ 5,834
To record the net decrease to stock based compensation for the difference in the historical stock based expense recorded by Cascade Microtech as compared to the stock based compensation expense for the replacements awards issued by FormFactor	(478)	(628)
To eliminate Cascade Microtech's incurred transaction costs recorded in selling, general and administrative expenses	(1,533)	(235)
To eliminate FormFactor's incurred transaction costs recorded in selling, general and administrative expenses	(2,127)	(33)
<b>Total adjustments to Selling, general and administrative</b>	<b>\$ (2,706)</b>	<b>\$ 4,938</b>

*(r) Interest income (expense), net*

	<b>Pro Forma Three Months Ended March 26, 2016</b>	<b>Pro Forma Fiscal Year Ended December 26, 2015</b>
To adjust interest income related to the cash paid in connection with the acquisition	\$ (36)	\$ (144)
Debt financing interest expense	(938)	(3,876)
	<b>\$ (974)</b>	<b>\$ (4,020)</b>

Total adjustments to Interest income  
(expense), net

A sensitivity analysis on interest expense for the three months ended March 26, 2016 and for the year ended December 26, 2015 has been performed to assess the effect that a change of 12.5 basis points in the hypothetical interest rate would have on the debt financing. The stated interest rate of 2.63% was based on the three month LIBOR rate as of May 2, 2016 plus 2%.

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The following table shows the change in interest expense for the debt financing:

<b>Change in interest expense assuming</b>	<b>Pro Forma Three Months Ended March 26, 2016 (in thousands)</b>	<b>Pro Forma Fiscal Year Ended December 26, 2015 (in thousands)</b>
Increase of 0.125%	\$ 46	\$ 184
Decrease of 0.125%	\$ (46)	\$ (184)

*(s) Benefit (expense) from income taxes*

The statutory tax rate was applied, as appropriate, to each adjustment based on the jurisdiction in which the adjustment is expected to occur. Although not reflected in the pro forma financial statements, the effective tax rate of the combined company could be significantly different depending on post-acquisition activities, such as the geographical mix of taxable income affecting state and foreign taxes, among other factors. Estimated income tax (benefit) expense included in the pro forma statements of earnings is as follows:

	<b>Pro Forma Three Months Ended March 26, 2016</b>	<b>Pro Forma Fiscal Year Ended December 26, 2015</b>
<b>Benefit from Income taxes</b>		
Reversal of income tax expense recorded in Cascade Microtech due to the availability of net losses from operations of FormFactor	\$	\$ 3,807
Adjustment on account of step-up in amortization of foreign intangible assets (see note (e))	280	626
To record the effect of changes in estimated taxes for the first quarter of fiscal 2016 as a result of the acquisition.	(684)	
<b>Total adjustments to Benefit (expense) from income taxes</b>	<b>\$ (404)</b>	<b>\$ 4,433</b>

*(t) Earnings per share*

Pro forma earnings per common share are based on historical FormFactor weighted average shares outstanding, adjusted to assume the shares estimated to be issued by FormFactor for the Cascade Microtech acquisition were outstanding for the entire periods presented.

	<b>Pro Forma Three Months Ended March 26, 2016</b>	<b>Pro Forma Fiscal Year Ended December 26, 2015</b>
FormFactor weighted average shares outstanding -basic/diluted	58,431	57,850
FormFactor shares estimated to be issued for Cascade Microtech acquisition	10,421	10,421
Pro forma combined weighted average shares outstanding	68,852	68,271

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

FormFactor and Cascade Microtech have included in this proxy statement/prospectus and from time to time may make in their public filings, press releases or other public statements, certain statements that constitute forward-looking statements (as that term is defined under Section 21E of the Exchange Act and/or the U.S. Private Securities Litigation Reform Act of 1995). In addition, the management of FormFactor or Cascade Microtech may make forward-looking statements to analysts, investors, representatives of the media and others. In some cases these forward-looking statements can be identified by forward-looking words such as may, might, should, anticipates, expects, intend, plans, seeks, estimates, potential, continue, believes and similar expressions, although some forward-looking statements are expressed differently. Forward looking statements include, among others, statements concerning the impact of the merger on FormFactor's or Cascade Microtech's business, operations, results or financial condition; business strategy; plans or objectives for future operations; the estimates and assumptions underlying the pro forma financial information contained in this proxy statement/prospectus; expectations with respect to the synergies, costs and charges, capitalization and anticipated financial impacts of the merger and related transactions; approval of the merger and related transactions by Cascade Microtech's shareholders; the satisfaction of the closing conditions to the merger; the timing of the consummation of the merger; the terms and availability of the proposed financing of the merger; the number of shares of FormFactor common stock to be issued or reserved in connection with the merger; and other statements contained in this proxy statement/prospectus or public documents of FormFactor and Cascade Microtech that are not historical facts.

Forward-looking statements are not guarantees of performance, are based upon the current expectations and assessments of the respective management of FormFactor and Cascade Microtech and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of FormFactor and Cascade Microtech. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Accordingly, actual results may differ materially from the results discussed in forward-looking statements. In addition to the risks described under Risk Factors beginning on page 47 of this proxy statement/prospectus and those risks described in documents that are incorporated by reference in this proxy statement/prospectus, the following factors, among others, could cause such differences:

the timing to consummate the merger;

the risk that a condition to consummation of the merger may not be satisfied;

the risk that a regulatory approval that may be required for the merger is delayed, is not obtained or is obtained subject to conditions that are not anticipated;

the availability and terms of the proposed financing arrangements for the merger;

the possibility that the anticipated benefits and synergies from the merger cannot be fully realized or take longer to realize than expected;



FormFactor's ability to promptly and effectively integrate Cascade Microtech's businesses, products and technologies;

the diversion of management time and attention on merger-related issues;

FormFactor's ability to retain key personnel following the consummation of the merger and Cascade Microtech's ability to attract and retain qualified employees pending the consummation of the merger; or

the existence of unanticipated contingent liabilities associated with Cascade Microtech's business.

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The forward-looking statements in this proxy statement/prospectus speak only as of the time they are made and do not necessarily reflect the outlook of FormFactor or Cascade Microtech or members of their respective management teams at any other point in time. FormFactor and Cascade Microtech expressly disclaim any obligation to publicly update any forward-looking statements, whether as a result of new information, future events or for any other reason. However, readers should carefully review the risk factors set forth in and incorporated by reference in this proxy statement/prospectus. All subsequent written and oral forward-looking statements concerning FormFactor, Cascade Microtech, the merger, the related transactions or other matters attributable to FormFactor or Cascade Microtech or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. You should consider these risks and uncertainties in evaluating forward-looking statements and you should not place undue reliance on these statements.

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**Table of Contents****RISK FACTORS**

*In addition to the other information contained or incorporated by reference in this proxy statement/prospectus, including the matters addressed in **Cautionary Statement Regarding Forward-Looking Statements** beginning on page 45 of this proxy statement/prospectus, you should carefully consider the following risk factors in determining whether to vote for the adoption of the merger agreement. You should also read and consider the risk factors associated with each of the businesses of FormFactor and Cascade Microtech because these risk factors may affect the business, results of operations, financial condition and stock price of the combined company. These risks are described, for FormFactor, under the caption **Risk Factors** and elsewhere in FormFactor's Annual Report on Form 10-K for the year ended December 26, 2015 and, for Cascade Microtech, under the caption **Risk Factors** and elsewhere in Cascade Microtech's Annual Report on Form 10-K for the year ended December 31, 2015, each of which is on file with the SEC and both of which are incorporated by reference in this proxy statement/prospectus.*

***Because the exchange ratio is only subject to adjustment in limited circumstances and the market price of FormFactor common stock will fluctuate, you cannot be sure of the value of the merger consideration you will receive.***

Upon the consummation of the merger, each share of Cascade Microtech common stock outstanding immediately prior to the merger (other than those shares held by FormFactor or by any subsidiary of Cascade Microtech or FormFactor) will be converted into the right to receive \$16.00 in cash, without interest, and 0.6534 of a share of FormFactor common stock, subject to adjustment in certain circumstances as described below under **The Merger Agreement Exchange Ratio Adjustment** beginning on page 95 of this proxy statement/prospectus. The exchange ratio is only subject to adjustment in the circumstances described in **The Merger Agreement Exchange Ratio Adjustment**. Such adjustments, if any, are not designed to preserve the value of the stock portion of the merger consideration in the face of changes in the market price of FormFactor common stock or Cascade Microtech common stock between the signing of the merger agreement and the consummation of the merger. Based on the closing stock price of a share of FormFactor common stock of \$6.70 on the NASDAQ Global Market on May 17, 2016, the most recent practicable date prior to the date of this proxy statement/prospectus, the value of the merger consideration was \$20.38 per share of Cascade Microtech common stock, which includes the value of the stock portion of the merger consideration of \$4.38 per share and the cash portion of the merger consideration of \$16.00 per share of Cascade Microtech common stock. The value of the stock portion of the merger consideration may vary from the date of the announcement of the merger agreement, the date that this proxy statement/prospectus was mailed to Cascade Microtech's shareholders, the date of the Cascade Microtech special meeting, the date the merger is consummated and thereafter. Accordingly, at the time of the Cascade Microtech special meeting, Cascade Microtech's shareholders will not know or be able to determine the market value of the merger consideration they would receive upon consummation of the merger. Stock price changes may result from a variety of factors, including, among others, general market and economic conditions, changes in FormFactor's and Cascade Microtech's respective businesses, operations and prospects, market assessments of the likelihood that the merger will be consummated, the timing of the merger and regulatory considerations. Many of these factors are beyond FormFactor's and Cascade Microtech's control.

***The market price of FormFactor common stock after the merger may be affected by factors different from those affecting shares of Cascade Microtech common stock currently.***

Upon consummation of the merger, holders of Cascade Microtech common stock will become holders of FormFactor common stock. The businesses of FormFactor differ from those of Cascade Microtech in important respects, including geography, product offerings and target markets. Accordingly, the results of operations of FormFactor after the merger, as well as the market price of its common stock, may be affected by factors different from those currently affecting the independent results of operations of Cascade Microtech and its common stock. For further information

on the businesses of FormFactor and Cascade Microtech and certain factors to consider in connection with those businesses, see the documents incorporated by reference in this proxy statement/prospectus and referred to under **Where You Can Find More Information** beginning on page 136 of this proxy statement/prospectus.

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*After consummation of the merger, FormFactor may fail to realize the anticipated benefits and cost savings of the merger, which could adversely affect FormFactor's results of operations and the value of FormFactor common stock.*

The success of the merger will depend, in part, on FormFactor's ability to realize the anticipated benefits and cost savings from combining the businesses of FormFactor and Cascade Microtech. The ability of FormFactor to realize these anticipated benefits and cost savings is subject to certain risks including:

FormFactor's ability to successfully combine the businesses of FormFactor and Cascade Microtech;

whether the combined businesses will perform as expected;

the possibility that FormFactor paid more for the acquisition of Cascade Microtech than the value it will derive from the acquisition;

the reduction of FormFactor's cash available for operations and other uses and the incurrence of indebtedness to finance the acquisition; and

the assumption of certain known and unknown liabilities of Cascade Microtech.

If FormFactor is unable to successfully combine the businesses of FormFactor and Cascade Microtech within the anticipated time frame, or at all, (i) the anticipated benefits and cost savings of the merger may not be realized fully, or at all, or may take longer to realize than expected, (ii) the combined businesses may not perform as expected and (iii) the value of the FormFactor common stock (including the stock portion of the merger consideration and shares of FormFactor common stock underlying the equity awards assumed in connection with the merger) may be adversely affected.

FormFactor and Cascade Microtech have operated and, until the consummation of the merger, will continue to operate, independently, and there can be no assurances that their businesses can be integrated successfully. It is possible that the integration process could result in the loss of key FormFactor and Cascade Microtech employees, the disruption of either company's ongoing businesses, unexpected integration issues, higher than expected integration costs or an overall post-closing integration process that takes longer than originally anticipated. Specifically, issues that must be addressed in integrating the operations of Cascade Microtech into FormFactor's operations in order to realize the anticipated benefits and cost savings of the merger so the combined business performs as expected, include, among other things:

combining the companies' sales, manufacturing, marketing, distribution, purchasing, operations and research and development functions;

integrating the companies' technologies, products and services;

identifying and eliminating redundant or underperforming operations and assets;

harmonizing the companies' operating practices, employee development and compensation programs, internal controls and other policies, procedures and processes;

addressing possible differences in business backgrounds, corporate cultures and management philosophies;

consolidating the companies' corporate, administrative and information technology infrastructure;

coordinating sales, distribution and marketing efforts;

managing the movement of certain positions to different locations;

maintaining existing agreements with customers, suppliers and distributors, including with those currently shared by the companies, and avoiding delays in entering into new agreements with prospective customers, suppliers and distributors; and

coordinating the combined organization across dispersed geographic locations.

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In addition, at times, the attention of certain members of each company's management and resources may be focused on the consummation of the merger and the integration of the businesses of the two companies and diverted from day-to-day business operations or other strategic planning, which may disrupt each company's ongoing business and the business of the combined company.

***FormFactor and Cascade Microtech may have difficulty attracting, motivating and retaining executives and other key employees in light of the merger.***

Uncertainty about the effect of the merger on FormFactor and Cascade Microtech employees may have an adverse effect on FormFactor and Cascade Microtech and, consequently, the combined business. This uncertainty may impair FormFactor's and Cascade Microtech's ability to attract, retain and motivate key personnel until the merger is consummated. Employee retention may be particularly challenging during the pendency of the merger, as employees of FormFactor and Cascade Microtech may experience uncertainty about their future roles with the combined business. Additionally, Cascade Microtech's officers and employees own shares of Cascade Microtech's common stock and/or have vested stock options and restricted stock units and, if the merger is consummated (and in the case of vested options, if such vested options are exercised prior to consummation of the merger), are therefore entitled to a portion of the merger consideration, the payment of which could provide sufficient financial incentive for certain officers and employees to no longer pursue employment with the combined business. Additionally, pursuant to the change-in-control severance agreements in place between Cascade Microtech and certain key employees of Cascade Microtech, a key employee may decide to terminate his or her employment for "good reason" if there are certain changes in the key employee's duties, target incentives or benefits or work location following the merger, after which the key employee would be entitled to certain payments under the change-in-control severance agreement. If key employees of FormFactor or Cascade Microtech depart because of issues relating to the uncertainty and difficulty of integration, financial incentives or a desire not to become employees of the combined business, FormFactor may have to incur significant costs in identifying, hiring and retaining replacements for departing employees, which could reduce FormFactor's ability to realize the anticipated benefits of the merger.

***The merger will not be consummated unless important conditions are satisfied.***

The obligations of FormFactor and Cascade Microtech to consummate the merger are subject to satisfaction or waiver of a number of conditions including, among others, approval and adoption of the merger agreement, the merger and the related transactions contemplated by the merger agreement by the Cascade Microtech shareholders; the absence of applicable law or injunction prohibiting the merger; expiration or termination of the applicable waiting period under the HSR Act (which waiting period expired on March 21, 2016); the effectiveness of this registration statement on Form S-4 of which this proxy statement/prospectus forms a part; and approval of the listing on the NASDAQ of the FormFactor common stock to be issued in connection with the merger. Each party's obligation to consummate the merger is subject to the satisfaction or waiver (to the extent permitted under applicable law) of certain additional conditions, including the accuracy of the representations and warranties of the other party under the merger agreement (subject to the materiality standards set forth in the merger agreement), the absence of a material adverse effect on the other party to the merger agreement and the performance by the other party of its respective obligations under the merger agreement in all material respects.

For a more complete description of the conditions that must be satisfied or waived prior to completion of the merger, see "The Merger Agreement - Conditions to the Merger" beginning on page 100 of this proxy statement/prospectus.

Many of the conditions to closing of the merger are not within FormFactor's or Cascade Microtech's control, and neither company can predict when or if these conditions will be satisfied. If any of these conditions are not satisfied or waived prior to August 4, 2016, it is possible that the merger agreement will be terminated. Obtaining satisfaction of

all of the required conditions could delay the completion of the merger for a significant period of time or prevent it from occurring. Any delay in completing the merger could cause FormFactor not to



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realize some or all of the benefits that FormFactor expects to achieve if the merger is successfully consummated within its expected timeframe. Further, there can be no assurance that the conditions to the closing of the merger will be satisfied or waived or that the merger will be consummated.

***FormFactor's and Cascade Microtech's business relationships may be subject to disruption due to uncertainty associated with the merger.***

Parties with which FormFactor and Cascade Microtech do business may experience uncertainty associated with the transaction, including with respect to current or future business relationships with FormFactor, Cascade Microtech or the combined business. FormFactor's and Cascade Microtech's business relationships may be subject to disruption as customers, suppliers, distributors and others may attempt to negotiate changes in existing business relationships or consider entering into business relationships with parties other than FormFactor, Cascade Microtech or the combined business. These disruptions could have an adverse effect on the businesses, financial condition, results of operations or prospects of the combined business. The adverse effect of such disruptions could be increased by a delay in the consummation of the merger or by termination of the merger agreement.

***Certain of Cascade Microtech's executive officers and directors have interests in the merger that may be different from your interests as a shareholder of Cascade Microtech.***

When considering the recommendation of Cascade Microtech's board of directors that Cascade Microtech's shareholders vote in favor of the adoption of the merger agreement, you should be aware that certain of the executive officers and directors of Cascade Microtech have interests in the merger that may be different from, or in addition to, your interests as a shareholder of Cascade Microtech. In particular, under the merger agreement, the officers and directors of Cascade Microtech have been granted rights to continued indemnification and insurance coverage after the consummation of the merger, certain officers of Cascade Microtech will receive payments in connection with the merger or have the vesting of their equity awards accelerated, one Cascade Microtech director will have the vesting of his equity awards accelerated and one Cascade Microtech director will be appointed to the board of directors of FormFactor following consummation of the merger. See [Interests of Certain Persons in the Merger](#) beginning on page 120 of this proxy statement/prospectus for a further description of these interests. Cascade Microtech's board of directors was aware of these interests and considered them, among other things, in evaluating and negotiating the merger agreement and the merger and in recommending that Cascade Microtech's shareholders approve and adopt the merger agreement, the merger pursuant to merger agreement and the related transactions contemplated by the merger agreement.

