

RiverSource LaSalle International Real Estate Fund, Inc.

Form N-CSR

March 11, 2011

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-CSR
CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES
Investment Company Act File Number 811-22031
RiverSource LaSalle International Real Estate Fund, Inc.
(Exact name of registrant as specified in charter)**

50606 Ameriprise Financial Center, Minneapolis, Minnesota 55474

(Address of principal executive offices) (Zip code)

Scott R. Plummer - 5228 Ameriprise Financial Center, Minneapolis, MN 55474

(Name and address of agent for service)

Registrant's telephone number, including area code: (612) 671-1947

Date of fiscal year end: December 31

Date of reporting period: December 31, 2010

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SIGNATURES

EX-99.CODE ETH

EX-99.CERT

EX-99.906CERT

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**Item 1. Reports to Stockholders.
Annual Report**

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Annual Report

RiverSource LaSalle International Real Estate Fund

**Annual Report for the Period Ended
December 31, 2010**

RiverSource LaSalle International Real Estate Fund seeks long-term capital appreciation and, secondly, current income.

Not FDIC insured - No bank guarantee - May lose value

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On Feb. 15, 2011, Stockholders of RiverSource LaSalle International Real Estate Fund, Inc. at a Special Meeting of Stockholders (the Special Meeting) approved a proposal that the Fund be acquired by Columbia Real Estate Equity Fund (the Open-End Fund), an open-end fund which is a series of Columbia Funds Series Trust I (the Acquisition). Both the Fund and the Open-End Fund are managed by Columbia Management Investment Advisers, LLC. As consideration for their shares, holders of the Fund's Common Stock will receive Class Z shares of the Open-End Fund with a value equal to the net asset value of their shares of the Fund's Common Stock on the closing date of the Acquisition, which is anticipated to occur on or about April 8, 2011. Redemptions and exchanges of shares of the Open-End Fund issued pursuant to the Acquisition would be subject to a redemption fee of 2% for a period of one year following the closing date of the Acquisition.

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- > RiverSource LaSalle International Real Estate Fund (the Fund) Common Stock gained 18.88%, based on net asset value, and 38.42%, based on market price, for the 12 months ended Dec. 31, 2010.
- > The Fund underperformed the FTSE NAREIT Equity REITs Index, which rose 27.95% for the 12-month period
- > The Fund underperformed the UBS Global Investors Index, which increased 23.51% for the same period.
- > The Fund outperformed the UBS Global Investors Index (excluding US), which rose 18.87% for the 12-month period.

ANNUALIZED TOTAL RETURNS (for period ended Dec. 31, 2010)

	1 year	3 years	Since inception
RiverSource LaSalle International Real Estate Fund Net Asset Value	+18.88%	-7.37%	-11.74% ^(a)
Market Price	+38.42%	-5.20%	-14.13% ^(b)
FTSE NAREIT Equity REITs Index ⁽¹⁾ (unmanaged)	+27.95%	+0.65%	-4.42% ^(c)
UBS Global Investors Index ⁽²⁾ (unmanaged)	+23.51%	-3.20%	-7.26% ^(c)
UBS Global Investors Index (excluding US) ⁽³⁾ (unmanaged)	+18.87%	-6.63%	-9.56% ^(c)

(a) Since inception total return for net asset value (NAV) is from the opening of business on May 30, 2007, and includes the 4.50% initial sales load. The NAV price per share of the Fund's Common Stock at inception was \$23.88.

(b) Since inception total return for market price is based on the initial offering price on May 25, 2007, which was \$25.00 per share.

(c) Index data is from May 30, 2007.

The performance information shown represents past performance and is not a guarantee of future results. The investment return and principal value of your investment will fluctuate so that your shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information shown. You may obtain performance information current to the most recent month-end by visiting columbiamanagement.com.

Returns reflect changes in market price or net asset value, as applicable, and assume reinvestment of distributions. Returns do not reflect the deduction of taxes that investors may pay on distributions or the sale of shares.

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The indices do not reflect the effects of sales charges, expenses and taxes. It is not possible to invest directly in an index.