***The merger agreement limits Cascade Microtech's ability to pursue alternatives to the merger.***

The merger agreement contains provisions that make it more difficult for Cascade Microtech to sell its business to a party other than FormFactor. These provisions include a general prohibition on Cascade Microtech soliciting any competing acquisition proposal from another party. In addition, there are only limited exceptions to Cascade Microtech's agreement that Cascade Microtech's board of directors will not withdraw or modify in a manner adverse to FormFactor the recommendation of the Cascade Microtech board of directors in favor of the adoption of the merger agreement, and FormFactor generally has a right to match any competing acquisition proposals that may be made by a third party. Although Cascade Microtech's board of directors is permitted to take these actions and, in certain circumstances, Cascade Microtech may terminate the merger agreement if the board of directors determines in good faith that the failure to take such action would constitute a breach of its fiduciary duties to Cascade Microtech's shareholders under Oregon law, doing so in specified situations could require Cascade Microtech to pay to FormFactor a termination fee of \$10,830,000 and/or expose Cascade Microtech to claims by FormFactor for damages. See [The Merger Agreement - No Solicitation by Cascade Microtech](#), [The Merger Agreement - Termination of the Merger](#)

Agreement and The Merger Agreement Termination Fees and Expenses beginning on pages 106, 115 and 117, respectively, of this proxy statement/prospectus.

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While Cascade Microtech believes these provisions are reasonable and do not preclude other offers, the provisions might discourage a third party that has an interest in acquiring all or a significant part of Cascade Microtech from considering or proposing that acquisition, even if that party were prepared to pay consideration with a higher value per share than FormFactor's currently proposed merger consideration. In addition, the termination fee may result in a potential competing acquirer proposing to pay a lower per-share price to acquire Cascade Microtech than it might otherwise have proposed to pay because of the added expense of the \$10,830,000 termination fee that may become payable in certain circumstances.

***Failure to consummate the merger could negatively impact the stock price and the future business, operating results and financial condition of FormFactor and Cascade Microtech.***

If the merger is not consummated, the ongoing businesses of FormFactor and Cascade Microtech may be adversely affected and, without realizing any of the benefits of having consummated the merger, FormFactor and Cascade Microtech would be subject to a number of risks which may adversely affect FormFactor's or Cascade Microtech's businesses, operating results, financial condition or stock price, including the following:

FormFactor and Cascade Microtech may experience negative reactions from the financial markets and from their respective customers, suppliers, distributors and employees;

Cascade Microtech may be required to pay FormFactor a termination fee of \$10,830,000 if the merger is terminated under certain circumstances (see "The Merger Agreement - Termination Fees and Expenses" beginning on page 117 of this proxy statement/prospectus);

FormFactor and Cascade Microtech have incurred and will incur certain costs relating to the merger that they will be required to pay, whether or not the merger is consummated;

the merger agreement places certain restrictions on the conduct of Cascade Microtech's business prior to the consummation of the merger or the termination of the merger agreement. Such restrictions, the waiver of which is subject to the consent of FormFactor (not to be unreasonably withheld, conditioned or delayed), may prevent Cascade Microtech from making certain acquisitions, taking certain other specified actions or otherwise pursuing business opportunities while the merger is pending (see "The Merger Agreement - Conduct of Business Pending the Merger" beginning on page 104 of this proxy statement/prospectus for a description of the restrictive covenants applicable to Cascade Microtech); and

matters relating to the merger (including integration planning) will require substantial commitments of time and resources by FormFactor and Cascade Microtech management, which would otherwise have been devoted to day-to-day operations or other opportunities that may have been beneficial to either FormFactor or Cascade Microtech as an independent company.

In addition, FormFactor and Cascade Microtech could be subject to litigation related to any failure to consummate the merger or related to any enforcement proceeding commenced against FormFactor or Cascade Microtech to perform their respective obligations under the merger agreement. If the merger is not consummated, these risks may materialize and may adversely affect FormFactor's and Cascade Microtech's business, operating results, financial

condition and stock price.

***The shares of FormFactor common stock to be received by Cascade Microtech's shareholders upon the consummation of the merger will have different rights from shares of Cascade Microtech common stock.***

Upon consummation of the merger, Cascade Microtech's shareholders will no longer be shareholders of Cascade Microtech, an Oregon corporation, but will instead become shareholders of FormFactor, a Delaware corporation, and their rights as shareholders will be governed by Delaware law and FormFactor's amended and restated certificate of incorporation and amended and restated bylaws. The terms of Delaware law and FormFactor's amended and restated certificate of incorporation and amended and restated bylaws are in some

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respects materially different than the terms of Oregon law and Cascade Microtech's articles of incorporation and bylaws, which currently govern the rights of Cascade Microtech's shareholders. See "Comparison of Shareholder Rights" beginning on page 130 of this proxy statement/prospectus for a discussion of the different rights associated with FormFactor common stock.

***Cascade Microtech's shareholders will have a significantly reduced ownership and voting interest after the merger and will exercise less influence over management.***

Immediately after the consummation of the merger, it is expected that former Cascade Microtech's shareholders, who collectively own 100% of Cascade Microtech, will own approximately 14.9% of FormFactor, based on the number of shares of Cascade Microtech and FormFactor common stock outstanding, as of May 17, 2016. Consequently, Cascade Microtech's shareholders will have less influence over the management and policies of FormFactor than they currently have over the management and policies of Cascade Microtech.

***FormFactor may encounter difficulties or high costs associated with securing financing necessary to pay the cash portion of the merger consideration.***

FormFactor currently intends to finance the cash portion of the merger consideration through cash on hand and debt financing. FormFactor has entered into a debt commitment letter pursuant to which the lenders have committed to provide a senior secured term loan facility in an aggregate amount of \$150 million to finance in part the cash portion of the merger consideration. However, the lenders' commitment to provide the credit facility is subject to certain conditions, including, among others: the execution of definitive financing documentation; the consummation of the merger in accordance with the merger agreement; the absence of a company material adverse effect (see "The Merger Agreement - Definition of Company Material Adverse Effect" beginning on page 102 of this proxy statement/prospectus for a definition of company material adverse effect); a minimum liquidity condition; and other customary closing conditions. The receipt of financing by FormFactor is not a condition to the consummation of the merger and FormFactor will be required to consummate the merger (assuming that all of the conditions to its obligations under the merger agreement are satisfied), whether or not the term loan facility contemplated by the debt commitment letter or other financing are available on acceptable terms, or at all. To the extent that FormFactor is not able to obtain financing through the term loan facility contemplated by the debt commitment letter or other sources when it is required to consummate the merger pursuant to the merger agreement, FormFactor may be financially strained by its payment obligations. Any alternative debt financing that FormFactor may seek may only be available on terms that are more expensive or otherwise less favorable to FormFactor and any alternative equity financing that FormFactor may seek would be dilutive to FormFactor's equityholders. Additionally, there is no guarantee that alternative sources would provide the full amount of financing sought, or be available at all. For a more complete description of FormFactor's debt financing for the merger, see the section entitled "Proposal I: The Merger - Description of Debt Financing" beginning on page 92 of the proxy statement/prospectus.

***The use of cash and incurrence of substantial indebtedness in connection with the financing of the merger may have an adverse impact on FormFactor's liquidity, limit FormFactor's flexibility in responding to other business opportunities and increase FormFactor's vulnerability to adverse economic and industry conditions.***

The merger will be financed in part by the use of FormFactor's cash on hand and the incurrence of a significant amount of indebtedness. As of March 26, 2016, FormFactor had approximately \$151.9 million of cash and cash equivalents, approximately \$35.3 million of short-term investments and no debt outstanding. In connection with the merger, FormFactor expects to enter into a new senior secured term loan facility in an aggregate principal amount of \$150 million to finance in part the cash portion of the merger consideration. The use of cash on hand and indebtedness to finance the cash portion of the merger consideration will reduce FormFactor's liquidity and cause FormFactor to place

more reliance on cash generated from operations to pay principal and interest on FormFactor's debt, thereby reducing the availability of FormFactor's cash flow for working capital and capital expenditure needs or to pursue other potential strategic initiatives. The term loan

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facility provided to FormFactor will contain financial covenants requiring FormFactor to maintain a certain leverage ratio of consolidated total indebtedness to EBITDA and a fixed charge interest ratio. In addition, it will also impose limitations on FormFactor's ability to incur liens and indebtedness or to pay dividends, make certain investments or dispose of assets (in each case, subject to customary exceptions). FormFactor's ability to comply with these financial and restrictive covenants can be affected by events beyond its control. The indebtedness and these restrictive covenants will also have the effect, among other things, of limiting FormFactor's ability to obtain additional financing, if needed, limiting its flexibility in the conduct of its business and making FormFactor more vulnerable to economic downturns and adverse competitive and industry conditions. In addition, a breach of the financial or restrictive covenants, among other things, could result in an event of default with respect to the term loan facility, which, if not cured or waived, could result in the term loan facility becoming immediately due and payable and could have a material adverse effect on FormFactor's business, financial condition and results of operations.

***FormFactor and Cascade Microtech will incur significant transaction and merger-related costs in connection with the merger.***

Each of FormFactor and Cascade Microtech expects to incur a number of non-recurring costs associated with the merger and, if consummated, FormFactor will incur significant additional costs in combining the operations of the two companies following the merger. The substantial majority of non-recurring expenses resulting from the merger will be comprised of transaction costs related to the merger and, following the merger, facilities and systems consolidation costs and employment-related costs. FormFactor continues to assess the magnitude of these costs and additional unanticipated costs may be incurred in the merger and the integration of the two companies' businesses. Although FormFactor expects that synergies and other benefits of the merger will offset these transaction and merger-related costs over time, this net benefit may not be achieved in the near term, or at all.

***The merger may not be accretive, and may be dilutive, to FormFactor's per share results, which may negatively affect the market price of FormFactor common stock.***

FormFactor currently anticipates that the merger will be accretive on a non-GAAP basis to its total and per share results. This expectation is based on preliminary estimates that may materially change. In addition, future events and conditions could decrease or delay the accretion that currently is expected or could result in dilution, including adverse changes in market conditions, additional transaction and integration related costs and other factors such as the failure to realize all of the benefits anticipated in the merger. Any dilution of, or decrease or delay of any accretion to, FormFactor's total and per share results could cause the price of FormFactor's common stock to decline.

***The unaudited pro forma condensed combined financial information included in this proxy statement/prospectus are preliminary and the actual financial condition and results of operations after the merger may differ significantly.***

The unaudited pro forma condensed combined financial information in this proxy statement/prospectus are presented for illustrative purposes only and are not necessarily indicative of what FormFactor's actual financial condition or results of operations would have been had the merger been consummated on the dates indicated. The unaudited pro forma condensed combined financial information reflect adjustments to illustrate the effect of the merger had it been consummated on the dates indicated, which are based upon preliminary estimates, to record the identifiable assets acquired and liabilities assumed from Cascade Microtech at fair value and the resulting goodwill recognized. The purchase price allocation reflected in this proxy statement/prospectus is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of Cascade Microtech as of the date of the consummation of the merger. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this proxy statement/prospectus. See

Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 29 of the proxy statement/prospectus.



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***Issuance of FormFactor common stock in connection with the merger may adversely affect the market price of FormFactor common stock.***

In connection with the payment of the aggregate stock component of the merger consideration, FormFactor expects to issue approximately 10.4 million shares of common stock to Cascade Microtech shareholders. The issuance of these new shares of FormFactor common stock will reduce the existing stockholders' ownership and voting interest in FormFactor and may result in a decrease in the market price of FormFactor common stock.

***The opinion obtained by Cascade Microtech's board of directors from its financial advisor does not and will not reflect changes in circumstances subsequent to the date of the merger agreement.***

On February 3, 2016, Stifel delivered its opinion to the Cascade Microtech board of directors that, as of February 3, 2016, and based on and subject to the qualifications, limitations and assumptions set forth in that opinion, the merger consideration to be received by the holders of shares of Cascade Microtech common stock pursuant to the merger agreement was fair, from a financial point of view, to such holders. Cascade Microtech has not obtained, and will not obtain, an updated opinion from Stifel. The opinion rendered by Stifel does not speak to the time when the merger will be completed or to any other date other than the date of such opinion. As a result, the opinion rendered by Stifel does not and will not address the fairness, from a financial point of view, of the merger consideration to be received by Cascade Microtech's shareholders pursuant to the merger agreement at the time the merger is completed or at any time other than February 3, 2016. For a more complete description of the opinion rendered by Stifel, see Proposal I: The Merger Opinion of Cascade Microtech's Financial Advisor beginning on page 77 of this proxy statement/prospectus and the full text of the opinion contained in Annex B to this proxy statement/prospectus.

***Litigation filed against Cascade Microtech, the Cascade Microtech board or FormFactor could prevent or delay the consummation of the merger or result in the payment of damages following the completion of the merger.***

In connection with the merger, a purported shareholder of Cascade Microtech has filed a putative shareholder class action lawsuit against Cascade Microtech, its board, FormFactor and Merger Sub. Among other remedies, the plaintiff seeks to enjoin the merger. Additional lawsuits may be filed in connection with the merger. The outcome of any such litigation is uncertain. If a dismissal is not granted or a settlement is not reached, such litigation could prevent or delay the completion of the merger and result in substantial costs, including any costs associated with indemnification. The defense or settlement of any such lawsuit or claim that remains unresolved at the time the merger is consummated could negatively affect FormFactor's results of operations and financial condition. See the section entitled Proposal I: The Mergers Litigation Relating to the Merger beginning on page 91 of this proxy statement/prospectus.

One of the conditions to completion of the merger is the absence of any applicable law (including any order) being in effect that prohibits completion of the merger. Accordingly, if a plaintiff is successful in obtaining an order prohibiting completion of the merger, then such order may prevent the merger from being completed, or from being completed within the expected timeframe.

**Risks relating to FormFactor and Cascade Microtech.**

FormFactor and Cascade Microtech are, and following consummation of the merger, FormFactor and Cascade Microtech will continue to be, subject to the risks described, for FormFactor and the combined company, under the caption Risk Factors and elsewhere in FormFactor's Annual Report on Form 10-K for the year ended December 26, 2015, and, for Cascade Microtech and the combined company, under the caption Risk Factors and elsewhere in Cascade Microtech's Annual Report on Form 10-K for the year ended December 31, 2015, each of which is on file with the SEC and both of which are incorporated by reference in this proxy statement/prospectus. See Where You Can

Find More Information beginning on page 136 of this proxy statement/prospectus.

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**THE COMPANIES**

**FormFactor**

FormFactor, Inc. helps semiconductor manufacturers test the integrated circuits that power consumer mobile devices, as well as computing, automotive and other applications. FormFactor is one of the world's leading providers of essential wafer test technologies and expertise, with an extensive portfolio of high-performance probe cards for DRAM, Flash and System on Chip devices. Customers use FormFactor's products and services to lower overall production costs, improve their yields and enable complex next-generation integrated circuits. Headquartered in Livermore, California, FormFactor services its customers from a network of facilities in Europe, Asia and North America.

The principal trading market for FormFactor's common stock (NASDAQ: FORM) is the NASDAQ Global Market. The principal executive offices of FormFactor are located at 7005 Southfront Road, Livermore, California 94551; its telephone number is (925) 290-4000; and its website is [www.FormFactor.com](http://www.FormFactor.com). The information and other content contained on its website is not incorporated by reference in this proxy statement/prospectus.

This proxy statement/prospectus incorporates important business and financial information about FormFactor from other documents that are not included in or delivered with this proxy statement/prospectus. For a list of the documents that are incorporated by reference, see "Where You Can Find More Information" beginning on page 136 of this proxy statement/prospectus.

**Cascade Microtech**

Cascade Microtech, Inc. is a worldwide leader in precision contact, electrical measurement and test of integrated circuits, optical devices and other small structures. For technology businesses and scientific institutions that need to evaluate small structures, Cascade Microtech delivers access to electrical data from wafers, integrated circuits, integrated circuit packages, circuit boards and modules, MEMS, 3D TSV, LED devices and more. Cascade Microtech's leading-edge stations, probes, probe cards, advanced thermal subsystems and integrated systems deliver precision accuracy and superior performance both in the lab and during production manufacturing of high-speed and high-density semiconductor chips.

The principal trading market for Cascade Microtech's common stock (NASDAQ: CSCD) is the NASDAQ Global Market. The principal executive offices of Cascade Microtech are located at 9100 S.W. Gemini Drive, Beaverton, Oregon 97008; its telephone number is (503) 601-1000; and its website is [www.cascademicrotech.com](http://www.cascademicrotech.com). The information and other content contained on its website is not incorporated by reference in this proxy statement/prospectus.

This proxy statement/prospectus incorporates important business and financial information about Cascade Microtech from other documents that are not included in or delivered with this proxy statement/prospectus. For a list of the documents that are incorporated by reference, see "Where You Can Find More Information" beginning on page 136 of this proxy statement/prospectus.

**Merger Sub**

Cardinal Merger Subsidiary, Inc. is an Oregon corporation and a wholly owned subsidiary of FormFactor. Merger Sub was incorporated on February 1, 2016 solely for the purpose of consummating a merger with Cascade Microtech. Merger Sub has not carried on any activities to date, except for activities incidental to its formation and activities

undertaken in connection with the merger.

The principal executive offices of Merger Sub are located at 7005 Southfront Road, Livermore, California 94551 and its telephone number is (925) 290-4000.

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**SPECIAL MEETING OF SHAREHOLDERS OF CASCADE MICROTECH**

**Date, Time and Place**

The special meeting is scheduled to be held at the offices of Perkins Coie LLP, located at 1120 N.W. Couch Street, Tenth Floor, Portland, Oregon 97209 on June 23, 2016, at 10:00 a.m., local time.

**Purpose of the Special Meeting**

At the special meeting, Cascade Microtech shareholders will be asked to consider and vote on the following proposals:

the merger proposal, which is further described in the sections entitled Proposal 1: The Merger and The Merger Agreement, beginning on pages 61 and 94, respectively, of this proxy statement/prospectus;

the named executive officer merger-related compensation proposal, which is further described in the sections entitled Interests of Certain Persons in the Merger and Proposal III: Advisory Vote on Named Executive Officer Merger-Related Compensation beginning on pages 120 and 126, respectively, of this proxy statement/prospectus;

the adjournment proposal; and

to transact such other business as may properly come before the special meeting or any adjournments or postponements of the special meeting.