- (1) The FTSE NAREIT Equity REITs Index measures the performance of all publicly-traded U.S. real estate trusts that are equity real estate investment trusts (REITs), as determined by the National Association of Real Estate Investment Trusts.
- (2) The UBS Global Investors Index measures the performance of real estate securities within the S&P/Citigroup World Property Index that derive 70% or more of income from rent.
- (3) The UBS Global Investors Index (excluding US) measures the performance of real estate securities within the S&P/Citigroup World Property Index that derive 70% or more of income from rent. This index represents real estate securities in over 21 countries, excluding the United States.

PRICE PER SHARE

	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010	March 31, 2010
Market price	\$ 9.40	\$ 9.31	\$ 6.98	\$ 7.76
Net asset value	9.93	9.84	8.19	9.20

DISTRIBUTIONS PAID PER COMMON SHARE

Payable date	Per share amount
March 29, 2010	\$ 0.0850
June 21, 2010	0.0850
Sept. 22, 2010	0.1500
Dec. 20, 2010	0.4213

The net asset value of the Fund's shares may not always correspond to the market price of such shares. Common stock of many closed-end funds frequently trade at a discount from their net asset value. The Fund is subject to stock market risk, which is the risk that stock prices overall will decline over short or long periods, adversely affecting the value of an investment in the Fund.

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Manager Commentary

LaSalle Investment Management (Securities), L.P. and LaSalle Investment Securities B.V., two independent money managers, manage RiverSource LaSalle International Real Estate Fund's portfolio.

Dear Stockholders,

RiverSource LaSalle International Real Estate Fund (the Fund) Common Stock gained 18.88%, based on net asset value, and 38.42%, based on market price, for the 12-months ended Dec. 31, 2010. In comparison, the FTSE NAREIT Equity REITs Index (FTSE Index) of U.S. real estate companies rose 27.95%, the UBS Global Investors Index of global real estate stocks gained 23.51%, and the UBS Global Investors Index (excluding US) rose 18.87% in the same period.

The Fund is a closed-end fund. The Fund's subadvisers may allocate up to 30% of the Fund's portfolio assets to dividend capture trades to enhance the potential current income of the Fund. The Fund invests, under normal market conditions, at least 80% of its managed assets (as defined in Note 1 in the Notes to Financial Statements) in equity or equity-related securities of international real estate companies.

COUNTRY BREAKDOWN⁽¹⁾ (at Dec. 31, 2010)

Australia	21.1%
Canada	4.5%
Finland	0.8%
France	9.5%
Hong Kong	6.3%
Italy	0.8%
Japan	10.3%
Jersey	1.3%
Netherlands	5.8%
Singapore	5.7%
Sweden	2.6%
Switzerland	1.7%
United Kingdom	11.6%
United States	17.2%

Other⁽²⁾

0.8%

(1) Percentages indicated are based upon total investments (excluding Investments of Cash Collateral Received for Securities on Loan). The Fund's composition is subject to change.

(2) Cash & Cash Equivalents.

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There was significant improvement in the investment real estate market and in the broad financial market in 2010. Investors and strategists came into the year with considerable relief that the financial crisis of the prior eighteen months was subsiding. A vigorous recovery has taken hold in the developing countries in the Asia-Pacific region. Underpinned by a healthy Chinese economy, property and general business has moved forward at a rapid pace in Hong Kong and Singapore. Australia is benefitting from an increased appetite for natural resources from China and other countries. New development is a factor in this region, and governments are concerned with inflation and are trying to cool booming property markets, particularly residential housing but with increased scrutiny of all types of real estate investment.