Cascade Microtech shareholders must approve the merger proposal as a condition to the completion of the merger. If the Cascade Microtech shareholders fail to approve the merger proposal, the merger will not occur. The vote on the named executive officer merger-related compensation proposal is a vote separate and apart from the vote to approve the merger proposal. Accordingly, a shareholder may vote to approve the merger proposal and vote not to approve the named executive officer merger-related compensation proposal, and vice versa. Because the vote on the named executive officer merger-related compensation proposal is only advisory in nature, it will not be binding on Cascade Microtech, FormFactor or the surviving corporation. Accordingly, because Cascade Microtech's named executive officers have a contractual right to such merger-related compensation, the compensation will be payable, subject only to the conditions applicable thereto, if the merger proposal is approved, regardless of the outcome of the advisory vote.

Other than the matters described above, Cascade Microtech does not expect a vote to be taken on any other matters at the special meeting or any adjournment or postponement thereof. However, if any other matters are properly presented at the special meeting or any adjournment or postponement thereof for consideration, the holders of the proxies will have discretion to vote on such matters in accordance with their best judgment.

**Recommendation of the Cascade Microtech Board of Directors**

The Cascade Microtech board of directors unanimously adopted and approved the merger agreement and the merger. Certain factors considered by the Cascade Microtech board of directors in reaching its decision to adopt and approve the merger agreement and the merger can be found in the section entitled Proposal I: The Merger Cascade Microtech Reasons for the Merger; Recommendation of the Cascade Microtech Board of Directors beginning on page 69 of this proxy statement/prospectus.

**The Cascade Microtech board of directors unanimously recommends that the Cascade Microtech shareholders vote FOR the merger proposal, FOR the named executive officer merger-related compensation proposal and FOR the adjournment proposal.**

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### **Record Date; Shareholders Entitled to Vote**

Only holders of shares of Cascade Microtech common stock at the close of business on May 5, 2016, the record date for the special meeting, will be entitled to notice of, and to vote at, the special meeting or any adjournments or postponements of the special meeting. At the close of business on the record date, 15,949,492 shares of Cascade Microtech common stock were issued and outstanding.

Holders of Cascade Microtech common stock are entitled to one vote for each share of Cascade Microtech common stock they own at the close of business on the record date.

### **Quorum**

The presence at the special meeting, in person or by proxy, of the holders of a majority of the shares of Cascade Microtech common stock outstanding on the record date will constitute a quorum. There must be a quorum for business to be conducted at the special meeting. However, even if a quorum does not exist, a majority of the shares of Cascade Microtech common stock present or represented by proxy at the special meeting and entitled to vote may adjourn the meeting to another place, date or time. Failure of a quorum to be represented at the special meeting will necessitate an adjournment or postponement of the special meeting and will subject Cascade Microtech to additional expense.

Once a share is represented in person or by proxy at the special meeting, it will be counted for purposes of determining whether a quorum exists at the special meeting and any adjournment or postponement of the special meeting. However, if a new record date is set for the adjourned or postponed special meeting, a new quorum will have to be established. If you submit a properly executed proxy card, even if you abstain from voting, your shares will be counted for purposes of determining whether a quorum exists at the special meeting.

### **Required Vote**

Approval and adoption of the merger agreement, the merger pursuant to merger agreement and the related transactions contemplated by the merger agreement, requires the affirmative vote of holders of at least a majority of the outstanding shares of Cascade Microtech common stock entitled to vote thereon.

Approval of the adjournment of the special meeting requires the affirmative vote of holders of a majority of the shares of Cascade Microtech common stock present at the special meeting, in person or by proxy, whether or not a quorum.

Approval, on an advisory (non-binding) basis, of the merger-related compensation that will or may be paid to Cascade Microtech's named executive officers in connection with the merger will occur if the votes cast in favor of the proposal exceed the votes cast against it.

### **Abstentions and Broker Non-Votes**

An abstention occurs when a shareholder attends a meeting, either in person or by proxy, but abstains from voting. At the special meeting, abstentions will be counted for purposes of determining whether a quorum exists. **Abstaining from voting will have the same effect as a vote AGAINST the merger proposal and the adjournment proposal, but will have no effect on the outcome of the named executive officer merger-related compensation proposal.**

If no instruction as to how to vote is given (including no instruction to abstain from voting) in an executed, duly returned and not revoked proxy, the proxy will be voted FOR (i) approval of the merger proposal, (ii) approval of the

adjournment proposal, and (iii) approval of the named executive officer merger-related compensation proposal.



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A broker non-vote occurs when (i) your shares are held in street name by brokers, banks and other nominees, and (ii) the broker, bank or nominee submits a proxy card for your shares of Cascade Microtech common stock held in street name but does not vote on a particular proposal because you have not instructed the broker, bank or other nominee regarding how to vote on such proposal and your broker does not have discretionary authority to vote. Because, under applicable rules, brokers, banks and other nominees holding shares in street name do not have discretionary voting authority with respect to any of the three proposals described in this proxy statement, broker non-votes, if any, (x) will not be counted as present in person or by proxy at the special meeting for purposes of determining the presence or absence of a quorum unless the broker has been instructed to vote on at least one of the proposals presented in this proxy statement, and (y) will not be voted on any proposal for which a broker non-vote occurs.

### **Failure to Vote**

If you are a shareholder of record and you do not sign and return your proxy card or vote over the internet, by telephone or in person at the special meeting, your shares will not be voted at the special meeting, will not be counted as present in person or by proxy at the special meeting and will not be counted for purposes of determining whether a quorum exists.

As discussed above, under applicable rules, brokers and other record holders do not have discretionary voting authority with respect to any of the three proposals described in this proxy statement. Accordingly, if you are the beneficial owner of shares held in street name and you do not issue voting instructions to your broker, bank or other nominee, your shares will not be counted as present in person or by proxy at the special meeting for purposes of determining the presence or absence of a quorum, and your shares will not be voted on any proposal.

A failure to vote or a broker non-vote will have no effect on the outcome of the named executive officer merger-related compensation proposal. However, the vote to approve the merger proposal is based on the total number of shares of Cascade Microtech common stock outstanding on the record date, not just the votes cast, and the vote on the adjournment proposal is based on the number of votes represented at a meeting of shareholders, not just the votes cast. **As a result, if you fail to vote your shares, or fail to issue voting instructions to your broker, bank or other nominee, it will have the same effect as a vote AGAINST the merger proposal and the adjournment proposal.**

### **Voting by Cascade Microtech's Directors and Executive Officers**

At the close of business on the record date, directors and executive officers of Cascade Microtech and their affiliates were entitled to vote 2,120,616 shares of Cascade Microtech common stock, or approximately 13.3% of the shares of Cascade Microtech common stock issued and outstanding on that date.

### **Voting at the Special Meeting**

If your shares are registered directly in your name with Cascade Microtech's transfer agent, you are considered a shareholder of record and there are four methods by which you may vote your shares at the special meeting. You may attend the special meeting and vote your shares in person, rather than signing and returning your proxy card, or you may vote your shares by authorizing the persons named as proxies on the proxy card to vote your shares at the special meeting by returning the proxy card by mail, or by voting over the internet, or by telephone. **Although Cascade Microtech offers four different voting methods, Cascade Microtech encourages you to vote over the internet or by telephone, as Cascade Microtech believes they are the most convenient, cost-effective and reliable voting methods.** If you choose to vote your shares over the internet or by telephone, there is no need for you to mail back your proxy card. We also recommend that you vote as soon as possible, even if you are planning to attend the special

meeting, so that the vote count will not be delayed.

*To Vote in Person:* If you plan to attend the special meeting and wish to vote in person, you will be given a ballot at the special meeting.

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*To Vote Over the Internet:* To vote over the internet, go to <http://www.envisionreports.com/CSCD> and follow the steps outlined on the secured website. Please have your proxy card available for reference because you will need the validation details that are located on your proxy card in order to cast your vote. If you vote over the internet, you do not have to mail in a proxy card.

*To Vote by Telephone:* To vote by telephone, call toll-free 1-800-652-VOTE (8683) at any time on a touchtone phone. Please have your proxy card available for reference because you will need the validation details that are located on your proxy card in order to cast your vote. If you vote by telephone, you do not have to mail in a proxy card.

*To Vote by Mail:* To vote by mail, complete, sign and date the proxy card and return it promptly to the address indicated on the proxy card in the postage paid enveloped provided. If you sign and return your proxy card without indicating how you want your shares of Cascade Microtech common stock to be voted with regard to a particular proposal, your shares of Cascade Microtech common stock will be voted in favor of such proposal. If you return your proxy card without a signature, your shares will not be counted as present at the special meeting and cannot be voted.

If your shares are held by your broker, bank or other nominee, you are considered the beneficial owner of shares held in street name and you will receive a form from your broker, bank or other nominee seeking instruction from you as to how your shares should be voted. If you are a beneficial owner and you wish to vote in person at the special meeting, you must bring to the special meeting a legal proxy from the broker, bank or other nominee that holds your shares authorizing you to vote in person at the special meeting.

Shareholders who are entitled to vote at the special meeting may attend the special meeting. Beneficial owners should bring a copy of an account statement reflecting their ownership of Cascade Microtech common stock as of the record date. All shareholders should bring photo identification.

## **Revocation of Proxies**

You can change or revoke your proxy at any time before the final vote at the special meeting. If you are the record holder of your shares, you may revoke your proxy by:

voting again over the internet or by telephone prior to 11:59 p.m., Eastern Time, on June 22, 2016;

timely sending a written notice that you are revoking your proxy to Cascade Microtech's Secretary;

timely delivering a valid, later-dated proxy; or

attending the special meeting and notifying the election officials that you wish to revoke your proxy to vote in person. Simply attending the special meeting will not, by itself, revoke your proxy.

If you are the beneficial owner of shares held in street name, you should contact your broker, bank or other nominee with questions about how to change or revoke your voting instructions.

**Solicitation of Proxies**

The Cascade Microtech board of directors is soliciting your proxy, and Cascade Microtech will bear the cost of soliciting proxies. Cascade Microtech has engaged Georgeson LLC to assist in the solicitation of proxies and provide related advice and informational support, for a base fee of \$7,500 and the reimbursement of reasonable out-of-pocket expenses. Solicitation initially will be made by mail. Forms of proxies and proxy materials may also be distributed through brokers, banks and other nominees to the beneficial owners of shares of Cascade Microtech common stock, in which case these parties will be reimbursed for their reasonable out-of-pocket expenses. Proxies may also be solicited in person or by telephone, facsimile, electronic mail, or other electronic medium by Georgeson LLC or, without additional compensation by certain of Cascade Microtech's directors, officers and employees.

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**Adjournment**

In addition to the merger proposal and the named executive officer merger-related compensation proposal, Cascade Microtech shareholders are also being asked to approve the adjournment proposal, which will give the Cascade Microtech board of directors authority to, as permitted under the terms of the merger agreement, adjourn the special meeting for the purpose of soliciting additional votes in favor of the merger proposal if there are not sufficient votes at the time of the special meeting to approve the merger proposal. If a quorum does not exist, the holders of a majority of the shares of Cascade Microtech common stock present or represented by proxy at the special meeting and entitled to vote may adjourn the special meeting to another place, date or time. If the adjournment proposal is approved, the special meeting could be adjourned by the Cascade Microtech board of directors as permitted under the terms of the merger agreement. In addition, the Cascade Microtech board of directors, as permitted under the terms of the merger agreement, could postpone the meeting before it commences, whether for the purpose of soliciting additional votes or for other reasons. If the special meeting is adjourned or postponed for the purpose of soliciting additional votes, shareholders who have already submitted their proxies will be able to revoke them at any time prior to their use. If you return a proxy and do not indicate how you wish to vote on the adjournment proposal, your shares will be voted in favor of the adjournment proposal.

**The Cascade Microtech board of directors unanimously recommends a vote **FOR** the adjournment proposal.**

**Other Information**

You should not return your stock certificate or send documents representing Cascade Microtech common stock with the proxy card. If the merger is completed, the paying agent for the merger will send you a letter of transmittal and instructions for exchanging your shares of Cascade Microtech common stock for the consideration to be paid to the former Cascade Microtech shareholders in connection with the merger.

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**PROPOSAL I: THE MERGER**

**General**

This proxy statement/prospectus is being provided to holders of Cascade Microtech common stock in connection with the solicitation of proxies by Cascade Microtech's board of directors to be voted at the special meeting, and at any adjournments or postponements of such meeting. At the special meeting, Cascade Microtech will ask its shareholders to vote upon a proposal to approve and adopt the merger agreement, the merger pursuant to merger agreement and the related transactions contemplated by the merger agreement, a proposal to adjourn the Cascade Microtech special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve and adopt the merger agreement, the merger pursuant to merger agreement and the related transactions contemplated by the merger agreement at the time of the special meeting and a proposal to approve, on an advisory (non-binding) basis, the merger-related compensation that will or may be paid to Cascade Microtech's named executive officers in connection with the merger.

The merger agreement provides for the merger of Merger Sub with and into Cascade Microtech, with Cascade Microtech continuing as the surviving corporation and a wholly owned subsidiary of FormFactor. **The merger will not be consummated unless Cascade Microtech's shareholders approve and adopt the merger agreement, the merger pursuant to merger agreement and the related transactions contemplated by the merger agreement.** A copy of the merger agreement is attached as Annex A to this proxy statement/prospectus. You are urged to read the merger agreement in its entirety because it is the legal document that governs the merger. For additional information about the merger, see "The Merger Agreement Structure of the Merger" and "The Merger Agreement Merger Consideration" beginning on pages 94 and 95, respectively, of this proxy statement/prospectus.

Upon consummation of the merger, each share of Cascade Microtech common stock (other than certain excluded shares) will be cancelled and converted into the right to receive a combination of \$16.00 in cash, without interest, and 0.6534 of a share of FormFactor common stock, as such cash amount and exchange ratio may be adjusted pursuant to the merger agreement. See "The Merger Agreement Exchange Ratio Adjustment" beginning on page 95 of this proxy statement/prospectus. Based on the number of shares of Cascade Microtech common stock outstanding as of May 17, 2016, FormFactor expects to issue approximately 10,438,799 shares of its common stock to Cascade Microtech's shareholders pursuant to the merger. The actual number of shares of FormFactor common stock to be issued and reserved for issuance pursuant to the merger will be determined at the consummation of the merger based on the exchange ratio of 0.6534, as may be adjusted pursuant to the merger agreement, and the number of shares of Cascade Microtech common stock outstanding at such time. FormFactor and Cascade Microtech expect that, immediately after consummation of the merger, former Cascade Microtech's shareholders will own approximately 14.9% of the outstanding FormFactor common stock, based on the number of shares of Cascade Microtech and FormFactor common stock outstanding as of May 17, 2016.

**Background of the Merger**

As part of its ongoing strategic planning process, Cascade Microtech's management and board of directors regularly review and assess, among other things, Cascade Microtech's long-term strategic goals and opportunities, the competitive environment, trends in the semiconductor device measurement and testing industry, and Cascade Microtech's short- and long-term performance in light of its strategic plan. In connection with these activities, Cascade Microtech's management and board of directors have also considered and evaluated potential strategic alternatives, including business combinations, acquisitions, dispositions and internal restructurings.

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On January 24, 2014, FormFactor's then-Chief Executive Officer, Thomas St. Dennis, contacted Michael Burger, Cascade Microtech's President and Chief Executive Officer, regarding the possibility of Cascade Microtech selling its probe card business to FormFactor. Mr. Burger and Mr. St. Dennis met in San Francisco on February 12, 2014 to discuss this possibility during the 2014 Technology, Internet & Media Conference hosted

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by Stifel, Nicolaus & Company, Incorporated, which is referred to in this proxy statement/prospectus as Stifel. At that meeting, Mr. Burger indicated his view that Cascade Microtech might, at some future time, consider a sale of its probe card business under the right terms, but was not currently interested in doing so. Following the meeting, Mr. Burger and Mr. St. Dennis stayed in contact, exchanging several emails about the state of technological developments in the industry and possible opportunities for collaboration between the two companies.

On May 21, 2014, Mr. St. Dennis and Mr. Burger met at the B. Riley & Co. investor conference in Santa Monica, California, and Mr. St. Dennis outlined the strategic rationale for a potential acquisition of Cascade Microtech by FormFactor, including a preliminary outline of the proposed consideration structure for such a transaction, consisting of cash and the issuance to Cascade Microtech shareholders of FormFactor common stock equal to up to 19.9% of FormFactor's outstanding shares. Mr. Burger indicated that he would take a reasonable proposal to Cascade Microtech's board of directors, and Mr. St. Dennis expressed his intention to formulate a proposal.

On June 16, 2014, Mr. St. Dennis emailed Mr. Burger a strategic rationale for, and high-level summary of, the proposed merger; the communication proposed a combination of cash and stock merger consideration but did not provide the amount of the proposed merger consideration. On June 23, 2014, Mr. Burger replied by email that in order for him to present a proposal to the Cascade Microtech board of directors, the proposal would need to be sufficiently compelling, provide a proposed valuation of Cascade Microtech and address matters such as the structure and financing of the proposal and governance of the combined company. During the period of these communications between Mr. St. Dennis and Mr. Burger, Mr. Burger provided periodic updates regarding their communications to the Chairman of the Cascade Microtech board of directors.

On December 28, 2014, Dr. Michael Slessor succeeded Mr. St. Dennis as Chief Executive Officer of FormFactor.

In January 2015, Dr. Slessor communicated his interest in continuing the discussions begun by Mr. St. Dennis with Mr. Burger about a possible combination of FormFactor and Cascade Microtech. Mr. Burger agreed to meet with Dr. Slessor on February 9 at the 2015 Technology, Internet & Media Conference hosted by Stifel in San Francisco, California.

On February 6, 2015, the Cascade Microtech board of directors met, with representatives of Stifel and Cascade Microtech's legal counsel, Perkins Coie LLP, which is referred to in this proxy statement/prospectus as Perkins Coie, in attendance. During the meeting, Mr. Burger noted his scheduled meeting with Dr. Slessor and Stifel presented to the board generally about Cascade Microtech's current situation, industry and capital markets conditions and potential partners for a strategic transaction. The board of directors also approved the engagement of Stifel as Cascade Microtech's financial advisor to explore potential strategic transactions.

On February 9, 2015, Dr. Slessor and Mr. Burger met at Stifel's 2015 Technology, Internet & Media Conference and Dr. Slessor indicated his interest in discussing a potential business combination between FormFactor and Cascade Microtech.

The Cascade Microtech board of directors met on February 12, 2015 with Perkins Coie representatives in attendance. During that meeting, Mr. Burger noted to the board his discussion with Dr. Slessor and that Stifel had received unsolicited indications that other third parties may also be interested in a transaction involving Cascade Microtech. At the meeting, a representative of Perkins Coie reviewed for the board of directors its fiduciary duties in considering a transaction that may result in a change of control of Cascade Microtech.

The Cascade Microtech board of directors met on February 27, 2015 with representatives of Stifel and Perkins Coie in attendance. At the meeting, Stifel representatives provided an overview of a proposed process in which Cascade



Microtech, through Stifel, would approach various third parties, including certain parties that had previously indicated potential interest in a merger or acquisition transaction involving Cascade Microtech,

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regarding such a potential transaction. The Cascade Microtech board of directors discussed, among other things, the impact on FormFactor's indication of interest of engaging in such a process, and decided to pursue a process with a broader group of potential buyers in order to maximize value for a potential sale of Cascade Microtech.

From late February 2015 through the end of April 2015, Cascade Microtech engaged in this process. As part of the process, representatives of Stifel contacted 27 potential strategic buyers, including FormFactor, and four financial buyers. As a result of these contacts, Cascade Microtech's management team delivered a management presentation, with Stifel representatives in attendance, about Cascade Microtech to six potential buyers, including FormFactor, on separate occasions from late March to early April 2015. The Cascade Microtech board of directors met frequently during this period to receive updates from Stifel representatives and Cascade Microtech's management team on the status of the process and Cascade Microtech's engagement with various potential counterparties.

On April 27, 2015, FormFactor submitted a preliminary non-binding indication of interest to acquire Cascade Microtech in an all-stock acquisition for \$14.35 per share of Cascade Microtech common stock, which represented a 6.3% premium to Cascade Microtech's closing price on April 27, 2015 and an 8.0% premium to the 60-day volume weighted-average price of a share of Cascade Microtech common stock. On April 28, 2015, the Cascade Microtech board of directors met, with representatives of Stifel and Perkins Coie in attendance, to review the indication of interest. Representatives of Stifel provided a preliminary overview of FormFactor's indication of interest, a comparison of FormFactor's implied valuation of Cascade Microtech to the trading multiples of selected comparable companies and selected precedent transactions and a financial analysis of the proposed combination. The Cascade Microtech board of directors believed that FormFactor's bid was too low and did not present a more favorable alternative than Cascade Microtech's strategic plan as an independent company, and decided to reject the indication of interest. Following the meeting, representatives of Stifel communicated this decision to representatives of FormFactor's financial advisor, Needham & Company, LLC, which is referred to in this proxy statement/prospectus as Needham & Company.

On May 20, 2015, a representative of Needham & Company communicated to a Stifel representative that, although FormFactor remained interested in acquiring Cascade Microtech, due to relative changes in Cascade Microtech's and FormFactor's share prices, FormFactor was not interested at that time in pursuing a transaction on the terms included in FormFactor's bid.

On May 22, 2015, the Cascade Microtech board of directors decided that management should continue to execute on its business plan as an independent company and that Cascade Microtech would not continue discussions with FormFactor or consider other strategic alternatives at that time. Discussions between Cascade Microtech and FormFactor relating to an acquisition or combination ceased.

On November 11, 2015, a representative of Needham & Company met with Mr. Burger at the Cascade Microtech offices in Beaverton, Oregon, for purposes independent of the previous discussions relating to a potential transaction between Cascade Microtech and FormFactor. During that meeting, the Needham & Company representative indicated that FormFactor may have a continued interest in acquiring Cascade Microtech. Mr. Burger indicated that Cascade Microtech would be willing to consider a proposal from FormFactor at a sufficiently compelling price. Mr. Burger consented to the Needham & Company representative sharing that information with FormFactor's executive management.

On November 30, 2015, Dr. Slessor proposed to Mr. Burger that they meet at an investor conference in New York City on December 10, 2015. At the December 10 meeting, Dr. Slessor expressed FormFactor's continuing interest in acquiring Cascade Microtech. Dr. Slessor outlined the preliminary structure of a cash-and-stock deal, in which FormFactor would issue up to 19.9% of its outstanding common stock and obtain debt financing to help pay the cash

portion of the purchase price. The executives also exchanged general observations about their respective views of Cascade Microtech's value.

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On December 11, 2015, FormFactor submitted a written indication of interest to acquire Cascade Microtech for \$20.00 per share, which represented a 23% premium to Cascade Microtech's closing price on December 11, 2015 and a 25% premium to the 30-day volume weighted average price of a share of Cascade Microtech common stock as of December 11, 2015. The indication of interest proposed consideration of a combination of cash and FormFactor common stock, with the stock portion comprised of newly issued FormFactor common stock representing 19.9% of its common stock outstanding, which would be valued at the 30-day volume weighted average price of the stock as of two business days prior to the signing of the definitive merger agreement. The cash portion of the purchase price per share would be equal to the difference between \$20.00 and the per share value of the stock portion of the consideration. The indication of interest also specified that Cascade Microtech would be obligated to negotiate exclusively with FormFactor regarding an acquisition until January 29, 2016.

On December 14, 2015, the Cascade Microtech board of directors held a meeting with representatives of Stifel and Perkins Coie to review the December 11, 2015 indication of interest from FormFactor. At that meeting, Mr. Burger described his prior communications and meetings with Dr. Slessor and Needham & Company representatives preceding delivery of the indication of interest, and a representative of Perkins Coie reviewed for the board its fiduciary duties under the circumstances presented by the indication of interest. Stifel's representatives presented a preliminary analysis of FormFactor's indication of interest, a comparison of FormFactor's implied valuation of Cascade Microtech to the trading multiples of selected comparable companies and selected precedent transactions and a financial analysis of the proposed combination. Following the meeting, Mr. Burger called Dr. Slessor about the Cascade Microtech board of directors' review of the indication of interest and relayed clarifying questions from the board. Dr. Slessor explained various components of the indication of interest, described the status of efforts to arrange financing for a potential transaction and noted that the FormFactor board believed the proposed price and premium were relatively high for Cascade Microtech and that FormFactor insisted that Cascade Microtech grant exclusivity to FormFactor and not contact other potentially interested parties about competing transactions.

On December 15, 2015, the Cascade Microtech board of directors held a meeting with representatives of Stifel and Perkins Coie in attendance, to review and discuss issues related to the indication of interest from FormFactor and to discuss next steps. The board reviewed, among other things, (1) prior discussions of the board of directors and actions by Cascade Microtech relating to a potential sale of Cascade Microtech, (2) an assessment, based in part on Stifel's input, of the potential interest of third parties in acquiring Cascade Microtech in light of past efforts and interactions and (3) the board's fiduciary duties relating to any sale of Cascade Microtech. The board of directors discussed FormFactor's proposal in the indication of interest letter and FormFactor's insistence on exclusivity prior to signing the merger agreement. The board also discussed the proposed merger consideration, including the mix of cash and FormFactor common stock to be paid to Cascade Microtech shareholders and whether the value of the stock component would be fixed through closing of the merger or subject to interim fluctuations. The representatives of Stifel discussed the firm's preliminary financial assessment of FormFactor's proposal and their views on the proposed structure of the merger consideration, FormFactor's exclusivity request and potential interest of third parties in acquiring Cascade Microtech. Following discussion, including of the amount of the proposed merger consideration, the Cascade Microtech board of directors directed Mr. Burger to contact Dr. Slessor and Stifel to contact Needham & Company in response to the FormFactor letter.

On December 16, 2015, Mr. Burger called Dr. Slessor and a representative of Stifel called a representative of Needham & Company regarding the Cascade Microtech board of directors' potential interest in a sale of Cascade Microtech at an appropriate price, the board's view that the proposed price per share was too low and that the board was considering FormFactor's request for exclusivity. Mr. Burger and the Stifel representative also discussed and inquired as to certain terms of the indication of interest, including the merger consideration structure for Cascade Microtech shares and equity-based awards and FormFactor's proposed financing of the transaction.



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On December 17, 2015, the Cascade Microtech board of directors met with representatives of Perkins Coie and Stifel in attendance to discuss the results of Mr. Burger's conversation with Dr. Slessor and of Stifel's conversation with Needham & Company. The Cascade Microtech board of directors decided on the principal terms of a revised proposal to FormFactor. Subsequent to the meeting, Cascade Microtech's management and legal and financial advisers prepared a revised indication of interest letter specifying a purchase price of \$23.50 per share of Cascade Microtech common stock, payable to Cascade Microtech shareholders in a mix of cash and FormFactor common stock, and a fiduciary out provision for Cascade Microtech with a related termination fee. The revised letter was circulated to the Cascade Microtech board of directors for review.

On December 18, 2015, the Cascade Microtech board of directors held a meeting with representatives of Perkins Coie and Stifel in attendance to review the revised indication of interest prepared by Cascade Microtech's management and legal and financial advisors. Representatives of Stifel discussed the merger consideration structure and financial terms of the revised indication of interest, including a sensitivity analysis of the value of the merger consideration to Cascade Microtech shareholders based on possible price fluctuations of the FormFactor common stock between signing the merger agreement and closing of the transaction. After the meeting, Mr. Burger sent the revised indication of interest to Dr. Slessor and called Dr. Slessor to discuss Cascade Microtech's revised price and FormFactor's exclusivity request. A representative of Stifel also contacted a representative of Needham & Company to discuss Cascade Microtech's revised letter.

On December 21, 2015, Mr. Burger and Dr. Slessor had a conversation in which Dr. Slessor indicated that FormFactor would be providing a revised proposal at \$20.50 per share of Cascade Microtech common stock. Later that day, the Cascade Microtech board of directors convened a meeting with representatives of Perkins Coie and Stifel in attendance so that Mr. Burger and Stifel's representative could report on conversations they had with Dr. Slessor and Needham & Company. Following the meeting, Mr. Burger called Dr. Slessor to indicate that a proposal of \$20.50 per share would be too low.

FormFactor formally responded to Cascade Microtech's revised proposal on December 22, 2015 with a revised indication of interest letter to acquire Cascade Microtech for \$20.50 per share, consisting of a mix of cash and FormFactor stock. The revised letter also amended the exclusivity period to extend through February 5, 2016 and increased the termination fee related to Cascade Microtech's fiduciary out provision. The Cascade Microtech board of directors met the same day with representatives of Perkins Coie and Stifel to review the revised proposal. At the meeting, Stifel's representative reviewed the financial terms of the revised proposal and the board of directors held a discussion with management and the advisors about potential responses to FormFactor's revised proposal, including the possibility of increasing the purchase price per share. After the meeting, Mr. Burger called Dr. Slessor to report that the Cascade Microtech board of directors did not accept the FormFactor revised proposal. Dr. Slessor indicated that FormFactor would consider further revising its proposal. A representative of Stifel also called a representative of Needham & Company to provide an update.

On December 23, 2015, the Cascade Microtech board of directors met with representatives of Perkins Coie and Stifel in attendance to receive updates from Mr. Burger and Stifel's representatives about their conversations with Dr. Slessor and Needham & Company, respectively, following the previous day's board meeting. A representative of Perkins Coie again reviewed for the members of the board of directors their fiduciary duties relative to the discussions with FormFactor. After discussion, the Cascade Microtech board of directors instructed Mr. Burger to continue his conversations with Dr. Slessor. Also on December 23, 2015, Dr. Slessor called Mr. Burger to indicate that he was gathering further input on whether to make a revised proposal.

On December 24, 2015, Mr. Burger and Dr. Slessor had a conversation in which Dr. Slessor indicated that FormFactor may be willing to increase the per share merger consideration of its proposal if Cascade Microtech were willing to

agree to (1) restrictions on Cascade Microtech's ability to issue additional shares and to enter into or modify any retention plans, severance plans, change-in-control agreements or employment agreements during the proposed exclusivity period and (2) a greater termination fee related to the fiduciary out. Later on December 24, 2015, Mr. Burger updated the Cascade Microtech board of directors as to these conversations at a

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meeting of the board of directors with representatives of Perkins Coie and Stifel in attendance. The board of directors directed Mr. Burger to request from FormFactor a revised indication of interest letter with FormFactor's proposed terms.

On December 24, 2015, FormFactor provided a revised indication of interest letter to Cascade Microtech with a purchase price for Cascade Microtech common stock of \$21.50 per share, consisting of a mix of cash and FormFactor common stock, and including the other terms Dr. Slessor had proposed earlier in the day.

On December 28, 2015, the Cascade Microtech board of directors held a meeting with representatives of Perkins Coie and Stifel in attendance to discuss FormFactor's revised indication of interest letter of December 24. The Cascade Microtech board of directors discussed (a) the proposed purchase price, (b) the acceptability of the proposed restrictions on Cascade Microtech's ability to issue additional shares, including revising the restrictions in order to provide Cascade Microtech with the ability to grant equity awards in connection with new hires in the ordinary course of business, (c) revising the restrictions on Cascade Microtech's ability to structure retention arrangements (in order to provide flexibility to structure such arrangements for key employees) and (d) the importance, in light of the proposed exclusivity arrangement, of a termination fee amount that would not prohibit competing acquisition proposals. The board of directors directed Mr. Burger to propose to FormFactor a purchase price of \$22.00 per share. Following the meeting, Mr. Burger called Dr. Slessor to discuss increasing the purchase price to \$22.00 per share, the equity issuance and retention arrangement restrictions and the amount of the termination fee.

On December 30, 2015, Mr. Burger and Dr. Slessor discussed again the acquisition of Cascade Microtech by FormFactor at a price of \$22.00 per share, but Dr. Slessor did not agree on that price. Later that day, FormFactor sent a revised version of the indication of interest, specifying a price of \$21.75 per share, consisting of a mix of cash and FormFactor stock, setting the fiduciary out termination fee at a customary level, allowing Cascade Microtech the ability to issue equity awards in connection with new hires in the ordinary course of business and to structure retention arrangements with recipients acceptable to FormFactor on terms acceptable to FormFactor and obligating Cascade Microtech to negotiate exclusively with FormFactor regarding an acquisition until February 5, 2016.

On January 1, 2016, the Cascade Microtech board of directors met to review the revised indication of interest. At the meeting, Mr. Burger reported on his conversations with Dr. Slessor over the preceding two days regarding price and other issues related to the transaction. The Cascade Microtech board of directors, after deliberation and having considered the financial analyses previously provided by Stifel, determined that the proposed price per share of \$21.75 and proposed termination fee would be acceptable. Later that day, Mr. Burger and Dr. Slessor discussed the revised indication of interest letter, and agreed on the \$21.75 per share price and other open issues in the indication of interest letter, including the restrictions on equity awards and retention arrangements, and the potential appointment of a Cascade Microtech director to the FormFactor board of directors. Following this conversation, the companies signed the non-binding indication of interest letter incorporating the agreed-upon terms.

Cascade Microtech and FormFactor and their respective advisors met at the offices of Perkins Coie in Portland, Oregon on January 7, 2016, to coordinate the process needed for the companies to complete due diligence reviews of each other and to negotiate the merger agreement and to discuss transaction timelines.

On January 8, 2016, representatives of FormFactor's legal counsel, Davis Polk & Wardwell LLP, which is referred to in this proxy statement/prospectus as Davis Polk, delivered an initial draft of the merger agreement to representatives of Perkins Coie.

Due diligence by both Cascade Microtech and FormFactor and negotiation of the merger agreement continued until the merger agreement was signed on February 3, 2016. On numerous occasions throughout the month of January and



early February 2016, representatives of FormFactor and Cascade Microtech, and Cascade Microtech's and FormFactor's respective legal, financial and accounting advisors, attended meetings (both

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telephonically and in person) to conduct due diligence of the other company. On January 11, 2016, Cascade Microtech opened a due diligence data room to FormFactor and its representatives.

On January 15, 2016, Perkins Coie delivered a revised draft of the merger agreement to Davis Polk. On January 16, 2016, FormFactor opened its data room to Cascade Microtech and its representatives.

Between market close on December 31, 2015, the last trading day before the indication of interest letter was signed, and market close on January 21, 2016, the price of (1) FormFactor's common stock declined by \$0.75 per share, from \$9.00 to \$8.25 per share and (2) Cascade Microtech's common stock declined by \$1.22 per share, from \$16.25 to \$15.03 per share.

On January 22, 2016, the Cascade Microtech board of directors held a meeting to receive updates on the transaction status from management and representatives of Stifel and of Perkins Coie, and to discuss the impact of the decline in FormFactor's stock price on the proposed merger consideration. Cascade Microtech's management and advisors reported on the status of negotiations and due diligence by both FormFactor and Cascade Microtech. Stifel's representatives reviewed the recent price movements in the common stock of both companies and related trends and the Cascade Microtech board of directors considered, with the assistance of Stifel, how the impact of declines in FormFactor's stock price on its 30-day volume weighted average price would result in an increase in the cash component and a decrease in the stock component of the merger consideration proposed to be provided to Cascade Microtech's shareholders and could potentially increase the difference between the 30-day volume weighted average price and the share value of FormFactor common stock on a given date. The Cascade Microtech board of directors also considered that between December 30, 2015, when the non-binding indication of interest letter was signed, and January 21, 2016, the 30-day volume weighted average price of FormFactor common stock fell from \$8.81 per share to \$8.43 per share, which would have resulted in an increase in the cash portion of the merger consideration to reach the proposed \$21.75 per share purchase price between those respective dates. A representative of Perkins Coie reviewed terms of the draft merger agreement received earlier in the day from Davis Polk, and discussed certain open issues. A member of Cascade Microtech's management team also provided an update regarding the status of Cascade Microtech's financial due diligence of FormFactor.

On January 25, 2016, representatives of Davis Polk and Perkins Coie discussed open issues in the merger agreement. That evening, Perkins Coie delivered a further revised draft of the merger agreement to Davis Polk.