The more mature economies in the West (and Japan) are on a different track, with slow but positive growth, low inflation, and low interest rates. In almost all instances, real estate fundamentals have turned up, with higher retail sales and stable-to-improving vacancy rates. In this environment, institutional interest in core income-producing properties is

TOP TEN HOLDINGS⁽¹⁾ (at Dec. 31, 2010)

Westfield Group (Australia)	7.9%
Unibail-Rodamco SE (France)	5.5%
GPT Group (Australia)	4.2%
Dexus Property Group (Australia)	4.0%
Corio NV (Netherlands)	3.4%
Hongkong Land Holdings Ltd. (Hong Kong)	3.2%
CapitaLand Ltd. (Singapore)	2.8%
British Land Co. PLC (United Kingdom)	2.7%
Mitsubishi Estate Co., Ltd. (Japan)	2.6%
Westfield Retail Trust (Australia)	2.6%

(1) Percentages indicated are based upon total investments (excluding Investments of Cash Collateral Received for Securities on Loan and Cash & Cash Equivalents).

For further detail about these holdings, please refer to the section entitled Portfolio of Investments.

Fund holdings are of the date given, are subject to change at any time, and are not recommendations to buy or sell any security.

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Manager Commentary *(continued)*

triggering valuation recovery, and the stage is being set for improvement in net operating income performance and increased company earnings.

Positive contributors to the Fund's return in 2010 included stock selection in Continental Europe and Hong Kong. The dividend-capture program in U.S. real estate investment trusts performed in-line with the FTSE Index of U.S. real estate companies. Stock selection in Japan and Singapore made negative contributions to relative performance.

Positive contributors to the Fund's return came from holdings in **NTT Urban** (Japan), **Hongkong Land**, and **Stockland** (Australia). Negative contributors included holdings in **Corio NV** (Netherlands) and **CapitaLand** (Singapore).

Changes to the Fund's portfolio

Our investment process for the international portion of the Fund's portfolio is driven by our estimates of the intrinsic values of the stocks in our investment universe, and our evaluation of the relative values offered by property sectors and individual stocks. In the international portion of the portfolio, a larger percentage of assets was invested at the end of the year compared with the beginning of the year in Singapore, Australia, and Canada. Percentage holdings were less at year end than at the beginning of the year in Continental Europe, Hong Kong, Japan, and the United Kingdom. The strategy of the dividend-capture portion of the portfolio did not change during the year.

Our future strategy

In both mature and emerging economies, modest supply and recovering demand make for real estate fundamentals that are increasingly positive. This is resulting in improved operations and better company earnings reports. We think that the companies in our global investment universe will show a significant improvement in earnings in 2011, with good gains continuing in subsequent years, as the real estate and economic cycles remain on track. This should produce improved earnings visibility.

The capital markets worked to the advantage of publicly-traded global real estate companies this year, and are having a positive effect on property valuation. We expect capital to continue to be broadly available and attractively priced. Most public real estate companies have been able to strengthen their balance sheets on favorable terms, and are well

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positioned to access reasonably-priced capital to take advantage of real estate opportunities as they arise.

The Fund's portfolio includes companies we believe offer an attractive combination of favorable stock prices relative to our estimate of their values, current dividend income, high-quality properties, qualified managers, and the potential for long-term growth through a combination of internal growth and the ability to make attractive new investments or develop new properties. The portfolio is broadly-diversified by region and type of property.

LaSalle Investment Management (Securities), L.P.
LaSalle Investment Management Securities B.V.

Any specific securities mentioned are for illustrative purposes only and are not a complete list of securities that have increased or decreased in value. The views expressed in this statement reflect those of the portfolio manager(s) only through the end of the period of the report as stated on the cover and do not necessarily represent the views of Columbia Management Investment Advisers, LLC (the Investment Manager) or any subadviser to the Fund or any other person in the Investment Manager or subadviser organizations. Any such views are subject to change at any time based upon market or other conditions and the Investment Manager disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Fund.

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Issuer	Shares	Value(a)
Australia (20.9%)		
Charter Hall Office REIT	353,541	\$1,029,456
Commonwealth Property Office Fund	1,682,600(d)	1,426,863
Dexus Property Group	4,610,868	3,745,184
GPT Group	1,311,819(d)	3,940,439
Westfield Group	753,899	7,379,078
Westfield Retail Trust	931,716(b)	2,446,471
Total		19,967,491
Canada (4.5%)		
Allied Properties Real Estate Investment Trust	5,912	127,676
Canadian Apartment Properties REIT		