On January 26, 2016, Dr. Slessor called Mr. Burger to propose that, due to the significant decline in FormFactor's common stock price since signing the indication of interest letter, a fixed price of \$8.80 per share of FormFactor common stock should be used for purposes of determining the exchange ratio of the stock component of the merger consideration, rather than the 30-day volume weighted average price of a share of FormFactor common stock, as provided in the indication of interest. The \$8.80 per share amount approximated the 30-day volume weighted average price of a share of FormFactor common stock when the indication of interest letter was signed.

On January 27, 2016, representatives of FormFactor toured Cascade Microtech's facility in Germany. On January 28, 2016, representatives of Cascade Microtech toured FormFactor's facilities in Livermore, California and in San Jose, California.

On January 28, 2016, the Cascade Microtech board of directors held a meeting to discuss a response to Dr. Slessor's January 26 request to set the share price of FormFactor common stock at \$8.80 per share for purposes of determining the exchange ratio of the stock component of the merger consideration, and to receive updates about the status of the transaction. Mr. Burger conveyed Dr. Slessor's proposal to set the price of FormFactor common stock as described above, and representatives of Stifel compared this amount with the expected 30-day volume weighted average price of

a share of FormFactor common stock contemplated in the signed indication of interest letter. The Cascade Microtech board of directors requested Stifel to conduct additional analysis about the proposed change and to report to the board later that day.

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At the same meeting, a representative of Stifel updated the Cascade Microtech board of directors on the transaction process, and management updated the board of directors on the results of Cascade Microtech's financial due diligence of FormFactor. A representative of Perkins Coie provided an update about the status of legal due diligence regarding FormFactor and remaining open issues in the merger agreement. Following these updates, the board adjourned until later that day after Stifel had prepared and distributed materials analyzing the proposed pricing change.

When the Cascade Microtech board of directors reconvened the meeting on the afternoon of January 28, 2016, Stifel's representatives reviewed a preliminary financial analysis based on FormFactor's common stock price trends at and after the indication of interest letter was signed. Stifel's representatives also reviewed their preliminary analysis of various assumed FormFactor stock values on the total and per share value of the merger consideration in the transaction, both at signing of the merger agreement and at closing of the transaction. This included a preliminary analysis of the difference in expected value using the proposed \$8.80 per FormFactor share valuation or the anticipated 30-day volume weighted average price of a share of FormFactor common stock at the signing of the merger agreement for purposes of determining the exchange ratio of the stock component of the merger consideration. The Cascade Microtech board of directors discussed with Cascade Microtech's management and advisors the proposed pricing change, including that using the proposed \$8.80 per-share valuation of FormFactor common stock would slightly decrease the value of the merger consideration, based on a range of assumed values of FormFactor common stock on the date of signing the merger agreement and the date of closing the merger, compared to the value of the merger consideration based upon an assumed 30-day volume weighted average price of \$8.36 per share (the 30-day volume weighted average price of a share of FormFactor common stock as of January 27, 2016). The Cascade Microtech board of directors discussed the risk that using a fixed value of FormFactor common stock for purposes of determining the exchange ratio of the stock component of the merger consideration, as opposed to using the 30-day volume weighted average price, presented to the value of the merger consideration, but also considered the potential benefit that any fixed exchange ratio (whether based on the proposed \$8.80 stock price or a 30-day volume weighted average price) would yield if the price of FormFactor's common stock increased to a higher per-share value at closing. The Cascade Microtech board of directors also discussed the risk that the prospective transaction would be abandoned by FormFactor if the change was not accepted.

Following this discussion, the Cascade Microtech board of directors requested a representative of Perkins Coie to review remaining open key issues in the merger agreement and Mr. Burger discussed other significant open issues. Based on this input, the Cascade Microtech board of directors determined to accept FormFactor's proposal to set the FormFactor stock price at \$8.80 for purposes of determining the exchange ratio of the stock component of the merger consideration, provided that satisfactory resolution of the remaining material issues in the merger agreement and the transaction could be achieved. Mr. Burger conveyed this position to Dr. Slessor by email the same day.

On January 28, 2016, a representative of Needham & Company provided to Cascade Microtech and its advisors copies of draft commitment letters from FormFactor's lenders relating to debt financing for the merger transaction.

On January 29, 2016, Dr. Slessor indicated to Mr. Burger that FormFactor would agree to Cascade Microtech's proposed resolution of the issues identified by Mr. Burger, and Mr. Burger indicated that Cascade Microtech would agree to the fixed price of \$8.80 per share of FormFactor stock for purposes of determining the exchange ratio of the stock component of the merger consideration. Over the course of the next few days, representatives of Perkins Coie and Davis Polk finalized the terms of the merger agreement, exchanged further drafts of the merger agreement and, together with Cascade Microtech's management and other advisors, completed remaining due diligence items. FormFactor and Cascade Microtech agreed on the exchange ratio and cash per share amount for the merger consideration. The agreed exchange ratio of 0.6534 represented the estimated maximum amount of FormFactor common stock that could be issued by FormFactor per share of Cascade Microtech common stock such that the total number of shares that would be issued or reserved for assumed equity awards by FormFactor in connection with the

merger would not exceed 19.9% of its outstanding common stock immediately prior to the effective time of the merger. The cash consideration of \$16.00 per share

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represented the balance of the previously agreed per share merger consideration of \$21.75, after taking into account the previously agreed value of \$8.80 per share of FormFactor stock. These calculations were based on certain agreed assumptions regarding the factors described under "The Merger Agreement Exchange Ratio Adjustment" beginning on page 95 of this proxy statement/prospectus.

On January 30, 2016, representatives of FormFactor toured Cascade Microtech's facility in Beaverton, Oregon.

On February 3, 2016, the Cascade Microtech board of directors held a meeting to discuss the proposed merger with FormFactor, in anticipation of a potential signing of the merger agreement later that day. At the meeting, Mr. Burger provided an update on the status and results of negotiations with FormFactor. A representative of Perkins Coie summarized the terms of the merger agreement and answered related questions. The Perkins Coie representative also discussed with the directors their fiduciary duties in connection with a sale of Cascade Microtech generally and in connection with the proposed transaction terms. Management and representatives of Perkins Coie and Stifel reported on the results of Cascade Microtech's business, legal and financial due diligence investigation of FormFactor. A representative of Stifel also reviewed with the Cascade Microtech board of directors its financial analysis of FormFactor's proposal, reviewed various financial metrics and methodologies and discussed the merger consideration to be paid by FormFactor, both in comparison to Cascade Microtech's stand-alone value and as an implied premium to Cascade Microtech's historical trading prices. The Stifel representatives also discussed Stifel's analysis of the value of the combined company and the status of FormFactor's financing efforts related to the transaction. Representatives of Stifel then delivered the firm's fairness opinion orally, which was confirmed by a written opinion delivered after the meeting. The fairness opinion concluded that, based upon and subject to the procedures followed, limitations on the review undertaken and assumptions made and qualifications and other matters contained in Stifel's opinion, Stifel was of the opinion that, as of the date of its opinion, the consideration to be received by holders of Cascade Microtech common stock from FormFactor in the merger pursuant to the merger agreement was fair to such holders, from a financial point of view. The Cascade Microtech board of directors adjourned the meeting until later in the day pending finalization of the merger agreement.

Following finalization of the merger agreement, the Cascade Microtech board of directors reconvened the meeting. Following discussion, the Cascade Microtech board of directors unanimously approved and adopted the merger agreement and approved the merger and the transactions contemplated by the merger agreement, subject to the receipt of signed debt financing commitment letters from FormFactor's financing sources for the transaction. The Cascade Microtech board of directors also unanimously determined that the merger was fair to, advisable for and in the best interests of Cascade Microtech and its shareholders, authorized management to submit the merger agreement to the Cascade Microtech shareholders for adoption at the Cascade Microtech special shareholder meeting and unanimously recommended that Cascade Microtech's shareholders adopt the merger agreement.

FormFactor and Cascade Microtech signed the merger agreement later that evening, following receipt by Cascade Microtech of the signed debt financing commitment letters.

On February 4, 2016, the companies issued a joint press release announcing the signing of the merger agreement.

## **Cascade Microtech Reasons for the Merger; Recommendation of the Cascade Microtech Board of Directors**

In evaluating the merger agreement and the merger, Cascade Microtech's board of directors consulted with Cascade Microtech's management and legal and financial advisors and, in reaching its decision to approve and adopt the merger agreement and to recommend that Cascade Microtech's shareholders vote for the approval and adoption of the merger agreement, the merger pursuant to merger agreement and the related transactions contemplated by the merger agreement, Cascade Microtech's board of directors considered a variety of factors, including, among others, the

following:

the review of Cascade Microtech's business, strategy, current and projected financial condition, current earnings and earnings prospects;

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the risks and uncertainties associated with maintaining Cascade Microtech's existence as an independent company compared to the opportunities presented by the merger;

the fact that the merger consideration consists primarily of cash, providing Cascade Microtech shareholders with certainty of value and immediate liquidity upon completion of the merger (to the extent of the cash component of the merger consideration), along with a significant stock component, which provides Cascade Microtech shareholders with the ability to participate in the potential future growth and earnings of the combined company;

recent and historical market prices for Cascade Microtech's common stock, as compared to the merger consideration, including the fact that the implied merger consideration of \$21.12 per share (based on the closing price of FormFactor common stock on February 2, 2016, the last trading day prior to the Cascade Microtech board of directors' approval of the merger agreement and the merger) represents an approximate premium of:

35.3% over \$15.61, the closing price per share of Cascade Microtech's common stock on February 2, 2016;

39.1% over \$15.18, the average closing price per share of Cascade Microtech's common stock over the one-month period ended February 2, 2016;

33.4% over \$15.83, the average closing price per share of Cascade Microtech's common stock over the three-month period ended February 2, 2016; and

23.6% over \$17.09, the highest price per share of Cascade Microtech's common stock during the 52-week period ended February 2, 2016;

the general risks of market conditions that could affect the price of Cascade Microtech's common stock, as well as the other risks and uncertainties discussed in Cascade Microtech's public filings with the SEC;

the Cascade Microtech board of directors' review of other strategic alternatives for Cascade Microtech, including the Cascade Microtech board of directors' knowledge of (1) Cascade Microtech's business, competitive position in the industry, financial condition and results of operations, on both historical and prospective bases, (2) current industry, economic and market conditions and trends and (3) the probabilities potentially associated with achieving Cascade Microtech's long-term strategic plan as a stand-alone company as compared to the certainty of value and opportunity afforded to Cascade Microtech's shareholders by way of the merger consideration;



Cascade Microtech's participation in a private auction process in early 2015, as described under Background of the Merger beginning on page 61 of this proxy statement/prospectus, during which parties potentially interested in the company had failed to propose a strategic transaction on terms as favorable as the terms of the merger agreement and the merger;

the inherent uncertainty of attaining management's internal financial projections, including the fact that Cascade Microtech's actual financial results in future periods could differ materially from projected results;

the opinion of Cascade Microtech's financial advisor, Stifel, to Cascade Microtech's board of directors that, based upon and subject to the procedures followed, limitations on the review undertaken and assumptions made on qualifications and other matters contained in Stifel's opinion, as of the date of Stifel's opinion, the consideration to be received by holders of Cascade Microtech common stock from FormFactor in the merger pursuant to the merger agreement was fair to such holders, from a financial point of view, and the financial analyses related thereto prepared by Stifel and presented to the Cascade Microtech board of directors and described below under Opinion of Cascade Microtech's Financial Advisor beginning on page 77 of this proxy statement/prospectus;

Cascade Microtech's board of directors' belief that it was preferable to negotiate on a confidential and exclusive basis with FormFactor rather than to re-initiate the auction process Cascade Microtech

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conducted in early 2015 or otherwise conduct a market check, particularly in light of (1) the board of directors' belief, after consulting with Cascade Microtech's financial advisor, that undertaking such a market check or auction process was unlikely to lead to a superior bid, (2) FormFactor's indication to Cascade Microtech that it would withdraw its indication of interest if Cascade Microtech did not grant exclusivity to FormFactor or if Cascade Microtech engaged in such a process, and the fact that a failed effort to sell Cascade Microtech would be highly detrimental to Cascade Microtech, (3) the Cascade Microtech board of directors' belief that, after considering a range of potential acquirers other than FormFactor and, after consultation with Cascade Microtech's management and Cascade Microtech's financial and legal advisors, FormFactor was best situated with respect to financial resources, complementary products, potential synergies and strategic benefits and current interest in a transaction with the highest value to Cascade Microtech's shareholders, (4) the fact that Cascade Microtech would be permitted, under circumstances described in the merger agreement, to provide information to and engage in discussions or negotiations with a third party that makes an unsolicited bona fide acquisition proposal and (5) the fact that Cascade Microtech would also be permitted, under circumstances described in the merger agreement, to terminate the merger agreement in order to enter into an agreement for a superior proposal, as described under "The Merger Agreement - No Solicitation by Cascade Microtech" beginning on page 106 of this proxy statement/prospectus, after giving FormFactor an opportunity to match such proposal and upon payment to FormFactor of a termination fee of \$10.8 million, as described under "The Merger Agreement - Termination Fee and Expenses" beginning on page 117 of this proxy statement/prospectus;

the fact that Cascade Microtech's legal and financial advisors were involved throughout the negotiations and updated the board directly and regularly, which provided the board with additional perspectives on the negotiations in addition to those of management;

the fact that Cascade Microtech's management and advisors conducted a due diligence investigation of FormFactor through review of documents, discussions with FormFactor management and site visits;

the fact that Cascade Microtech's board of directors, through extensive, arms-length negotiation, was able to obtain favorable deal terms, including obtaining what the Cascade Microtech board of directors concluded was the highest price per share that FormFactor was willing to agree to pay, considering the extensive negotiations between the parties, as described under "Background of the Merger" beginning on page 61 of this proxy statement/prospectus;

Cascade Microtech's board of directors' assessment, after consulting with its financial advisor and reviewing FormFactor's financing commitments and FormFactor's representations, warranties and covenants contained in the merger agreement relating to such financing, (1) of FormFactor's ability to obtain financing for the transaction and (2) that FormFactor will have adequate financial resources to pay the merger consideration as described under "The Merger Agreement - Financing" beginning on page 109 of this proxy statement/prospectus; and

the fact that the merger will be subject to the approval of Cascade Microtech's shareholders and that, in this regard, Cascade Microtech's directors and executive officers do not own sufficient Cascade Microtech common stock, in the aggregate, to determine the outcome of such shareholder vote.

Cascade Microtech's board of directors also specifically considered the following terms of the merger agreement:

the commitment by FormFactor to exercise reasonable best efforts to obtain applicable regulatory approvals and the requirement that FormFactor will pay Cascade Microtech a reverse termination fee of \$16.3 million if the transaction fails to close solely because one or more of the antitrust-related conditions to closing has not been satisfied;

the requirement to pay FormFactor a termination fee of \$10.8 million in certain circumstances, including, among others, if Cascade Microtech terminates the merger agreement to enter into a definitive agreement relating to a superior proposal;

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the absence of a financing condition, FormFactor's representations, warranties and covenants related to obtaining the financing and the delivery by FormFactor of executed letters setting forth the commitments and other arrangements regarding the financing available to FormFactor to complete the transaction;

Cascade Microtech's ability to seek to specifically enforce FormFactor's obligations under the merger agreement, including FormFactor's obligations to complete the merger;

Cascade Microtech's ability, under circumstances described in the merger agreement, to provide information to and engage in discussions or negotiations with a third party that makes an unsolicited bona fide written acquisition proposal;

the ability of Cascade Microtech's board of directors, subject to specified conditions and the payment of the termination fee of \$10.8 million, to change its recommendation supporting the merger in response to an intervening event, regardless of the existence of a competing or superior acquisition proposal;

the customary nature of Cascade Microtech's representations, warranties and covenants in the merger agreement; and

the fact that the financial and other terms and conditions of the merger agreement minimize, to the extent reasonably practical, the risk that a condition to completion would not be satisfied and also provide reasonable flexibility to operate Cascade Microtech's business between the signing of the merger agreement and completion of the merger.

In the course of its deliberations, Cascade Microtech's board of directors also considered a variety of risks and other potentially negative factors, including, among others, the following (which are not necessarily presented in order of relative importance):

the fact that completion of the merger, and the lower percentage of the outstanding capital stock of the combined company held by former Cascade Microtech shareholders as a result of the merger, will provide Cascade Microtech shareholders with less of an opportunity to participate in Cascade Microtech's future earnings growth and the future appreciation of the value of its capital stock than would be anticipated if Cascade Microtech were to remain a stand-alone entity and its strategic plan were successfully implemented;

the risk that the value of the FormFactor common stock included in the merger consideration may decrease, prior to the consummation of the merger, from the value at the time the merger agreement was approved by Cascade Microtech's board of directors or at the time of the Cascade Microtech shareholders' meeting, due to the fact that the exchange ratio for the stock portion of the merger consideration is fixed (subject to the adjustment described in "The Merger Agreement Exchange Ratio," beginning on page 95 of this proxy statement/prospectus), which risk is affected by the extended period of time that may be required to obtain required regulatory and shareholder approvals prior to consummation of the merger;

the deal protection measures in the merger agreement, including the fact that in order to terminate the merger agreement to enter into a definitive agreement relating to a superior proposal, Cascade Microtech must pay FormFactor a termination fee of \$10.8 million (with no go-shop period or reduced fee if the superior proposal is submitted in a certain amount of time after the signing of the merger agreement) and that Cascade Microtech may not solicit alternative proposals;

the fact that certain of Cascade Microtech's directors and executive officers may receive certain benefits that are different from, and in addition to, those of Cascade Microtech's shareholders (see Interests of Certain Persons in the Merger beginning on page 120 of this proxy statement/prospectus);

the fact that Cascade Microtech has incurred and will continue to incur significant transaction costs and expenses in connection with the proposed transaction, regardless of whether the merger is completed;

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the risk that the merger may not be completed despite the parties' efforts or that completion of the merger may be unduly delayed, even if the requisite approval is obtained from Cascade Microtech shareholders, including the possibility that conditions to the parties' obligations to complete the merger may not be satisfied, and the potential resulting disruptions to Cascade Microtech's business, which could cause the price of Cascade Microtech's common stock to decline significantly and have a negative effect on the market's perception of Cascade Microtech's prospects;

the potential negative effect of the pendency of the merger on Cascade Microtech's business and relationships with employees, customers, vendors, other business partners and the communities in which it operates, including the risk that key members of senior management might choose not to remain employed with Cascade Microtech prior to completion of the merger, regardless of completion of the merger;

the fact that Cascade Microtech's operations will be restricted by interim operating covenants under the merger agreement during the period between signing the merger agreement and completion of the merger, which could effectively prohibit Cascade Microtech from undertaking material strategic initiatives or other material transactions, without FormFactor's consent (not to be unreasonably withheld, delayed or conditioned), which restrictions could be to the detriment of Cascade Microtech and its shareholders if the merger is not completed;

the fact that the merger consideration will be taxable to Cascade Microtech's shareholders that are U.S. holders for U.S. federal income tax purposes, as further described under "Material U.S. Federal Income Tax Consequences" beginning on page 89 of this proxy statement/prospectus; and

the risk that FormFactor may be unable to ultimately secure financing and, as a result, may lack the necessary funds to complete the merger, and that, while the merger agreement is not by its terms subject to a financing condition, if FormFactor fails to complete the merger when all of the conditions to FormFactor's obligations have been satisfied, Cascade Microtech may be unable to recover damages from FormFactor sufficient to compensate it for the potential losses it may incur under such circumstances.

After considering the foregoing potentially positive and potentially negative factors, Cascade Microtech's board of directors concluded that the potentially positive factors relating to the merger agreement and the merger substantially outweighed the potentially negative factors.

The foregoing discussion of the information and factors considered by Cascade Microtech's board of directors is not exhaustive but is intended to reflect material factors considered by Cascade Microtech's board of directors in its consideration of the merger agreement and the merger. In view of the complexity and the large number of the factors considered, Cascade Microtech's board of directors, individually and collectively, did not quantify or assign any relative or specific weight to the various factors. Rather, Cascade Microtech's board of directors based its recommendation on the totality of the information presented to and considered by it. In addition, individual members of Cascade Microtech's board of directors may have given different weights to different factors.

The foregoing discussion of the information and factors considered by Cascade Microtech's board of directors is forward-looking in nature. This information should be read in light of the factors described under the section entitled "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 45 of this proxy statement/prospectus.

After extensive review and discussion of the merger agreement and other information relating to the merger, and after consulting with its financial and legal advisors, the Cascade Microtech board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are fair to, advisable and in the best interests of Cascade Microtech and Cascade Microtech's shareholders, and unanimously adopted and approved the form, terms and provisions of the merger agreement, including any attached schedules and exhibits, in substantially the form presented to and reviewed by the Cascade Microtech board of directors.

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### **FormFactor Reasons for the Merger**

FormFactor believes that the acquisition of Cascade Microtech will provide numerous benefits by combining segment leaders across multiple complementary semiconductor test and measurement applications from engineering to production. The acquisition of Cascade Microtech and the combination of its businesses with FormFactor's existing businesses is expected to result in a number of strategic benefits, including:

***Creating Significant Scale and Customer Diversification.*** The merger is expected to increase the number of manufacturing locations, design locations and international offices of the combined company around the world, allowing the combined company to serve its customers at greater scale and with a wider offering of products. Following the merger, the concentration of business at FormFactor's 10 largest customers, which was 78% of FormFactor's revenue for the fiscal year ended December 26, 2015, is expected to decrease.

***Strengthening Competitive Presence in Probe Cards and Expanding Available Opportunities for Test, Measurement and Yield Products.*** By adding additional probe card products to its offerings, the combined company is expected to be able to better serve its customer's probe card needs. Additionally, the addition of engineering test and measurement product lines through the merger with Cascade Microtech to FormFactor's existing probe card portfolio is expected to increase cross selling opportunities for both the probe card and engineering test and measurement products of the combined company.

***Cost and Infrastructure Synergies and Tax Savings.*** Combining Cascade Microtech and FormFactor through the merger is expected to result in cost and infrastructure synergies in the combined company and tax savings from utilization of FormFactor's existing net operating loss carryforwards.

***Immediate Accretion.*** The transaction is expected to be immediately accretive to FormFactor's total and per share results.

This discussion of the information and factors considered by FormFactor's board of directors includes the material factors considered by the FormFactor board, but is not intended to be exhaustive and may not include all the factors considered. In view of the wide variety of factors considered, and the complexity of these matters, the FormFactor's board did not quantify or assign any relative or specific weights to the various factors that it considered in reaching its determination to approve and adopt the merger agreement, the merger and the other transactions contemplated by the merger agreement. Rather, FormFactor's board viewed its position as being based on the totality of the information presented to and factors considered by it, including discussions with FormFactor's management and financial and legal advisors. Certain information presented in this section is forward-looking and should be read in light of the factors discussed in the section entitled "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 45 of this proxy statement/prospectus.

### **Cascade Microtech Unaudited Prospective Financial Information**

Cascade Microtech does not generally publish its business plans and strategies or make external disclosures of its anticipated financial position or results of operations other than providing, from time to time, estimated ranges of certain expected financial results and operational metrics for the current period in its regular earnings press releases and other investor materials. In connection with the evaluation of a possible transaction with FormFactor, Cascade



Microtech's management prepared certain nonpublic financial projections covering multiple years that were not intended for public disclosure. On January 22, 2016, Cascade Microtech management provided FormFactor the projections, which are summarized below in a format consistent with Cascade Microtech's presentation of its historical financial information, in connection with their discussions. Cascade Microtech also provided these projections to Stifel in connection with Stifel's financial analyses, which are described under "Proposal I: The Merger - Opinion of Cascade Microtech's Financial Advisor" beginning on page 77 of this proxy statement/prospectus; with the approval of Cascade Microtech Stifel used these financial projections in preparing its opinion described in such section of this proxy statement/prospectus. The projections prepared by Cascade Microtech's management, and preliminary versions of such projections, were provided to

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Cascade Microtech's board of directors and discussed at meetings of the board of directors on January 15, 2016 and February 3, 2016, as part of the board of directors' assessment of the proposed merger relative to Cascade Microtech's continuing to operate as an independent company. The projections included below are being provided to give Cascade Microtech's shareholders access to certain nonpublic information that was made available to Cascade Microtech's board of directors, FormFactor and Stifel in connection with their evaluations of the merger.

The internal financial projections included below were not prepared with a view toward public disclosure, nor were they prepared with a view toward compliance with published guidelines of the SEC, the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of financial projections, or GAAP. In addition, the projections were not prepared with the assistance of, or reviewed, compiled or examined by, Cascade Microtech's independent accountants. Cascade Microtech cautions that the internal financial projections are speculative in nature and based on subjective decisions and assumptions. The summary of these internal financial projections is not being included in this proxy statement/prospectus to influence the decision of Cascade Microtech shareholders whether to vote for adoption of the merger agreement or any other proposal at the Cascade Microtech special meeting, but because (except as noted above) these internal financial projections were provided by Cascade Microtech management to Cascade Microtech's board of directors, FormFactor and Stifel in connection with the potential merger.

These internal financial projections were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of Cascade Microtech's management. These internal financial projections are forward-looking statements. Important factors that may affect actual results and cause the internal financial projections not to be achieved include risks and uncertainties relating to Cascade Microtech's business (including its ability to achieve strategic goals, objectives and targets over applicable periods, the industry in which Cascade Microtech operates, general business and economic conditions and other factors described under "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 45 of this proxy statement/prospectus). Because the internal financial projections cover multiple future years, such information by its nature is less reliable in predicting each successive year. The internal financial projections also do not take into account any circumstances or events occurring after the date on which they were prepared and do not give effect to merger or other transactions contemplated by the merger agreement. The internal financial projections also reflect assumptions as to certain business decisions that are subject to change. As a result, actual results may differ materially from those contained in these internal financial projections. Accordingly, there can be no assurance that the internal financial projections will be realized or that actual results will not be significantly higher or lower than projected.

The inclusion of these internal financial projections in this proxy statement/prospectus should not be regarded as an indication that any of Cascade Microtech, FormFactor or their respective affiliates, advisors or representatives considered the internal financial projections to be predictive of actual future events, and the internal financial projections should not be relied on as such. None of Cascade Microtech, FormFactor or their respective affiliates, advisors, officers, employees, directors or representatives can give you any assurance that actual results will not differ from these internal financial projections, and none of those persons undertakes any obligation to update or otherwise revise or reconcile these internal financial projections to reflect circumstances existing after the date the internal financial projections were generated or to reflect the occurrence of future events even in the event that any or all of the assumptions underlying the projections are shown to be in error. Cascade Microtech does not intend to make publicly available any update or other revision to these internal financial projections. None of Cascade Microtech or its affiliates, advisors, officers, employees, directors or representatives has made or makes any representation to any shareholder or other person regarding Cascade Microtech's ultimate performance compared to the information contained in these internal financial projections or that projected results will be achieved. Cascade Microtech has made no representation to FormFactor, in the merger agreement or otherwise, concerning these internal financial projections.



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<b>(Dollars in thousands)</b>	<b>Year Ended December 31,</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
Revenue	\$ 157,838	\$ 193,290	\$ 240,152
Cost of Sales	67,995	86,493	108,117
Gross Profit	89,843	106,797	132,035
Operating expenses:			
Research and Development	21,274	23,905	27,324
Selling, general and administrative	49,504	55,748	60,487
	70,778	79,653	87,810
Income from operations	19,065	27,144	44,225
Other income (expense):			
Other, net	(500)	(500)	(500)
Income before income taxes	18,565	26,644	43,725
Income tax expense	(5,755)	(8,260)	(13,555)
Net income	\$ 12,810	18,384	30,170
Net income per share:			
Diluted	\$ 0.75	\$ 1.05	\$ 1.68
Shares used in computing net income per share:			
Diluted	17,075	17,500	18,000

Adjusted EBITDAS and Non-GAAP Net Income, as presented below, are non-GAAP financial measures. In addition to the figures included above, Cascade Microtech provided this information to the Cascade Microtech board of directors, FormFactor and Stifel because it believed it could be useful in evaluating, on a prospective basis, Cascade Microtech's potential operating performance and cash flow. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP, and non-GAAP financial measures as used by Cascade Microtech may not be comparable to similarly titled amounts used by other companies. The non-GAAP measures included by Cascade Microtech in its internal financial projections are defined and reconciled to GAAP financial measures below.

*Adjusted EBITDAS* is defined as income from continuing operations before depreciation and amortization and stock-based compensation and certain other items (adjustments) such as restructuring, facility move and project costs, and acquisition-related expenses that Cascade Microtech believes are not representative of its ongoing operating performance. Adjusted EBITDAS should not be construed as a substitute for net income from continuing operations or net cash provided by (used in) operating activities (all as determined in accordance with GAAP) for the purpose of analyzing Cascade Microtech's operating performance, financial position and cash flows, as Adjusted EBITDAS is not defined by GAAP. However, Cascade Microtech regards Adjusted EBITDAS as a complement to net income from continuing operations and other GAAP financial performance measures, by including an indirect measure of operating cash flow.

*Non-GAAP Net Income* is defined as GAAP net income before certain items (adjustments) such as restructuring, facility move and project costs, acquisition-related expenses, the amortization of intangibles and discrete tax items that Cascade Microtech believes are either not representative of its ongoing operating performance or effect the comparability of results over time. Non-GAAP Net Income should not be construed as a substitute for net income as defined by GAAP. However, Cascade Microtech regards non-GAAP Net Income as a complement to GAAP net income in assessing its financial performance over time and in the future.

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The following table presents Adjusted EBITDAS and a reconciliation of Adjusted EBITDAS (non-GAAP) to income from operations (GAAP) for each of the periods indicated:

<b>EBITDAS and Adjusted EBITDAS</b>	<b>Year Ended December 31,</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
GAAP Income from operations	\$ 19,065	\$ 27,144	\$ 44,225
Adjustments:			
Depreciation	4,987	8,178	10,977
Amortization of intangibles	2,184	2,166	2,088
Stock-based compensation	3,438	3,738	4,088
EBITDAS	29,674	41,226	61,378
Adjustments:			
Facility consolidation and other		1,075	800
Adjusted EBITDAS	\$ 29,674	\$ 42,301	\$ 62,178

The following table presents Non-GAAP Net Income and a reconciliation of Non-GAAP Net Income to net income (GAAP) for each of the periods indicated:

<b>Non-GAAP Net Income</b>	<b>Year Ended December 31,</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
GAAP net income	\$ 12,810	\$ 18,384	\$ 30,170
Adjustments to net income:			
Facility consolidation and other		1,075	800
Amortization of intangibles	2,184	2,166	2,088
Income tax effect of non-GAAP adjustments	(677)	(1,005)	(895)
Non-GAAP net income <sup>(a)</sup>	\$ 14,317	\$ 20,621	\$ 32,163
GAAP net income per diluted share	\$ 0.75	\$ 1.05	\$ 1.68
Non-GAAP net income per diluted share	\$ 0.84	\$ 1.18	\$ 1.79
Shares used in diluted share calculations	17,075	17,500	18,000

(a) If stock-based compensation is excluded from Non-GAAP net income, Non-GAAP net income would be \$16.7, \$23.2 and \$35.0 million for the year ended December 31, 2016, 2017 and 2018, respectively.

**Opinion of Cascade Microtech's Financial Advisor**

Cascade Microtech's board of directors requested Stifel's opinion, as investment bankers, as to the fairness, from a financial point of view and as of the date of such opinion, to the holders of shares of Cascade Microtech common stock of the merger consideration to be received by such holders of shares of Cascade Microtech common stock from

FormFactor in the merger pursuant to the merger agreement which is referred to in this proxy statement/prospectus as Stifel's opinion. On February 3, 2016, Stifel delivered to Cascade Microtech's board of directors its written opinion that, as of the date of Stifel's opinion and subject to and based on the assumptions made, procedures followed, matters considered, limitations of the review undertaken and qualifications contained in such opinion, the merger consideration to be received by holders of shares of Cascade Microtech common stock from FormFactor in the merger pursuant to the merger agreement was fair to such holders of shares of Cascade Microtech common stock, from a financial point of view.

Cascade Microtech's board of directors did not impose any limitations on Stifel with respect to the investigations made or procedures followed in rendering Stifel's opinion. In selecting Stifel, Cascade Microtech's board of directors considered, among other things, the fact that Stifel is a reputable investment

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banking firm with substantial experience advising companies in the technology sector and in providing strategic advisory services in general, and Stifel's familiarity with Cascade Microtech and its business. Stifel, as part of its investment banking services, is regularly engaged in the independent valuation of businesses and securities in connection with mergers, acquisitions, underwritings, sales and distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes.

**The full text of Stifel's opinion is attached to this proxy statement/prospectus as Annex B and is incorporated herein by reference. The summary of Stifel's opinion contained in this proxy statement/prospectus is qualified in its entirety by reference to the full text of Stifel's opinion. Cascade Microtech's shareholders are encouraged to read Stifel's opinion carefully and in its entirety for a discussion of the procedures followed, assumptions made, other matters considered and limits of the review undertaken by Stifel in connection with Stifel's opinion.**

In rendering Stifel's opinion, Stifel, among other things:

- (i) discussed the merger and related matters with Cascade Microtech's counsel and reviewed a draft copy of the merger agreement, dated January 30, 2016;
- (ii) reviewed the audited consolidated financial statements of Cascade Microtech contained in its Annual Reports on Form 10-K for the two years ended December 31, 2014, and the unaudited consolidated financial statements of Cascade Microtech for the year ended December 31, 2015 as prepared by Cascade Microtech's management;
- (iii) reviewed the audited consolidated financial statements of FormFactor contained in its Annual Reports on Form 10-K for the two years ended December 28, 2013 and December 27, 2014, respectively, and the unaudited consolidated financial statements of FormFactor for the year ended December 26, 2015 as prepared by FormFactor's management;
- (iv) reviewed and discussed with Cascade Microtech's management certain other publicly available information concerning Cascade Microtech and FormFactor;
- (v) held discussions with FormFactor's senior management and financial advisor, concerning, among other things, estimates of certain cost savings, operating synergies, merger charges and the pro forma financial impact of the merger on the combined company;
- (vi) reviewed certain non-publicly available information concerning Cascade Microtech, including internal financial analyses and forecasts prepared by its management, and held discussions with Cascade Microtech's senior management regarding recent developments;
- (vii) reviewed certain non-publicly available information concerning FormFactor, including internal financial analyses and forecasts prepared by its management, and held discussions with FormFactor's senior



management regarding recent developments;

- (viii) reviewed and analyzed certain publicly available financial and stock market data relating to selected public companies that Stifel deemed relevant to its analysis;
- (ix) reviewed and analyzed certain publicly available information concerning the terms of selected merger and acquisition transactions that Stifel considered relevant to its analysis;
- (x) participated in certain discussions and negotiations between representatives of Cascade Microtech and FormFactor;
- (xi) reviewed the reported prices and trading activity of the equity securities of each of Cascade Microtech and FormFactor;
- (xii) considered the results of Stifel's efforts, at the direction of Cascade Microtech, to solicit indications of interest from selected third parties with respect to a merger or other transaction with Cascade Microtech;

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- (xiii) conducted such other financial studies, analyses and investigations, and considered such other information, as Stifel deemed necessary or appropriate for purposes of Stifel's opinion; and
- (xiv) took into account its assessment of general economic, market and financial conditions and its experience in other transactions, as well as its experience in securities valuations and its knowledge of Cascade Microtech's industry generally.

In rendering Stifel's opinion, Stifel relied upon and assumed, without independent verification, the accuracy and completeness of all of the financial and other information that was provided to Stifel by or on behalf of Cascade Microtech or FormFactor, or that was otherwise reviewed by Stifel, and did not assume any responsibility for independently verifying any of such information. With respect to the financial forecasts supplied to Stifel by Cascade Microtech and FormFactor (including, without limitation, potential cost savings and operating synergies and the tax rate realized by the combined company), Stifel assumed, at the direction of Cascade Microtech, that they were reasonably prepared on the basis reflecting the best currently available estimates and judgments of the managements of Cascade Microtech and FormFactor, as applicable, as to the future operating and financial performance of Cascade Microtech and FormFactor, as applicable, and that they provided a reasonable basis upon which Stifel could form its opinion. Stifel's opinion states that such forecasts and projections were not prepared with the expectation of public disclosure, that all such projected financial information is based on numerous variables and assumptions that are inherently uncertain, including, without limitation, factors related to general economic and competitive conditions and that, accordingly, actual results could vary significantly from those set forth in such projected financial information. Stifel relied on this projected information without independent verification or analyses and did not in any respect assume any responsibility for the accuracy or completeness thereof.

Stifel also assumed that there were no material changes in the assets, liabilities, financial condition, results of operations, business or prospects of either Cascade Microtech or FormFactor since the date of the last financial statements of each company made available to Stifel. Stifel did not make or obtain any independent evaluation, appraisal or physical inspection of either Cascade Microtech's or FormFactor's assets or liabilities, nor was Stifel furnished with any such evaluation or appraisal. Stifel's opinion states that estimates of values of companies and assets do not purport to be appraisals or necessarily reflect the prices at which companies or assets may actually be sold and that because such estimates are inherently subject to uncertainty, Stifel assumes no responsibility for their accuracy.

Stifel assumed, with the consent of Cascade Microtech's board of directors, that there are no factors that would delay or subject to any adverse conditions any necessary regulatory or governmental approval and that all conditions to the merger will be satisfied and not waived. In addition, Stifel assumed that the definitive merger agreement would not differ materially from the draft Stifel reviewed. Stifel also assumed that the merger will be consummated substantially on the terms and conditions described in the merger agreement, without any waiver of material terms or conditions by Cascade Microtech or any other party and without any anti-dilution or other adjustment to the merger consideration, and that obtaining any necessary regulatory approvals or satisfying any other conditions for consummation of the merger will not have an adverse effect on Cascade Microtech, FormFactor, or the merger. Stifel assumed that the merger will be consummated in a manner that complies with the applicable provisions of the Securities Act, the Exchange Act, and all other applicable federal and state statutes, rules and regulations. Stifel further assumed that Cascade Microtech relied upon the advice of its counsel, independent accountants, and other advisors (other than Stifel) as to all legal, financial reporting, tax, accounting and regulatory matters with respect to Cascade Microtech, the merger, and the merger agreement.

Stifel's opinion was limited to whether the merger consideration was fair to the holders of shares of Cascade Microtech common stock, from a financial point of view, as of the date of Stifel's opinion, and it does not address any other terms, aspects or implications of the merger, including, without limitation, the form or structure of the merger, any

consequences of the merger on Cascade Microtech, its shareholders, creditors or otherwise, or any terms, aspects or implications of any voting, support, shareholder or other agreements, arrangements or

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understandings contemplated or entered into in connection with the merger or otherwise. Stifel's opinion also does not consider, address or include: (i) any other strategic alternatives then (or which were or may have been) contemplated by Cascade Microtech's board of directors or Cascade Microtech; (ii) the legal, tax or accounting consequences of the merger on Cascade Microtech or the holders of Cascade Microtech common stock; (iii) the fairness of the amount or nature of any compensation to any of Cascade Microtech's officers, directors or employees, or class of such persons, relative to the compensation to the holders of Cascade Microtech's securities; (iv) the effect of the merger on, or the fairness of the consideration to be received by, holders of any class of securities of Cascade Microtech other than the shares of Cascade Microtech common stock, or any class of securities of any other party to any transaction contemplated by the merger agreement; (v) whether FormFactor has sufficient cash, available lines of credit or other sources of funds to enable it to pay the Cash Consideration component of the merger consideration to the holders of shares of Cascade Microtech common stock at the closing of the merger; or (vi) the treatment of, or effect of the merger on, Cascade Microtech's stock options or restricted stock units.

Furthermore, Stifel does not express any opinion as to the prices, trading range or volume at which Cascade Microtech's or FormFactor's securities would trade following public announcement or consummation of the merger.

Stifel's opinion is necessarily based on economic, market, financial and other conditions as they existed, and on the information made available to Stifel by or on behalf of Cascade Microtech, FormFactor or their respective advisors, or information otherwise reviewed by Stifel, as of the date of Stifel's opinion. Stifel's opinion states that subsequent developments may affect the conclusion reached in Stifel's opinion and that Stifel does not have any obligation to update, revise or reaffirm Stifel's opinion.

Stifel's opinion was approved by Stifel's fairness committee. Stifel's opinion was for the information of, and directed to, Cascade Microtech's board of directors for its information and assistance in connection with its consideration of the financial terms of the merger. Stifel's opinion does not constitute a recommendation to Cascade Microtech's board of directors as to how Cascade Microtech's board of directors should vote on the merger or to any shareholder of Cascade Microtech as to how any such shareholder should vote at any shareholders' meeting at which the merger is considered, or whether or not any shareholder of Cascade Microtech should enter into a voting, shareholders', or affiliates agreement with respect to the merger, or exercise any dissenters' or appraisal rights that may be available to such shareholder. In addition, Stifel's opinion does not compare the relative merits of the merger with any other alternative transactions or business strategies which may have been available to Cascade Microtech and does not address the underlying business decision of Cascade Microtech's board of directors or Cascade Microtech to proceed with or effect the merger.

The following represents a summary of the material financial analyses performed by Stifel in connection with Stifel's opinion. Some of the summaries of financial analyses performed by Stifel include information presented in tabular format. In order to fully understand the financial analyses performed by Stifel, you should read the tables together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the information set forth in the tables without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by Stifel.

Except as otherwise noted, the information utilized by Stifel in its analyses, to the extent that it was based on market data, is based on market data as it existed on or before February 2, 2016 and is not necessarily indicative of current market conditions. The analyses described below do not purport to be indicative of actual future results, or to reflect the prices at which any securities may trade in the public markets, which may vary depending upon various factors, including changes in interest rates, dividend rates, market conditions, economic conditions and other factors that influence the price of securities.

For purposes of the financial analyses summarized below, the term "merger consideration" refers to an implied price of \$21.12 per share of Cascade Microtech common stock calculated as (i) cash consideration of

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\$16.00 per share of Cascade Microtech common stock, and (ii) stock consideration of \$5.12 per share of Cascade Microtech common stock based on an exchange ratio of 0.6534 of a share of FormFactor's common stock for each share of Cascade Microtech common stock and the closing stock price of \$7.84 per share for FormFactor's common stock as of February 2, 2016. The merger consideration assumes that no adjustment to the cash and stock components will be effected pursuant to the terms of the merger agreement.

***Cascade Microtech***

***Selected Public Companies Analysis***

Stifel compared Cascade Microtech, from a financial point of view, to 17 selected publicly traded companies in the large/mid-cap semiconductor equipment, small-cap semiconductor equipment, semiconductor test, and broadline test and measurement sectors, which Stifel deemed to be relevant based on their business profiles and financial metrics, including product portfolios, end-markets, customers, size, growth and profitability, among others. Stifel compared Cascade Microtech's unaudited, preliminary calendar year 2015 and estimated calendar year 2016 financial metrics, as provided by Cascade Microtech's management, to estimated (or, to the extent available, preliminary unaudited or audited results) calendar year 2015 and estimated calendar year 2016 financial metrics of these 17 selected companies, obtained from available public sources. Stifel believes that the groups of companies listed below have business models similar to those of Cascade Microtech, but noted that none of these companies has the same management, composition, size, operations, financial profile or combination of businesses as Cascade Microtech:

Large/Mid-Cap Semiconductor Equipment

Applied Materials, Inc.

FEI Company

KLA-Tencor Corporation

Lam Research Corporation  
Small-Cap Semiconductor Equipment

Camtek Ltd.

Nanometrics Inc.

Nova Measuring Instruments Ltd.

Rudolph Technologies Inc.

Ultratech, Inc.  
Semiconductor Test

Cohu, Inc.

FormFactor Inc.

Kulicke & Soffa Industries, Inc.

Teradyne Inc.

Xcerra Corporation  
Broadline Test and Measurement

Danaher Corp.

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Keysight Technologies, Inc.

National Instruments Corporation

Based on this information, Stifel calculated and compared the following multiples for Cascade Microtech and the selected companies:

Multiples of enterprise value ( EV ), which Stifel defined as fully-diluted equity value using the treasury stock method, plus debt, preferred stock and minority interests, less cash and cash equivalents, to estimated calendar years 2015 and 2016 (i) revenues ( EV/Revenues ) and (ii) adjusted earnings before one-time charges, interest, taxes, stock-based compensation, and depreciation and amortization ( EV/ EBITDA ).

Multiples of price ( P ) using the share price to estimated calendar years 2015 and 2016 adjusted earnings per share ( EPS ), as adjusted to exclude stock-based compensation, amortization of intangibles and one-time charges ( P/E ).

The following table sets forth the multiples indicated by this analysis, including the range of selected multiples relative to the selected companies, which reflects the first quartile, median, mean and third quartile metrics of such companies, and the multiples implied by the merger:

<b>Multiple:</b>	<b>1st Quartile</b>	<b>Median</b>	<b>Mean</b>	<b>3rd Quartile</b>	<b>Proposed Transaction</b>
CY 2015 EV/Revenues	1.0x	1.5x	1.7x	2.0x	2.2x
CY 2016 EV/Revenues	0.9x	1.5x	1.6x	1.9x	2.0x
CY 2015 EV/EBITDA	6.8x	7.2x	9.1x	12.0x	12.2x
CY 2016 EV/EBITDA	5.5x	6.5x	7.2x	8.1x	10.9x
CY 2015 P/E	14x	18x	18x	21x	23x
CY 2016 P/E	13x	15x	16x	17x	22x

This analysis resulted in the following ranges of implied equity value per share of Cascade Microtech common stock:

<b>Benchmark</b>	<b>Range of Implied Equity Values per Share<sup>(1)</sup></b>
Revenue Multiples	\$ 10.86-19.36
EBITDA Multiples	\$ 12.33-18.65
P/E Multiples	\$ 13.20-18.02

(1) Value range based on the average of 1<sup>st</sup> and 3<sup>rd</sup> quartile values for calendar years 2015 and 2016. No company utilized in the selected company analysis is identical to Cascade Microtech. In evaluating the selected companies, Stifel made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions, and other matters, many of which are beyond Cascade Microtech's control, such as the impact of competition on its business and the industry generally, industry growth and the absence of any adverse



material change in Cascade Microtech's financial condition and prospects or the industry or in the financial markets in general. Mathematical analysis (such as determining the mean or median) is not in itself a meaningful method of using peer group data.

**Table of Contents***Selected Transactions Analysis*

Based on public information available to Stifel, Stifel calculated and compared the multiples of EV to last twelve months ( LTM ) and next twelve months ( NTM ) revenues and LTM and NTM EBITDA numbers implied in the merger for Cascade Microtech to the corresponding multiples implied in the following 24 precedent transactions involving relevant public semiconductor equipment and test and measurement companies:

<b>Announcement Date</b>	<b>Acquirer</b>	<b>Target</b>
12/2/15	E-Town Dragon Semiconductor Industry Investment Center	Mattson Technology, Inc.
10/21/15	Lam Research Corporation	KLA-Tencor Corporation
6/17/15	Keysight Technologies, Inc.	Anite plc
10/22/14	Amtech Systems, Inc.	BTU International, Inc.
4/11/14	Ametek, Inc.	Zygo Corporation
2/4/14	Entegris, Inc.	ATMI, Inc.
8/19/13	Atlas Copco AB	Edwards Group Ltd.
10/17/12	ASML Holding NV	Cymer, Inc.
8/13/12	Tokyo Electron Limited	FSI International, Inc.
5/29/12	Teledyne Technologies Incorporated	LeCroy Corporation
12/14/11	Lam Research Corporation	Novellus Systems, Inc.
5/4/11	Applied Materials, Inc.	Varian Semiconductor Equipment Associates, Inc.
3/28/11	Advantest Corp.	Verigy Ltd.
9/29/10	Danaher Corp.	Keithley Instruments, Inc.
11/16/09	Applied Materials, Inc.	Semitool, Inc.
6/3/09	Nikon Corp.	Metris NV
9/1/08	Teradyne Inc.	Eagle Test Systems, Inc.
7/10/08	GSI Group Inc.	Excel Technology Inc.
6/22/08	LTX Corporation	Credence Systems Corporation
6/26/08	Orbotech Ltd.	Photon Dynamics, Inc.
2/20/08	KLA-Tencor Corporation	ICOS Vision Systems Corporation NV
12/12/07	Teradyne Inc.	Nextest Systems Corp.
12/11/07	Lam Research Corporation	SEZ Group
1/8/07	KLA-Tencor Corporation	Therma-Wave, Inc.

The following table sets forth the multiples indicated by this analysis and the multiples implied by the merger. The range of multiples reflects the first quartile, median, mean and third quartile metrics of the precedent transactions:

<b>Multiple:</b>	<b>1st Quartile</b>	<b>Median</b>	<b>Mean</b>	<b>3rd Quartile</b>	<b>Proposed Transaction</b>
LTM EV/Revenues	1.5x	2.0x	2.2x	2.7x	2.2x
NTM EV/Revenues	1.3x	1.7x	2.0x	2.6x	2.0x
LTM EV/EBITDA	9.1x	11.9x	14.6x	14.0x	12.2x

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NTM EV/EBITDA 7.9x 11.4x 12.4x 14.2x 10.9x

Based on its review of the precedent transactions, Stifel applied selected multiples to the corresponding LTM and NTM revenues and EBITDA of Cascade Microtech for calendar years 2015 and 2016, in each case as provided by Cascade Microtech's management.

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This analysis resulted in the following ranges of implied equity values per share of Cascade Microtech common stock:

<b>Benchmark</b>	<b>Range of Implied Equity Values per Share<sup>(1)</sup></b>	
Revenue Multiples	\$	14.45 25.67
EBITDA Multiples	\$	15.97 25.06

(1) Value range based on the average of 1<sup>st</sup> and 3<sup>rd</sup> quartile values for LTM and NTM.

No transaction used in the precedent transactions analyses is identical to the merger. Accordingly, an analysis of the results of the foregoing is not mathematical; rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading value of the companies involved in the precedent transactions which in turn, affect the enterprise value and equity value of the companies involved in the transactions to which the merger is being compared. In evaluating the precedent transactions, Stifel made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions, and other matters, such as the impact of competition, industry growth, and the absence of any adverse material change in the financial condition of Cascade Microtech or the companies involved in the precedent transactions or the industry or in the financial markets in general, which could affect the public trading value of the companies involved in the selected transactions which in turn, affect the enterprise value and equity value of the companies involved in the transactions to which the merger is being compared.

*Discounted Cash Flow Analysis*

Stifel used financial forecasts of Cascade Microtech for calendar years 2016 through 2020, as provided by Cascade Microtech's management, to perform two discounted cash flow analyses: one based on the terminal multiple method, and the second based on the perpetuity growth method. In conducting these analyses, Stifel assumed that Cascade Microtech would perform in accordance with these forecasts. The projections and estimates supplied to and utilized by Stifel are set forth in Cascade Microtech Unaudited Prospective Financial Information beginning on page 74 of this proxy statement/prospectus.

*Terminal Multiple Method.* Stifel first estimated the terminal value of Cascade Microtech's projected cash flows by applying a range of terminal multiples Stifel deemed relevant to Cascade Microtech's estimated calendar year 2020 EBITDA, which multiples ranged from 6.0x to 12.0x. Stifel calculated projected unlevered free cash flow from calendar year 2016 through calendar year 2020 using Cascade Microtech's management's projections and discounted these cash flows and the terminal value to present values using discount rates of 13.0% to 15.0%, based on Cascade Microtech's weighted average cost of capital. This analysis indicated a range of enterprise values which Stifel then increased by Cascade Microtech's net cash to calculate a range of equity values. Stifel then divided these equity values by fully-diluted shares outstanding using the treasury stock method and calculated implied equity values per share ranging from \$18.08 to \$30.46, the high-end of which range was the average value of the equity values per share derived using the high-end terminal multiple and applying discount rates of 13.0% and 15.0%, and the low-end of which range was the average value of the equity values per share derived using the low-end terminal multiple and applying discount rates of 13.0% and 15.0%.

*Perpetuity Growth Method.* Stifel first estimated the terminal value of Cascade Microtech's projected cash flows by applying a range of perpetuity growth rates Stifel deemed relevant to Cascade Microtech's estimated calendar year 2020 free cash flow, which growth rates ranged from 2.0% to 4.0%. Stifel calculated projected unlevered free cash

flow from calendar year 2016 through calendar year 2020 using Cascade Microtech's management's projections and discounted these cash flows and the terminal value to present values using discount rates of 13.0% to 15.0%, based on Cascade Microtech's weighted average cost of capital. This analysis indicated a range of enterprise values which Stifel then increased by Cascade Microtech's net cash to calculate a

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range of equity values. These equity values were then divided by fully-diluted shares outstanding using the treasury stock method to calculate implied equity values per share ranging from \$12.81 to \$14.44, the high-end of which range was the average value of the equity values per share derived using the high-end growth rate and applying discount rates of 13.0% and 15.0%, and the low-end of which range was the average value of the equity values per share derived using the low-end growth rate and applying discount rates of 13.0% and 15.0%.

***FormFactor***

*Selected Public Companies Analysis*

Stifel compared FormFactor, from a financial point of view, to 14 selected publicly traded companies in the large/mid-cap semiconductor equipment, small-cap semiconductor equipment and semiconductor test sectors, which Stifel deemed to be relevant based on their business profiles and financial metrics, including product portfolios, end-markets, customers, size, growth and profitability, among others. Stifel compared FormFactor's unaudited, preliminary calendar year 2015 and estimated calendar year 2016 financial metrics, as provided by FormFactor's management, to estimated (or, to the extent available, preliminary unaudited or audited results) calendar year 2015 and estimated calendar year 2016 financial metrics, obtained from available public sources, of these 14 selected companies. Stifel believes that the groups of companies listed below have business models similar to those of FormFactor, but noted that none of these companies has the same management, composition, size, operations, financial profile or combination of businesses as FormFactor:

Large/Mid-Cap Semiconductor Equipment

Applied Materials, Inc.

FEI Company

KLA-Tencor Corporation

Lam Research Corporation  
Small-Cap Semiconductor Equipment

Camtek Ltd.

Nanometrics Inc.

Nova Measuring Instruments Ltd.

Rudolph Technologies Inc.

Ultratech, Inc.  
Semiconductor Test

Cascade Microtech, Inc.

Cohu, Inc.

Kulicke & Soffa Industries, Inc.

Teradyne Inc.

Xcerra Corporation

Based on this information, Stifel calculated and compared the following multiples for FormFactor and the selected comparable companies:

EV/Revenues and EV/EBITDA multiples for estimated calendar years 2015 and 2016.

P/E multiples for estimated calendar years 2015 and 2016.

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The following table sets forth the multiples indicated by this analysis, including the range of selected multiples relative to the selected companies, which reflects the first quartile, median, mean and third quartile metrics of such companies, and the multiples implied based on the closing price of FormFactor's common stock as of February 2, 2016:

<b>Multiple:</b>	<b>1st Quartile</b>	<b>Median</b>	<b>Mean</b>	<b>3rd Quartile</b>	<b>Implied Multiples</b>
					<b>based on FormFactor's Closing Stock Price as of February 2, 2016</b>
CY 2015 EV/Revenues	0.9x	1.5x	1.5x	1.8x	1.0x
CY 2016 EV/Revenues	0.8x	1.4x	1.4x	1.7x	0.9x
CY 2015 EV/EBITDA	6.4x	7.1x	8.4x	10.3x	9.0x
CY 2016 EV/EBITDA	5.5x	5.6x	6.5x	7.6x	6.8x
CY 2015 P/E	14x	17x	18x	20x	21x
CY 2016 P/E	13x	16x	16x	16x	15x

This analysis resulted in the following ranges of implied equity value per share of FormFactor's common stock:

<b>Benchmark</b>	<b>Range of Implied Equity Values per Share <sup>(1)</sup></b>
Revenue Multiples	\$ 7.25-11.47
EBITDA Multiples	\$ 6.67-8.42
P/E Multiples	\$ 5.98-7.65

(1) Value range based on the average of 1st and 3rd quartile values for calendar years 2015 and 2016. No company utilized in the selected company analysis is identical to FormFactor. In evaluating the selected companies, Stifel made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions, and other matters, many of which are beyond FormFactor's control, such as the impact of competition on its business and the industry generally, industry growth and the absence of any adverse material change in FormFactor's financial condition and prospects or the industry or in the financial markets in general. Mathematical analysis (such as determining the mean or median) is not in itself a meaningful method of using peer group data.

*Discounted Cash Flow Analysis*

Stifel used financial forecasts of FormFactor for calendar years 2016 through 2018, as provided by FormFactor's management, to perform two discounted cash flow analyses: one based on the terminal multiple method, and the second based on the perpetuity growth method. In conducting these analyses, Stifel assumed that FormFactor would perform in accordance with these forecasts. The projections and estimates supplied to and utilized by Stifel are set forth below in Cascade Microtech Unaudited Prospective Financial Information beginning on page 74 of this proxy statement/prospectus.

*Terminal Multiple Method.* Stifel first estimated the terminal value of FormFactor's projected cash flows by applying a range of terminal multiples Stifel deemed relevant to FormFactor's estimated calendar year 2018 EBITDA, which



multiples ranged from 6.0x to 11.0x. Stifel calculated projected unlevered free cash flow from calendar year 2016 through calendar year 2018 using FormFactor's management's projections and discounted these cash flows and the terminal value to present values using discount rates of 11.5% to 13.5%, based on FormFactor's weighted average cost of capital. This analysis indicated a range of enterprise values which Stifel then increased by FormFactor's net cash to calculate a range of equity values. Stifel then divided these equity values by fully-diluted shares outstanding using the treasury stock method and calculated implied equity values per share ranging from \$9.09 to \$12.94, the high-end of which range was the average of the equity values per share derived using the high-end terminal multiple and applying discount rates of 11.5% and 13.5%, and the low-

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end of which range was the average value of the equity values per share derived using the low-end terminal multiple and applying discount rates of 11.5% and 13.5%.

*Perpetuity Growth Method.* Stifel first estimated the terminal value of FormFactor's projected cash flows by applying a range of perpetuity growth rates Stifel deemed relevant to FormFactor's estimated calendar year 2018 free cash flow, which growth rates ranged from 2.0% to 4.0%. Stifel calculated projected unlevered free cash flow from calendar year 2016 through calendar year 2018 using FormFactor's management's projections and discounted these cash flows and the terminal value to present values using discount rates of 11.5% to 13.5%, based on FormFactor's weighted average cost of capital. This analysis indicated a range of enterprise values which Stifel then increased by FormFactor's net cash to calculate a range of equity values. These equity values were then divided by fully-diluted shares outstanding using the treasury stock method to calculate implied equity values per share ranging from \$9.35 to \$10.66, the high-end of which range was the average value of the equity values per share derived using the high-end growth rate and applying discount rates of 11.5% and 13.5%, and the low-end of which range was the average value of the equity values per share derived using the low-end growth rate and applying discount rates of 11.5% and 13.5%.

The foregoing description is a summary of the material financial analyses performed by Stifel in arriving at its opinion. The summary alone does not constitute a complete description of the financial analyses Stifel employed in reaching its conclusions. None of the analyses performed by Stifel were assigned a greater significance by Stifel than any other, nor does the order of analyses described represent relative importance or weight given to those analyses by Stifel. No methodology employed by Stifel can be viewed individually, and if viewed in isolation could create a misleading or incomplete view of the financial analyses performed by Stifel. Additionally, no company or transaction used in any analysis as a comparison is identical to Cascade Microtech, FormFactor or the merger, and they all differ in material ways. Accordingly, an analysis of the results described above is not mathematical; rather it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values of the selected companies or transactions to which they are being compared. Stifel used these analyses to determine the impact of various operating metrics on the implied enterprise values and implied per share equity values of Cascade Microtech and FormFactor. Each of these analyses yielded a range of implied enterprise values and implied per share equity values, and therefore, such implied enterprise value ranges and implied per share equity values developed from these analyses were viewed by Stifel collectively and not individually. Stifel made its determination as to the fairness, from a financial point of view, the holders of shares of Cascade Microtech common stock of the merger consideration to be received by such holders of shares of Cascade Microtech common stock in the merger pursuant to the merger agreement, as of the date of Stifel's opinion, on the basis of its experience and professional judgment after considering the results of all of the analyses performed.

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at Stifel's opinion, Stifel considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor considered by it. Stifel believes that the summary provided and the analyses described above must be considered as a whole and that selecting portions of these analyses, without considering all of them, would create an incomplete view of the process underlying Stifel's analyses and Stifel's opinion; therefore, the range of valuations resulting from any particular analysis described above should not be taken to be Stifel's view of the actual value of Cascade Microtech or FormFactor.

***Miscellaneous***

Cascade Microtech agreed to pay Stifel a fee, which is referred to in this proxy statement/prospectus as the retainer fee, of \$100,000 upon its engagement to provide financial advisory services to Cascade Microtech and a fee, which is referred to in this proxy statement/prospectus as the opinion fee, of \$600,000 for its services as financial advisor to the

Cascade Microtech's board of directors upon delivery of Stifel's opinion (neither of which were contingent upon the consummation of the merger), and a fee, which is referred to in this proxy

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statement/prospectus as the transaction fee, for its services as financial advisor to Cascade Microtech in connection with the merger based upon the aggregate consideration payable in the merger (which as of the day prior to the date of this prospectus is estimated to be \$5,500,000), all of which transaction fee is contingent upon the completion of the merger; provided that the retainer fee and the opinion fee will be credited against the transaction fee in the event that the merger is consummated. Stifel will not receive any other significant payment or compensation contingent upon the successful consummation of the merger. In the event the merger is not consummated and Cascade Microtech receives a termination or break-up fee, then Cascade Microtech shall pay Stifel a termination fee equal to 25% of such termination or break-up fee received by Cascade Microtech. In addition, Cascade Microtech agreed to reimburse Stifel for its reasonable expenses in connection with its engagement, subject to certain limitations, and to indemnify Stifel for certain liabilities arising out of its engagement. Other than the services provided by Stifel to Cascade Microtech in connection with the merger and Stifel's opinion, there were no material relationships that existed during the two years prior to the date of Stifel's opinion or that were mutually understood to be contemplated in which any compensation was received or was intended to be received as a result of the relationship between Stifel and any party to the merger.

Stifel may seek to provide investment banking services to Cascade Microtech, FormFactor or their respective affiliates in the future, for which Stifel would seek customary compensation. In the ordinary course of its business, Stifel and its clients may transact in the equity securities of each of Cascade Microtech and FormFactor and may at any time hold a long or short position in such securities.

**Regulatory Approvals Required for the Merger**

***General***

Consummation of the merger is conditioned upon the expiration or termination of the waiting period relating to the merger under the HSR Act and the absence of any applicable law or governmental order prohibiting the merger. FormFactor and Cascade Microtech have agreed to use their respective reasonable best efforts to take all actions required to consummate the merger, including effecting all necessary filings, notices, petitions and other documents and obtaining and maintaining all approvals, consents, authorizations and other confirmations required to be obtained from any governmental authority or other third party, except that neither party is required under the merger agreement to enter into a settlement, consent decree or other agreement with a governmental authority in connection with the merger or divest, hold separate or take any other action with respect to any of its or the surviving corporation's subsidiaries or any portion of their respective affiliate's businesses, assets or properties. See The Merger Agreement Conditions to the Merger beginning on page 100 of this proxy statement/prospectus.

***Department of Justice, Federal Trade Commission and Other U.S. Antitrust Authorities***

Under the HSR Act and the rules and regulations promulgated thereunder, certain transactions, including the merger, may not be consummated unless certain waiting period requirements have expired or been terminated. The HSR Act provides that each party must file a pre-merger notification with the Federal Trade Commission, or the FTC, and the Antitrust Division of the Department of Justice, or the DOJ. A transaction notifiable under the HSR Act may not be consummated until the expiration of a 30-calendar-day waiting period following the parties' filing of their respective HSR Act notification forms or the early termination of that waiting period. If the DOJ or the FTC issues a Request for Additional Information and Documentary Material prior to the expiration of the initial waiting period, the parties must observe a second 30-day waiting period, which would begin to run only after both parties have substantially complied with the request for additional information, unless the waiting period is terminated earlier.

FormFactor and Cascade Microtech each filed its required HSR notification and report with respect to the merger on February 18, 2016. The applicable waiting period under the HSR Act expired on March 21, 2016.

Although the parties have satisfied the filing and waiting period requirements under the HSR Act, at any time before or after the merger is consummated, either the DOJ or the FTC could take action under the U.S.

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antitrust laws in opposition to the merger, including seeking to enjoin consummation of the merger, condition approval of the merger upon the divestiture of assets of FormFactor, Cascade Microtech or their subsidiaries or impose restrictions on FormFactor's post-merger operations. In addition, U.S. state attorneys general could take action under state antitrust laws as they deem necessary or desirable in the public interest, including, among other things, seeking to enjoin the consummation of the merger or permitting completion subject to regulatory concessions or conditions. Private parties may also seek to take legal action under the antitrust laws under some circumstances.

### ***Other Governmental Approvals***

Neither FormFactor nor Cascade Microtech is aware of any material governmental approvals or actions that are required for consummation of the merger other than those described above. It is presently contemplated that if any such additional material governmental approvals or actions are required, FormFactor and Cascade Microtech will use their reasonable best efforts to seek those approvals or actions.

### ***Timing; Challenges by Governmental and Other Entities***

There can be no assurance that the regulatory approvals described above will be obtained and, if obtained, there can be no assurance as to the timing of the approvals, the ability of FormFactor and/or Cascade Microtech to obtain the approvals on satisfactory terms or the absence of any litigation challenging such approvals.

In addition, there can be no assurance that any of the governmental or other entities described above, including the DOJ, the FTC, U.S. state attorneys general and private parties, will not challenge the merger on antitrust or competition grounds and, if such a challenge is made, there can be no assurance as to its result.

### **No Dissenters' or Appraisal Rights**

Under Oregon law, Cascade Microtech shareholders are not entitled to dissenters' or appraisal rights in connection with any matters to be considered at the Cascade Microtech special meeting.

### **Material U.S. Federal Income Tax Consequences**

The following are the material U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of Cascade Microtech common stock. This summary is based on the provisions of the U.S. Internal Revenue Code of 1986, as amended, which is referred to in this proxy statement/prospectus as the Code, U.S. Treasury regulations promulgated thereunder, judicial authorities and administrative rulings, all as in effect as of the date of this proxy statement/prospectus and all of which are subject to change, possibly with retroactive effect. Any such change could affect the accuracy of the statements and conclusions set forth in this proxy statement/prospectus.

As used herein, a U.S. holder is a beneficial owner of Cascade Microtech common stock that is:

an individual citizen or resident of the United States;

a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or

an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source. This discussion applies only to shares of Cascade Microtech common stock that are held as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). In addition, it does not address all aspects of U.S. federal income taxation that may be important to holders in light of their particular circumstances or to holders subject to special rules, such as:

financial institutions or insurance companies;

dealers or traders subject to mark-to-market treatment with respect to their Cascade Microtech common stock;

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tax-exempt organizations;

real estate investment trusts;

regulated investment trusts;

persons subject to the alternative minimum tax;

partnerships or other flow-through entities and their partners or members;

persons whose functional currency is not the U.S. dollar;

persons who hold Cascade Microtech common stock or FormFactor common shares as part of a hedge, appreciated financial position, straddle, constructive sale or conversion transaction, or other integrated investment; or

persons who acquired Cascade Microtech common stock pursuant to the exercise of compensatory options or otherwise as compensation.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Cascade Microtech common stock, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. Partnerships holding Cascade Microtech common stock and partners in such partnerships should consult their own tax advisors.

This discussion does not address any aspect of state, local, foreign, estate, gift or other tax law that may be applicable to a U.S. holder. Moreover, this discussion does not address the U.S. federal income tax consequences of the merger to any holder of Cascade Microtech common stock who or which, for U.S. federal income tax purposes, is not a U.S. holder, such as a nonresident alien individual, a foreign corporation, a foreign partnership or a foreign estate or trust. **Accordingly, all Cascade Microtech shareholders are strongly urged to consult their own tax advisors to determine the particular U.S. federal, state or local or foreign income or other tax consequences to them of the merger, and of owning and disposing of FormFactor common shares.**

***Tax Consequences of the Merger Generally***

The receipt of FormFactor common shares and cash in exchange for Cascade Microtech common stock pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes. In general, a U.S. holder will recognize capital gain or loss for U.S. federal income tax purposes on the exchange of Cascade Microtech common stock for FormFactor common shares and cash in an amount equal to the difference, if any, between (i) the sum of the fair market value of the FormFactor common shares on the date of the exchange and the amount of cash received (including cash received in lieu of a fractional FormFactor common share) and (ii) the U.S. holder's adjusted tax basis in the Cascade Microtech common stock surrendered in the exchange. Gain or loss will be determined separately for each block of Cascade Microtech common stock (i.e., shares acquired at the same cost in a single transaction)



exchanged for FormFactor common shares and cash pursuant to the merger. Such gain or loss will be long-term capital gain or loss provided that a U.S. holder's holding period for such shares is more than one year on the date of the exchange. Long-term capital gains of individuals generally are eligible for reduced rates of taxation. The deductibility of capital losses is subject to certain limitations. Capital gains recognized by individuals, trusts and estates also may be subject to a 3.8% federal Medicare contribution tax.

*Backup Withholding and Information Reporting*

Information returns generally are required to be filed with the U.S. Internal Revenue Service, which is referred to in this proxy statement/prospectus as the IRS, in connection with payments of the merger consideration to a U.S. holder unless the U.S. holder is an exempt recipient. Backup withholding at a rate of 28% may apply to payments of the merger consideration to a U.S. holder, unless the holder furnishes a correct

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taxpayer identification number and certifies that such holder is not subject to backup withholding on the IRS Form W-9 or successor form included in the letter of transmittal to be delivered to such U.S. holder following completion of the merger.

Backup withholding is not an additional tax. Any amount withheld under the backup withholding rules will be allowed as a refund or credit against the U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. The IRS may impose a penalty upon any taxpayer that fails to provide the correct taxpayer identification number.

## **Accounting Treatment**

The merger will be accounted for as an acquisition of a business. FormFactor will record net tangible and identifiable intangible assets acquired and liabilities assumed from Cascade Microtech at their respective fair values at the date of the consummation of the merger. Any excess of the purchase price over the net fair value of such assets and liabilities, will be recorded as goodwill.

The financial condition and results of operations of FormFactor after consummation of the merger will reflect Cascade Microtech's balances and results after completion of the transaction but will not be restated retroactively to reflect the historical financial condition or results of operations of Cascade Microtech. The earnings of FormFactor following the consummation of the merger will reflect acquisition accounting adjustments, including the effect of changes in the carrying value for assets on depreciation and amortization expense. Intangible assets with indefinite useful lives and goodwill will not be amortized but will be tested for impairment at least annually, and all assets including goodwill will be tested for impairment when certain indicators are present. If in the future, FormFactor determines that tangible or intangible assets (including goodwill) are impaired, FormFactor would record an impairment charge at that time.

## **Listing of FormFactor Common Stock and Delisting and Deregistration of Cascade Microtech Common Stock**

Application will be made to have the shares of FormFactor common stock to be issued in the merger approved for listing on the NASDAQ Global Market, where FormFactor common stock currently is traded. If the merger is consummated, Cascade Microtech common stock will no longer be listed on the NASDAQ Global Market and will be deregistered under the Exchange Act.

## **Litigation Relating to the Merger**

On March 8, 2016, an individual plaintiff filed a putative class action lawsuit on behalf of Cascade Microtech shareholders against Cascade Microtech, its directors, FormFactor and Merger Sub, in connection with Cascade Microtech, FormFactor and Merger Sub entering into the merger agreement. The lawsuit, captioned *Lum v. Cascade Microtech, Inc., et al.*, No. 16CV07293, was filed in Washington County Circuit Court in the State of Oregon. On April 8, 2016, another individual plaintiff filed a similar putative class action lawsuit against the same defendants. The lawsuit, captioned *Solak v. Cascade Microtech, Inc., et al.*, No. 16CV11809, was filed in Multnomah County Circuit Court in the Sta